



The Link Real Estate Investment Trust  
Stock Code : 823

# Link Sustainability with Everything We Do

Annual Report  
2013/2014



## BETTER COMMUNITIES, SUSTAINABLE GROWTH

The Link Real Estate Investment Trust is the first real estate investment trust listed in Hong Kong. We are Asia's largest REIT and also one of the world's largest retail-focused REITs in terms of market capitalisation.

We aspire to be a world class real estate investor and manager, serving and improving the lives of those around us by providing value and quality service, partnering with local communities and delivering sustainable growth.

With a portfolio focused on community shopping centres that serve the daily needs of the people of Hong Kong, we serve the community by creating vibrant and unique retail experiences that meet the needs of the people who live around our shopping centres. By doing so, we are able to provide an effective platform with which the businesses of our tenants can flourish, enhance value for unitholders of The Link REIT and support the local economy.

Our portfolio is vast and the tastes and preferences of the people who use our shopping centres are continually evolving. In order to remain competitive, we are committed to continual improvement across all aspects of our business.

This report sets out the improvement and progress we have made over the last financial year ended 31 March 2014.

# VISION

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

# MISSION

Building relationships with our stakeholders through

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

# VALUES

Managing and operating our business with  
**Respect • Excellence • Integrity • Teamwork**

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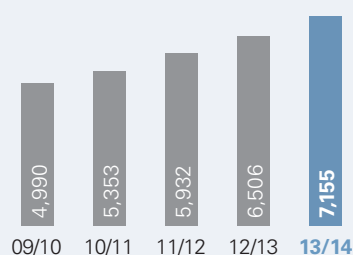
## PERFORMANCE HIGHLIGHTS

ANOTHER YEAR OF IMPROVEMENT

### REVENUE (HK\$'M)

\$7,155

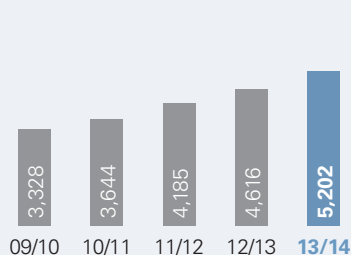
↑ 10.0%



### NET PROPERTY INCOME (HK\$'M)

\$5,202

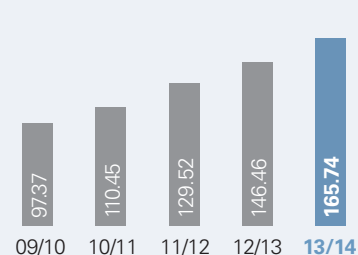
↑ 12.7%



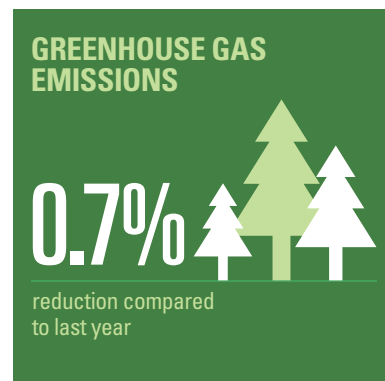
### DISTRIBUTION PER UNIT (HK cents)

165.74¢

↑ 13.2%



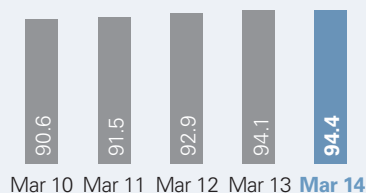
To provide a comprehensive view of how we add value to the communities we operate in, we have presented a selection of our social and environmental indicators alongside our traditional financial indicators. These indicators measure our progress and performance in key aspects outlined in our Sustainability Framework and will serve as key benchmarks against which we will assess our overall performance as we **link sustainability with everything we do**.



### OCCUPANCY (%)

94.4%

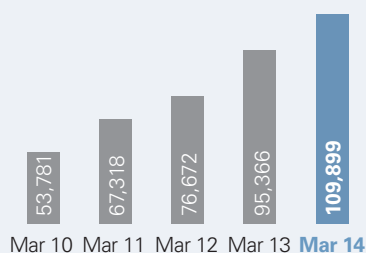
↑ 0.3%



### VALUATION (HK\$'M)

\$109,899

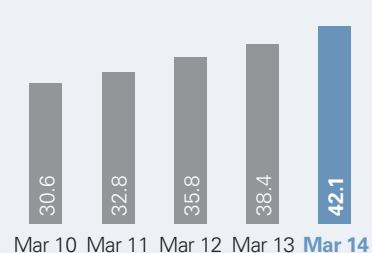
↑ 15.2%



### AVERAGE MONTHLY UNIT RENT (HK\$ per square foot)

\$42.1

↑ 9.6%



35



ASSET ENHANCEMENT PROJECTS  
completed to date



1.9%

ANNUAL INJURY  
RATE OF STAFF

35

TENANTS JOINING OUR  
PORTFOLIO



### TENANT SALES



improvement  
against last year

### # OF EMPLOYEES



452 participated in  
the Employee  
Unit Purchase  
Plan

### MYSTERY SHOPPER SCORE (OUT OF 100)

customer satisfaction  
with our service  
performance



## PORTFOLIO IN BRIEF

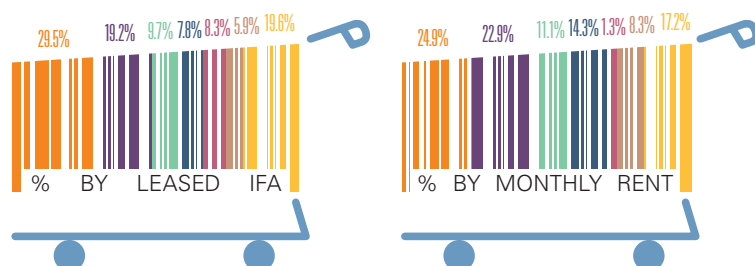
A WORLD CLASS REAL ESTATE INVESTOR AND MANAGER

### KEY STATISTICS

**11 million sq ft\***  
TOTAL INTERNAL FLOOR AREA

HONG KONG ISLAND	8%
KOWLOON	32%
NEW TERRITORIES	60%

### TRADE MIX AS AT 31 MARCH 2014



- Food & Beverage
- Supermarket & Foodstuff
- Services
- Markets/Cooked Food Stalls
- Education/Welfare, Office and Ancillary
- Personal Care, Medicine, Optical, Books and Stationery
- Others\*

\* Includes clothing, department stores, electrical and household products, leisure and entertainment, and valuable goods.

**80,000\***  
CAR PARK SPACES

**12,000\***  
TENANCIES



### SHOPPING CENTRES

As at 31 March 2014:

Occupancy	94.4%
Average monthly unit rent (HK\$ psf)	42.1
For the year ended 31 March 2014:	
Revenue (HK\$ 'M)	5,657
Valuation (HK\$ 'M)	91,245



### CAR PARKS

As at 31 March 2014:

Utilisation	88.1%
For the year ended 31 March 2014:	
Income per bay per month (HK\$)	1,566
Revenue (HK\$ 'M)	1,498
Valuation (HK\$ 'M)	18,654

\* Being approximate figures as at 31 March 2014



## KEY PROPERTY ENHANCEMENTS IN 2013/14



### LOK FU MARKET

Lok Fu Market is an integral part of Lok Fu Plaza, our flagship property, and is the latest property to be treated to The Link REIT's transformational new model for fresh markets in Hong Kong. The Link REIT invested HK\$120 million to modernise the 30-year-old market and the notable achievements of this project include:

- Modernised shopping environment for shoppers and tenants
- Upgraded ventilation and lighting systems
- Introduced new and unique tenants selling high quality produce from around the world
- Increased footfall

### CHOI WAN COMMERCIAL COMPLEX

The rejuvenation of 34-year-old Choi Wan Commercial Complex was completed in December 2013 with an investment of HK\$222 million. Sustainability and green building concepts were injected as key elements in the redesign process, including:

- Minimised heating load and energy consumption by encouraging natural ventilation
- Enhanced green spaces for the local community to enjoy
- Upgraded children's playground facilities
- Preserved the historic banyan tree, an iconic feature of the Choi Wan community



### BUILDING MANAGEMENT SYSTEM ("BMS")

A comprehensive BMS was installed across 69 air-conditioned shopping centres in The Link REIT's property portfolio. The BMS improves operational efficiency and reduces the environmental impact of our energy consumption through:

- Real time monitoring of indoor air temperatures
- Enabling the remote management of indoor environment of all 69 properties from a centralised location
- Enhanced effective management of properties through zoning

In the future, the BMS can be expanded to control and manage all electrical-related features of shopping centres, including lighting, automated fire alarms and CCTV, and has the potential to drive further efficiency across our operations.

# INTEGRATED REPORT

## A COMPREHENSIVE INSIGHT INTO OUR BUSINESS

Linking sustainability with everything we do is our way of ensuring that we are creating long-term value for our Unitholders and the communities that we serve. Our growth, survival and the returns enjoyed by our Unitholders are all contingent on the communities we operate in flourishing and being successful. To operate our business in a responsible and sustainable manner, we strive to implement global best practices in everything that we do. Assessing our performance and reporting on our progress is critical to ensure that we are continually improving, and we do so across a range of both financial and non-financial measures.

Transitioning towards presenting an Integrated Report ("**IR**") is our way of bringing together material information about our organisation's strategy, governance, performance, integrity and prospects in a way that recognises the commercial, social and environmental context within which we operate.

The International Integrated Reporting Council ("**IIRC**", [www.theiirc.org](http://www.theiirc.org)) has outlined guiding principles for preparing an integrated report, which are summarised below.



### STRATEGIC FOCUS AND FUTURE ORIENTATION

Our Chairman's Statement outlines the vision and strategy of The Link REIT, highlighting what we do and how we do it. The Report of The Chief Executive Officer provides insight into how we create value for our interested audiences.



### CONNECTIVITY OF INFORMATION

We chose to follow the IIRC Framework, as we believe this allows us to best demonstrate how we create value for the communities and improve the lives of those around us while generating strong financial results for our Unitholders. Information in this report is complemented by our other engagement channels including our corporate website ([www.thelinkreit.com](http://www.thelinkreit.com)), Channel 823 corporate magazine and other publications. These are all readily available to all of our interested audiences.





## STAKEHOLDER RELATIONSHIPS

We utilise a range of methods including direct dialogue, surveys and corporate publications (electronic and print) to maintain open communication on our value creation strategies with our various audiences. Interested audiences can send their feedback to us via e-mail, corporate hotline, surveys and post.



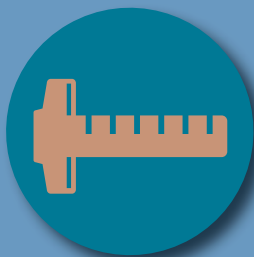
## RELIABILITY AND COMPLETENESS

Our financial statements are audited by PricewaterhouseCoopers and conform to all applicable accounting standards and disclosure requirements. Non-financial data are reported in accordance to the IIRC <IR> Framework and Global Reporting Initiative G4 guidelines and are verified by the Hong Kong Quality Assurance Agency.



## MATERIALITY AND CONCISENESS

We are focused on providing Unitholders and other readers concise details on the material issues of our business. These material issues are prioritised from extensive engagement exercises conducted during the year with our investors, staff, tenants, shoppers, the general public and opinion formers including interest groups, government officials and media.



## CONSISTENCY AND COMPARABILITY

Where possible we have provided data in a way that enables our Unitholders to compare our performance this year with our performance during the previous year and/or the industry. In addition, we follow a number of globally recognised benchmarks to measure and monitor our progress such as the real estate industry specific Global Real Estate Sustainability Benchmark.

## CHAIRMAN'S STATEMENT

In The Link REIT's Annual Report last year, I moved away from the traditional format for a Chairman's Statement. Rather than simply summarising the financial results, reviewing strategic developments and considering the business outlook, I took a step back and set out how we, the Board of Directors, see the role and purpose of The Link REIT in the community. Companies that are successful are only able to provide sustainable returns if they create value for the community as a whole. If they do not, in the long run they will fail to provide sustainable returns for their shareholders. Businesses, indeed all organisations, can only survive if they form as part of the community.

The Business Purpose Statement that I outlined last year, which placed the business activities of The Link REIT in a community context, was intended as a template against which our performance could be assessed by us and by those outside our organisation. I intend to use this framework as the reference point in assessing our performance and highlighting areas where we have shown significant improvement over the past 12 months.

This year's Annual Report marks our first step towards an integrated reporting model – in-line with our ambition to deliver world class financial reporting and corporate governance.

### WHAT DO WE DO?

As Hong Kong's largest REIT, and one of the top 10 retail-focused REITs globally, we invest in, manage and operate property assets held by our Unitholders, which currently comprises shopping centres, car parks and a small number of other commercial assets in Hong Kong. In order to be a successful property manager and to realise the full potential of these assets for our Unitholders, it is essential for us to attract the communities that live and work near to our properties to spend time and shop in our shopping centres, rather than choosing to visit those of our competitors.

### WHY DO WE DO IT?

Our retail facilities primarily serve the daily needs of nearby residents. As an extension of the living space of those living near to our shopping centres, they form an important part of community life. Given the unique community focus of our properties, our aim is to work to achieve a mix of retail outlets that meets neighbourhood needs, and to deliver this in a setting that is welcoming, comfortable and binds communities together. If we fail, our shoppers have many options and will simply take their businesses elsewhere. But if we succeed, we are not only successful in generating good returns for our Unitholders, we also improve the daily lives of those living around our shopping centres.

### HOW DO WE DO IT?

Our portfolio is large and varied and we operate in one of the most dynamic and rapidly-evolving property markets in the world. For us to be an effective manager we must be continually focused on how we can upgrade and improve the physical hardware, enhance the service that we provide to shoppers, improve the skills and motivation of our employees and sub-contractors, and deepen our understanding of the local communities around our shopping centres so that we can ensure the mix of stores meets their needs. This is a continuing process that requires us to be in an ongoing dialogue with all of the audiences that are important for our business and to search constantly for ways to improve and remain competitive. It also requires us to have one eye on the future and how the context in which we operate is changing.

## IMPROVEMENTS THIS YEAR

**[Hardware]** Optimising and maintaining hardware is vital for any commercial property manager. At our formation, many of the assets that we acquired had out-dated designs. Our rolling asset enhancement programme, aimed at improving the conditions of our shopping centres and realising the full potential of our properties, has seen the transformation of five properties during the year under review. Delivering high environmental standards, improving the volume and flow of people and addressing the needs of elderly and disabled shoppers through barrier free access have been an essential part of this strategy.

**[Software]** So much of our success depends upon our people; their motivation, skills and level of engagement. We continue to invest in our staff through the Executive Diploma in shopping centre management, which we offer to staff in partnership with The Hong Kong Polytechnic University, as well as improvements to our talent management systems, work-life balance initiatives and the further development of our employee unit purchase plan. We have extended a number of our training programmes to include sub-contracted employees; we believe it is important that everyone involved in our business understands the value of what they are doing and feels vested in our success.

**[Tenants]** Each time we renovate a property or renew the leases of tenants in one of our shopping centres, we assess how we can further improve the tenant mix to meet the evolving needs of shoppers. We also work directly with tenants to help them to manage their businesses to effectively meet the expectations of shoppers. As we continue to improve our properties, we are pleased to find more and more tenants are interested in establishing a presence in our shopping centres.

**[Community]** Our business is intertwined with the communities of which our shopping centres form a part; we can only be successful if the community itself flourishes, and if the people within that community choose to spend time in our properties. Over the past 12 months, we have been promoting community life so that spending time in our properties becomes more attractive through unique events, and our charity and community engagement programme.

**[Governance]** Our team ultimately works on behalf of our Unitholders in managing their assets. Our governance framework needs to be effective in ensuring that Unitholders are informed about (and able to interrogate) the strategic direction of The Link REIT set by the Board of Directors.

In this year's Annual Report I have provided for the first time an introduction to the Corporate Governance section which outlines what we have been focused on over the year and the key objectives for the year ahead.

## CHAIRMAN'S STATEMENT

Mr Michael Ian ARNOLD retired from the Board on 3 September 2013 after nine years of service. I would like to express my appreciation to Michael who played a very important role in the development of The Link REIT during his term. Meanwhile, we were pleased to welcome Mrs Eva CHENG LI Kam Fun as an independent non-executive director of the Manager as at February 2014. Eva has a wealth of experience and is an exciting addition to the Board.

During the year, we also made improvements to the way that we assess levels of compensation to directors and senior management, including the long term incentive plan.

## THINKING LONG TERM

Cutting through everything that we do is the need to look to the future and build a business that not only generates value today, but also positions itself for the way that the world will be tomorrow. The forces of globalisation, the changing tastes and composition of shoppers in Hong Kong and the rapid advance in technology and emergence of ecommerce mean we are operating in an increasingly dynamic and evolving environment; we cannot afford to stand still. Nowhere else is this more true than in Hong Kong, where the city's population demography is changing fast, and the shopping population has been transformed by Mainland China's rapid economic development.

In order to lay the foundation for the future growth of our business, we won the overwhelming support of 94% of our Unitholders to extend our investment mandate to invest outside Hong Kong. We did so only after a long period of consultation with our Unitholders. The Board's view is that while there are always risks and challenges inherent in expanding into new geographies, it would be more risky for our long term success not to do so, since our business would become increasingly narrow.

We believe the recent change to our investment mandate opens up significant long-term opportunities to grow our business, provides new ways for our staff to grow and develop their skills and experience and to apply our expertise in building upon the relationships we have with Hong Kong retailers, many of whom are already expanding into Southern China.

Investing in this wider region will lay the foundations for a future in which the economic dividing lines between Hong Kong and Southern China become increasingly blurred.

We have also contributed to the Securities and Futures Commission consultation on the Code on Real Estate Investment Trusts and where we believe it would be in Unitholders' long term interest for us to have greater flexibility in investment scope and the ability to engage in property development to a limited extent.

## ASSESSING "HOW WE ARE DOING"

Every business needs feedback so that it can assess the success of its efforts. We do this across a range of indicators. The feedback we get and the data we track are nuanced and demands careful analysis – expressed preferences of shoppers may differ from sales data, for example.

The very first test of whether we are creating value for the community is to check whether we are making a profit. Revenue and net property income continued to improve and increased by 10.0% and 12.7% respectively compared to last year.

For each renovation, we assess the return on investment, whether the sales of our tenants are increasing and get feedback from the tenants and community on what has worked and what has not, so that we can continually improve the effectiveness of our capital expenditure.

Beyond the financial metrics, we are also pleased with how we have performed across non-financial performance indicators. Our first comprehensive research study into our reputation and brand among key audiences has revealed recognition of the improvements we are making, although we still have some way to go in addressing misconceptions about our business among external audiences. Meanwhile our occupancy rate remains high, our staff attrition rate is below the industry average and our mystery shopper feedback puts us ahead of our peers measured by customer service.

The Board and the senior management team are open and welcome feedback from all who have an interest in our business.

## THE LINK TO A BETTER FUTURE

At The Link REIT we are all committed to continuous improvement. We are pleased with the achievements of the past 12 months both in the quality of our portfolio and our operational effectiveness. I would like to thank our management and staff on behalf of the Board for their professionalism and commitment, which has been so crucial to this success. With such a large and complex business, there is always more to be done. We aspire to the highest standards, so the opportunities for improvement in our assets, and the way that we run our business are never exhausted.

**Nicholas Robert SALLNOW-SMITH**

*Chairman*

The Link Management Limited

As Manager of The Link Real Estate Investment Trust

4 June 2014

## 2013/14 MILESTONES

### ACCOMPLISHMENTS AND RECOGNITIONS

Serving and improving the lives of those around us means that we must **consistently strive to make a positive economic, environmental and social impact on the communities we operate in**, while managing our business in a transparent manner with a robust governance structure. Following this philosophy, in the past year we have made a number of improvements and achievements to our business operations and engagement with the community.

#### ECONOMY

In February 2014, Unitholders of The Link REIT overwhelmingly (94% of those who voted) approved an amendment to expand the geographical investment scope of The Link REIT, allowing us to invest outside of Hong Kong. This provides the possibility of new growth opportunities.



Unitholders vote overwhelmingly to expand the geographical investment scope at the Extraordinary General Meeting

#### ENVIRONMENT

In 2013, The Link REIT achieved its 20/20 vision of reducing its total annual energy consumption by 20% of 2010 levels. This achievement came as a result of a 5-year energy management programme, which included enhancing energy efficiency and improving energy management.



A historic banyan tree at Choi Wan Commercial Complex

The Link REIT launched a pilot programme to monitor and measure the total waste generated at seven of its properties. The pilot programme will lead to establishing a protocol to effectively monitor, minimise and mitigate waste production across the properties in The Link REIT's portfolio and places us in good stead for a likely waste levy to be implemented by the Hong Kong Special Administrative Region Government.



Food waste is collected from stall tenants for composting at Lok Fu Market



## CORPORATE GOVERNANCE

Board diversity in terms of expertise and gender was again improved with the appointment of Mrs Eva CHENG LI Kam Fun to The Link REIT's Board of Directors in February 2014. Mrs. Eva Cheng previously served as executive chairman of Amway (China) Co., Ltd..



Board diversity is an important aspect of our corporate governance practices

An independent performance evaluation of the Board was completed in the year with improvements already incorporated into the Board's function. An assessment of the remuneration policy for the directors and senior management was also completed including review of the long-term incentive plan.

The Link REIT continues to maintain strong involvement in government and community affairs by actively participating in 14 working, advisory and technical groups of governmental and non-governmental organisations.



Being a part of the community, we stay actively involved in community affairs through various stakeholder engagement activities

## COMMUNITY

In September 2013, The Link Together Initiatives funded its inaugural charity and community engagement programmes. A total of HK\$10.4 million was committed to 10 community programmes that focus on the well being of youth and the elderly.



"The Link Together Initiatives" supports a wide range of community programmes

## BRAND

Our efforts to ensure we have positive economic, environmental and social impacts on the community have been recognised by local and international organisations. These awards and recognitions serve as indicators that our corporate strategy is in-line with global best practices, and encourages us to pursue continual improvement. Notable awards and recognitions in 2013 include:

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



Awards obtained during the year reflect our commitment to excellence



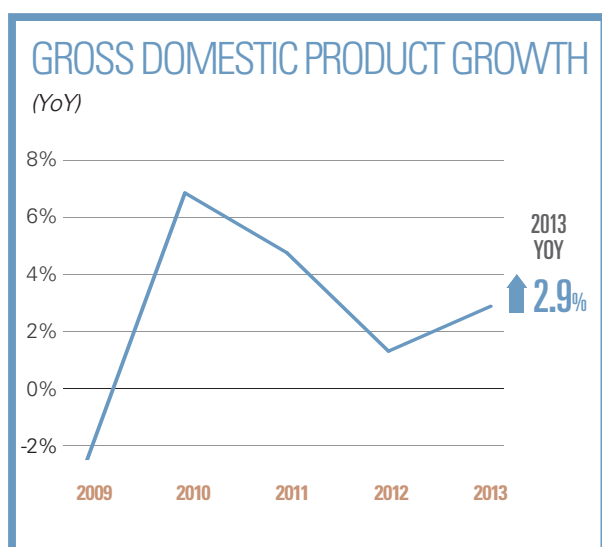
## OPERATING LANDSCAPE

### HONG KONG'S RETAIL ENVIRONMENT

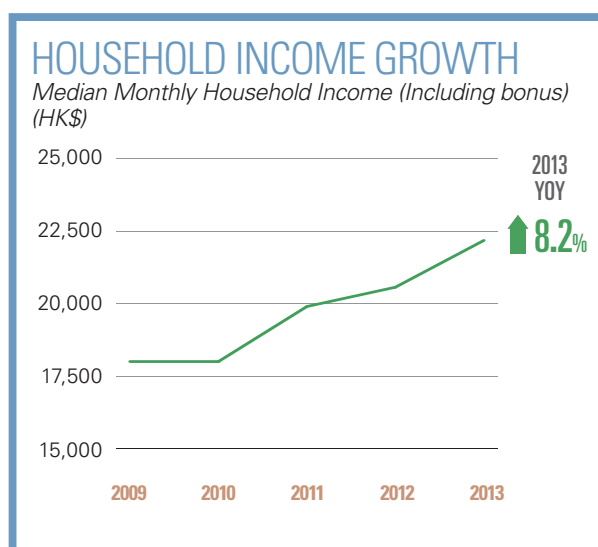
The Link REIT benefited from a number of positive economic factors during the year under review, supporting the successful management and operation of our property assets and creating value for our Unitholders.

### HONG KONG MARKET PERFORMANCE

**[Domestic conditions]** Gross domestic product growth in Hong Kong in 2013 was 2.9% and is expected to accelerate to 3.2% year-on-year in 2014. This sound economic and market condition further fueled by the steady improvement of household income and near-historical low unemployment rate of 3.3% in 2013 further drove private consumption during the year under review.



Source: Census and Statistics Department



Source: Census and Statistics Department



Source: Census and Statistics Department, CEIC



Source: Hong Kong Tourism Board, CEIC

**[Retail sales]** Overall retail sales performance remained satisfactory in 2013, but growth rates started to moderate towards the latter part of the year mainly due to a slowdown in the high-end retail segments. The non-discretionary spending segment of the market maintained a stable growth and is expected to be less affected by changes in market momentum.

**[Tourist arrivals]** Sustained growth in tourist arrivals has continued to support growth in retail sales, but tourist spending has switched from focusing on high-end retail to a wider range of general retail items.

**[Retail rental]** Retail rent in prime locations peaked in early 2013 and retailers continued to expand in the New Territories due to relatively high cost in prime districts, and further encouraged by increasing numbers of visitor arrivals from Mainland China. With limited supply of new prime retail space in the pipeline, non-traditional shopping areas such as the New Territories locations will become more important.

**[Operating Cost]** The continued increase in operating costs has placed pressure on various businesses within the economy during 2013. The increase in minimum wage as well as the electricity tariff hike induced businesses to focus more on cost containment.



# CREATING VALUE BY SERVING AND IMPROVING THE LIVES OF THOSE AROUND US



## < IR > Framework Capitals



### **Manufactured capital:**

Manufactured physical objects that are available to an organisation for use in the production of goods or the provision of services.



### **Intellectual capital:**

Organisational, knowledge-based intangibles associated with the brand and reputation that an organisation has developed.



**Financial capital:** The pool of funds that is available to an organisation for use in the production of goods or the provision of services obtained through financing or generated through operations or investments.



**Human capital:** People's competencies, capabilities and experience, and their motivations to innovate.



### **Social and relationship capital:**

The institutions and relationships established within and between each community, group of stakeholders and other networks (and an ability to share information) to enhance individual and collective well being.



**Natural capital:** All renewable and non-renewable environmental resources that provide goods or services that support the past, current or future prosperity of an organisation.

## The Link Sustainability Framework



**Asset/Brand:** Be a trusted global leader in responsible property investment and management.



**Economy:** Improve our property portfolio to pursue steady and sustainable growth.



**Staff:** Provide a fair, equitable and transparent work environment valuing work life balance and leadership development.



**Community:** Enhance, enrich, and support local communities.



**Tenant:** Establish long term relationships with our tenants to enhance and support their operations.



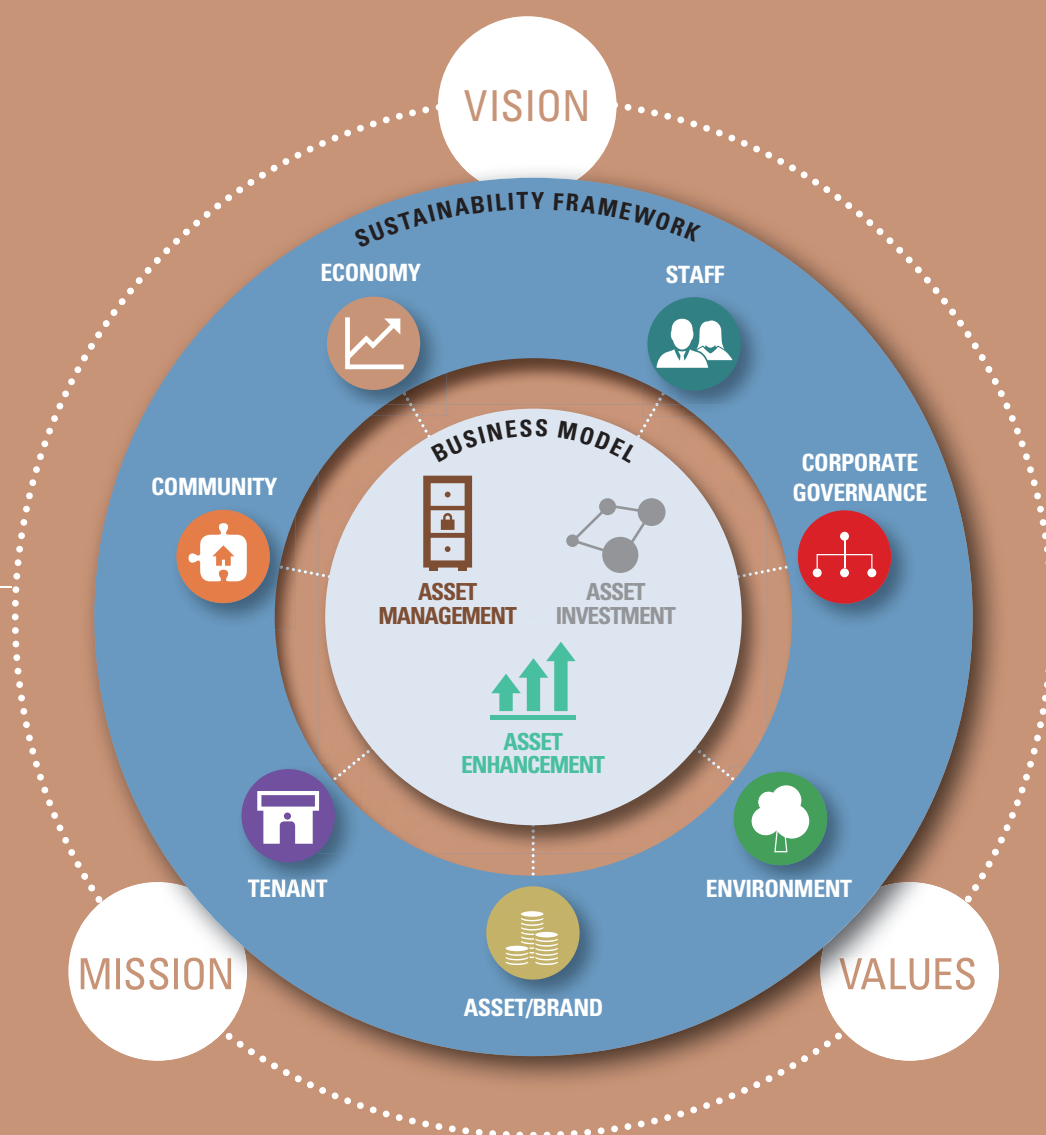
**Environment:** Minimise environmental footprint and strive to be a community leader in making a positive impact on the environment.

**Corporate Governance:** Promote transparency, accountability and proactive risk management.



Following the principle of creating value, The <IR> Framework presents the concept of six “capitals” which represent stores of value that can affect the sustainability of an organisation’s business model and therefore its ability to create value over time. These capitals represent critical inputs into The Link REIT’s business model and as such, we have chosen to follow the <IR> Framework for our management discussion and analysis of our 2013/14 performance.

The table on the left illustrates how the <IR> Framework Capitals are linked to the different elements of our Sustainability Framework.



## REPORT OF THE CHIEF EXECUTIVE OFFICER

Our vision is to become a world class real estate investor and manager, serving and improving the lives of those around us. I am delighted to be able to share in this year's report a number of improvements across the business during the year that have taken us closer to this vision, and to announce that we have recorded an eighth consecutive year of growth in the financial year ended 31 March 2014.

### HOW WE CREATE VALUE

As our Chairman has outlined, we operate in one of the world's most dynamic and rapidly evolving retail markets, so to be an effective operator we must be focused on how we can upgrade and enhance our properties, improve the service we provide to tenants, develop the skills and improve the motivation of our employees and sub-contractors, and deepen our understanding of the communities that live around and use our shopping centres. If we are successful in all of these areas, then we add value and improve the lives of our tenants, shoppers, employees and the community, while delivering good returns for our Unitholders.



Entertaining events are organised to draw visitors to the shopping centre, whilst enlivening the community

Given that our growth and survival is based on whether or not the communities we operate in flourish and are successful, it makes sense for us to assess our performance in the form of an integrated report. In 2010, we established our Sustainability Framework, which outlined seven key aspects that are critical to the success of our business. The <IR> Framework "capitals" concept closely matches our Sustainability Framework and presents a logical and accepted framework to discuss how we create value for our different audiences. Please refer to page 16-17 for more details on how the <IR> Framework and The Link Sustainability Framework guide our business model.

## OUR THREE GROWTH DRIVERS

I would like to highlight the most significant developments and improvements from across our three key growth drivers of our business model – (1) Asset Management, (2) Asset Enhancement and (3) Asset Investment.

### ASSET MANAGEMENT

#### Leasing

We continue to follow an active leasing strategy aimed at attracting different retailers to be a part of our portfolio so that we can provide shoppers with a selection that combines brands and shopping experiences that they know and like with new and unique choices.

Over the past 12 months our leasing team has taken a strategic approach in delivering a tenant mix and shopping experience that is attractive to shoppers and appealing to the local communities. In addition to deepening our district-level analysis to deliver such a tenant mix, this year we have also been exploring how explicit trade zones that group together tenants of the same trade category enhance the shopping experience and overall positioning of our shopping centres.

We have also completed a number of internal restructuring within our leasing department that will ensure that this team is more efficient and able to collaborate better in offering a compelling proposition to new and existing tenants in a joined-up, organised and impactful fashion. These changes were critical to enable our next phase of growth and improvement.

#### Property Management

Our property management team has made significant progress in a number of areas during the year under review. In addition to demonstrating disciplined cost control across all of the areas where it has oversight, the property management team introduced a number of energy saving initiatives, which has resulted in achieving our 20/20 vision six years early.

Our active energy management programme saw us focused this year on the standardisation and control of day-to-day operations of air-conditioning and lighting systems across our portfolio. We also implemented an extensive building management system to remotely manage shopping centre chillers across our air-conditioned properties – this is just the initial step in our plans to remotely monitor and control all aspects of energy consumption across our portfolio. More importantly, these initiatives were implemented with no negative impact on our tenant operations or shopper experience.



The efforts made by our teams to enhance customer service are recognised by a prestigious industry award



## REPORT OF THE CHIEF EXECUTIVE OFFICER

Energy management will continue to be a key part of our property management strategy, and with the cost of energy projected to rise in the coming years, it is essential for us to monitor and control energy consumption attentively.

For the first time since 2007, we increased our management fee due to rising utility and property management costs. Our tenants were consulted to gain their support prior to introduction of the new fee structure, which will help fund and support further improvements to the way we manage the properties to the benefit of our tenants, shoppers and communities around us.

### ASSET ENHANCEMENT

Our asset enhancement projects revive communities by revitalising and repositioning shopping centres throughout Hong Kong. In the year under review, asset enhancement projects were completed at Chung Fu Plaza, Sheung Tak Plaza, Choi Wan Commercial Complex and Sha Kok Commercial Centre.

In addition, our transformation of Lok Fu Market saw us make further progress in rolling-out the fresh market strategy that we initiated three years ago with the upgrade of Tai Yuen Market. Drawing inspiration from some of the most popular and well known food markets around the world, our renovated fresh markets provide a highly unique and differentiated shopping experience that is redefining this pillar of the retail category in Hong Kong.

Through our district strategy, which looks at the broad macro and population trends that are impacting the areas where we have properties, we are able to identify asset enhancement opportunities that offer the best potential.

We continue to see considerable opportunities across our portfolio to conduct upgrade and improvement work to the shared benefit of our Unitholders, tenants, shoppers and the communities living around our shopping centres. During our early years much of the focus of our upgrade work has rightly been on our largest assets by valuation but as time passes, we are beginning to work our way round to some of the smaller properties. With such a large portfolio and with us operating in such a dynamic and rapidly changing market, we continue to have a strong pipeline of enhancement projects and this will remain one of the core ways that we realise value for Unitholders.

### ASSET INVESTMENT

During the year under review we have continued to assess our strategic growth plans and actively sought out properties in Hong Kong that fit with our positioning as an operator of mid-market, non-discretionary, community shopping centres.



Lok Fu Market, a showcase of our innovative fresh market asset enhancement programme, which has breathed new life into Hong Kong's unique food culture



To support the next phase of our growth and provide us with a long-term pipeline, we were successful in enlisting the support of 94% of those Unitholders who voted favourably in the extraordinary general meeting held in February 2014 to change our investment mandate so as to enable us to invest outside of Hong Kong. As we plan for the long-term growth of The Link REIT, the expansion of our geographical mandate will provide more opportunities for growth.

As a responsible real estate investor and manager, we regularly review our portfolio to assess opportunities to recycle capital and create value for our Unitholders. Subsequent to the year end, on 20 May 2014, tenders were accepted for the disposal of four of our properties for a total consideration of HK\$1,239.7 million. In each case, the sale price exceeded the asset's appraised value.

## RISKS AND OPPORTUNITIES

Looking forward, we continually assess the opportunities and challenges for the future growth and development of our business and operations.

### Opportunities beyond Hong Kong

Continuing development of the regional transportation network has driven the closer integration of Hong Kong and Mainland China, in particular, the Pearl River Delta region. The new regional expressways and railways being developed should stimulate the pace of urbanisation and connectivity within the region. This will help consolidate the importance of major cities while also stimulating economic growth and allowing the expansion of businesses in the decentralised areas.

China's retail expenditures grew significantly in the past decade and will be sustained by urbanisation, the shift towards a consumption led economy and the emergence of an increasingly affluent middle class. The rapidly rising household income and the changing expenditure pattern have fueled retail sales growth and opened up new opportunities in China.

We see Mainland China as a complementary market and logical next step, and believe it will play to support and widen our future growth opportunities. Our initial investment focus will be in the Pearl River Delta region, where many of our tenants have already established operations. We believe that over the coming years, the dividing lines between Hong Kong and Pearl River Delta region will become increasingly blurred from an economic point of view as the two regions blend together and become increasingly interconnected. Our investment focus in Mainland China will remain similar; mid-tier community shopping centres that provide a mixture of discretionary and non-discretionary products and services.



The Link REIT and China Vanke Co., Ltd have entered into a memorandum of understanding to explore collaboration opportunities

In support of the recent change to our investment mandate that has enabled The Link REIT to explore opportunities in Mainland China, we entered into a non-binding memorandum of understanding with China Vanke Co., Ltd. ("**China Vanke**"), a leading property developer in Mainland China, to explore collaboration opportunities.

## REPORT OF THE CHIEF EXECUTIVE OFFICER

Investment in Mainland China will also allow us to support our tenants' expansion, serving as a trusted real estate partner as we grow together beyond the borders of Hong Kong. As always, The Link REIT will maintain a prudent approach to growth and conduct all appropriate due diligence as and when investment opportunities arise.

### Proposed Changes to the REIT Code

The SFC has consulted the market on amendments to the REIT Code, which will introduce a degree of flexibility in the investment scope of REITs. Under the proposals, REITs will be allowed to invest up to 10% of their gross asset value in property development and they will be able to invest in financial instruments such as listed securities and overseas property funds. We contributed to the SFC consultation and are exploring how the amendments can be in our long-term interests to enhance our future growth and development.

The ability to invest in property development can facilitate capital growth, create pricing advantages and provide greater control over our projects, and the ability to invest in financial instruments can provide flexibility for us to generate better returns for our Unitholders – while putting us on an equal footing with other REITs in Asia.

### Local Economy

Although we have achieved significant improvements in our staff attrition rate, the general labour shortage in Hong Kong has increased pressure on operating expenses. This has been further intensified by recent adjustments in the statutory minimum wage. Challenges presented by an uncertain global economic environment, a potential deceleration of growth in China's economy and property market cooling measures introduced by the Hong Kong Special Administrative Region Government continue to have an uncertain impact upon all levels of the labour force.

We believe that the Hong Kong economic fundamentals will remain strong. However, overall local consumption sentiments may be affected by the outlook of the local property market and a possible interest rate hike which will hit spending on discretionary items more than non-discretionary items.

### Interest Rates

As at the year end, The Link REIT had HK\$6.47 billion or 66% of net debt on fixed rates for an average life of 6.2 years. With only HK\$3.30 billion in net debt on floating rates coupled with active capital management and strong credit ratings, our capital structure is well-prepared to weather fluctuations in interest rates and support growth opportunities.

We believe improvements in asset quality and underlying property value – supported by strong rental growth – should offset pressure from a potential expansion of capitalisation rates due to an expected increase in market interest rates.

### Asset Disposal

We will continue to review and monitor the portfolio performance of The Link REIT in contemplation of enhancing operating efficiency and will consider disposal of properties with outlying potential to recycle capital and create further value for our Unitholders.

## THE LINK SUSTAINABILITY ADVISORY COMMITTEE

We believe that sustainability is good for those around us, and therefore good for our business. In recent years, our sustainability efforts have been recognised by local and global organisations including The Chamber of Hong Kong Listed Companies, the Dow Jones Sustainability Asia Pacific Index and the FTSE4Good Index.

As we continue to strengthen our sustainability effort, it is important that we receive outside perspectives on environment, community and sustainability issues. To do so, we established a Sustainability Advisory Committee comprised of local and global leaders who have a sound understanding and experience in implementing sustainability into different facets of Hong Kong life.

Committee members have diverse backgrounds and represent areas including non-governmental organisations, finance, academia, government and the business community. Members provide their insight and guidance on matters related to The Link REIT's corporate sustainability programme, and challenge us to continually improve.



Back row (standing, left to right): Mr. Michael Lai, Mr. Sunny Cheung, Dr. Michael Chan, Mr. Bernard Chan, Mr. Sunny Yeung, Prof. Eddie Hui, Mr. Michael Lo (Secretary)  
Front row (seated, left to right): Mr. Solomon Wong (Observer), Ms. Teresa Au, Mr. George Hongchoy (Chairman), Dr. Glenn Frommer, Dr. Calvin Lee Kwan (Alternate Secretary)  
Not pictured: Mrs. Eva Cheng

## A STRONG FOUNDATION

Over the past four years we have focused on establishing a strong foundation and developing the skills that are necessary to improve the business and realise the next phase of The Link REIT's growth. This drives us to improve our property management expertise, refine our leasing strategy and take a more proactive approach to understand the needs and concerns of those living in the local communities around our shopping centres and all those who are impacted by our business.

We have delivered another year of good returns for our Unitholders, but this strong financial performance is just one of the metrics that shows we are creating value. Across our business, there are countless examples of how The Link REIT has generated value in the community – we have tried to capture many of these in this year's Annual Report.

As we move forward and further improve and enhance the skills we have developed and the knowledge we have acquired over the past few years, the challenges that we face will be more complex and will require even greater focus and effort to succeed. The market may become more volatile, however, we are confident that we have established a solid foundation to enable us to meet these increasingly complex challenges.

### George Kwok Lung HONGCHOY

*Chief Executive Officer*

The Link Management Limited

As Manager of The Link Real Estate Investment Trust

4 June 2014

## MANUFACTURED CAPITAL

### OUR ASSET ENHANCEMENTS AND ASSET INVESTMENTS

As at 31 March 2014, the value of The Link REIT's property portfolio was HK\$109,899 million, a year-on-year increase of 15.2%.



The Link REIT's manufactured capital comprises retail properties and car park spaces. These assets, wholly owned by the Unitholders, are distributed throughout Hong Kong, and form our foundation for meeting and serving the daily needs of communities across the region.

### VALUATION REVIEW

The total value of The Link REIT's investment properties increased 15.2% to HK\$109,899 million (31 March 2013: HK\$95,366 million). As at 31 March 2014, the value of the retail properties increased 13.9% from HK\$80,090 million as at 31 March 2013 to HK\$91,245 million. The value of car parks also increased 22.1% from HK\$15,276 million as at 31 March 2013 to HK\$18,654 million.

Pursuant to the requirements of the REIT Code, Jones Lang LaSalle Limited retired after serving a consecutive term of three years and CBRE Limited was appointed as the principal valuer of The Link REIT and valued The Link REIT's property portfolio as at 31 March 2014.

CBRE Limited used a combination of discounted cash flow ("DCF") and income capitalisation approaches to value The Link REIT's portfolio. The uplift in valuation was largely due to the increase in net property income of the portfolio in general and the lowering of the capitalisation rates of part of the portfolio to reflect the improved quality and rental growth prospects of those properties.

Valuation Approach	As at 31 March 2014	As at 31 March 2013
<b>Income Capitalisation Approach – Capitalisation Rate</b>		
Retail properties	4.40 - 6.60%	4.50 - 6.75%
Retail properties: weighted average	5.09%	5.20%
Car parks	4.80 - 7.60%	5.00 - 8.25%
Car parks: weighted average	6.16%	6.42%
Overall weighted average	5.27%	5.39%
<b>DCF Approach</b>		
Discount rate	7.50%	7.50%

### ASSET ENHANCEMENT

The strength of The Link REIT's property portfolio is a result of a robust and proven track record of identifying and pursuing opportunities to add value to our portfolio through asset enhancement programmes ranging from minor works to complete renovations. Prioritisation of properties for asset enhancement is supported by comprehensive research and assessment of

local consumer preferences, retail environment and community demographics. Up to 31 March 2014, our asset enhancement programmes provided satisfactory return on investment across 35 completed projects, investing HK\$3.4 billion since our initial public offering ("IPO").

## STATUS OF ASSET ENHANCEMENT PROJECTS

	Completion Date On or before 31 March 2014 35 projects (HK\$3,402M)	Target Completion Date					
		2014	2015	2016	2017	2018	2019
Completed since IPO							
Underway			7 projects (HK\$1,159M) <sup>(1)</sup>				
Pending statutory approval				7 projects (HK\$1,362M) <sup>(1)</sup>			
Others under planning						>13 projects (>HK\$1,600M) <sup>(1)</sup>	

Note:

(1) Estimated figures as at 31 March 2014.

In the year under review, five asset enhancement projects were completed, bringing the total number of completed projects to 35. The five projects include two fresh markets, and the further upgrade to Chung Fu Plaza, the portfolio's second largest asset. All five projects achieved returns on investment exceeding our targets. Seven projects are in progress, including two projects which have secured statutory approvals in the second half of the financial year. Seven additional projects are pending necessary statutory approvals before construction can start.

## RETURN ON INVESTMENT OF ASSET ENHANCEMENT PROJECTS COMPLETED IN THE YEAR ENDED 31 MARCH 2014

	Total IFA as at 31 March 2014 '000 square feet	Total Project Capex HK\$'M	Estimated return on investment <sup>(3)</sup> %
Chung Fu Plaza (Phase II) <sup>(2)</sup>	218	170	16.8
Sheung Tak Plaza <sup>(2)</sup>	131	87	23.6
Lok Fu Market <sup>(1)</sup> <sup>(2)</sup>	21 <sup>(4)</sup>	120	17.2
Choi Wan Commercial Complex	166	222	16.7
Sha Kok Commercial Centre <sup>(1)</sup>	92	125	17.0
<b>Total</b>		<b>724</b>	

Notes:

(1) Project included a fresh market upgrade.

(2) Property ranked amongst top 10 by valuation.

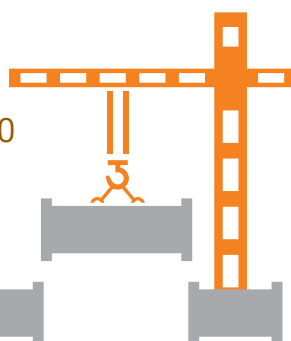
(3) Estimated return on investment is calculated based on projected net property income post project minus net property income pre project divided by estimated project capital expenditures and loss of rental.

(4) IFA for Lok Fu Market only included the fresh market portion.



The newly renovated Chung Fu Plaza provides more choices to an extended catchment population

The Link REIT  
will commit over  
HK\$2,962 million to  
our enhancement  
pipeline



The upgrade of Chung Fu Plaza has reinforced its position as a regional centre serving an extended catchment population at the heart of the Tin Shui Wai District. The improvements at Sheung Tak Plaza have strengthened its competitiveness in the Tseung Kwan O District and will help The Link REIT to capitalise on the large supply of new residential flats in the area in the next few years.

The Lok Fu Market is our latest fresh market to undergo a complete revamp that builds upon the Tai Yuen Market upgrade. The enhancement created a whole new experience for shoppers and tenants, with new layout and stall design, and the introduction of new services as well as activities such as cooking demonstrations. The renovation of Sha Kok Commercial Centre improved the connection between the fresh market and shopping centre with the addition of escalators. We have now completed five fresh market renovations since our pilot Tai Yuen Market in 2011/12, and are planning more fresh market upgrades in our future enhancement projects.

Choi Wan Commercial Complex was an extensive renovation project of a 34-year-old asset with major improvements to vertical circulation and access, and the creation of new shops, while preserving and revitalising the centre's existing key features such as the central courtyard. The renovation was well received by tenants and the community, and the centre was near full occupancy before its re-opening.

## APPROVED ASSET ENHANCEMENT PROJECTS UNDERWAY

	Estimated costs HK\$'M	Target completion date
Hoi Fu Shopping Centre <sup>(2)</sup>	39	Mid 2014
Mei Lam Commercial Centre	87	Late 2014
Yau Oi Commercial Centre <sup>(1)(2)</sup>	474	Late 2014
On Ting Commercial Complex }		
Un Chau Shopping Centre <sup>(2)</sup>	66	Late 2014
Tsing Yi Commercial Complex <sup>(2)</sup>	140	Early 2015
Lung Cheung Plaza	353	Late 2015
<b>Total</b>	<b>1,159</b>	

Notes:

(1) Project includes a fresh market upgrade.

(2) Property ranked outside of top 50 by valuation.



Our asset enhancement programmes are a key component in attracting repeat patronage by both tenants and shoppers. Enhanced properties consistently score better than unenhanced properties in tenant and shopper satisfaction surveys. There exists many more opportunities to implement asset enhancement programmes throughout our portfolio. The asset enhancement at Yau Oi Commercial Centre and On Ting Commercial Complex is a comprehensive transformation integrating the two properties into one centre. The project also includes the complete revamp of the fresh market, our sixth fresh market renovation upon completion. Following the successful completion of the Wah Sum Shopping Centre enhancement last year, we continue to expand our asset enhancement strategy to properties in our portfolio that sit beyond the top 50, with upgrades being planned for Hoi Fu Shopping Centre, Un Chau Shopping Centre and Tsing Yi Commercial Complex. Together with Mei Lam Commercial Centre, all these centres are being revitalised to better serve the daily needs of their respective communities.

Lung Cheung Plaza, located in the Wong Tai Sin District, was one of our first properties to undergo asset enhancement after our IPO. Since the completion of its first asset enhancement back in 2006, Lung Cheung Plaza was a key driver in enhancing the local community and district, taking advantage of the nearby tourist attractions at Wong Tai Sin Temple and high public transportation permeation along Lung Cheung Road, a major artery of road transport in Kowloon. Since then, a number of new residential developments and competing retail properties have been introduced in the area, further enhancing the Wong Tai Sin District and introducing increased choice for shoppers. To ensure the competitiveness and continuing improvement of Lung Cheung Plaza, the property will undergo a second cycle asset enhancement, which will include increased integration with nearby tourist attractions, enhanced façade and shop front visibility and modifications to the property layout to improve shopper circulation.



The enhancement works at Lung Cheung Plaza seek to increase the property's integration with its neighbouring tourist attraction – Wong Tai Sin Temple

For those properties not scheduled for asset enhancement in the near future, we will add value by improving the “software” offered at these locations and completing minor works such as aesthetic enhancements. Including our asset enhancement projects, we have invested HK\$1,088 million to upgrade our properties and facilities during the year under review.

According to the 10-year plan set earlier in 2013, we will continue to improve the services and facilities at our car parks to provide car park users with a better parking environment. These include the continuous effort in installing brighter and more energy efficient LED lights, upgrading the CCTV systems and installing car park tailgate detection systems at various car parks. The HK\$400 million-plus 10-year plan also aims at refurbishing all car parks within the said time span.



## ASSET INVESTMENT

Adding new properties into our portfolio through asset investment remains a key component of adding value to our manufactured capital. In July 2012, we expanded our investment scope to include investments in all classes of sustainable-income producing non-residential properties, including but not limited to, stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong but excluding hotels and serviced apartments. During the year, we further strengthened our long-term asset investment growth opportunities with two significant developments to our asset investment mandate.

In December 2013, we signed a non-binding memorandum of understanding with China Vanke, one of the largest property developers in Mainland China to jointly find suitable investment opportunities in China retail properties. This was subsequently followed by a change in our investment mandate allowing us to invest in properties outside of Hong Kong, as approved by 94% of the Unitholders voting in our extraordinary general meeting in February 2014.

These two events mark the possibility of a strategic cooperation that brings together The Link REIT's expertise in commercial real estate investment, operation and management with China Vanke's real estate development expertise, experience and deep knowledge of the local Mainland China markets. The strategic cooperation will provide The Link REIT access to consider a pipeline of projects in the desirable "new mainstream" market or middle-class segment of Mainland China.

The Mainland China market has remarkable potential, due to rising wages and increased consumer spending. We will continue to focus on managing mid-market, non-discretionary retail properties in catchment areas with a significant growth outlook. We have begun to evaluate investment opportunities in Mainland China, with an initial focus on the Pearl River Delta region where many of our current tenants already have operations.

In Hong Kong, we will actively seek investment opportunities in the mid-market segment to leverage our expertise in asset management. We will also continue to review and identify properties with outlying potential for possible disposal to recycle capital and create further value for our Unitholders.

Subsequent to the year end, on 20 May 2014, The Link Properties Limited (wholly-owned by The Link REIT) accepted tenders by independent third parties for the Retail and Car Park within Tung Hei Court, Hing Tin Commercial Centre, Wah Kwai Shopping Centre and Kwai Hing Shopping Centre. Consideration for each property exceeded the appraised value as at 31 March 2014, and the net disposal proceeds will be used for funding potential investment and unit buy-back opportunities in the future, as well as for the general working capital of The Link REIT, where appropriate.

Property	Consideration in the accepted tender document HK\$ 'M	Appraised value as at 31 March 2014 HK\$ 'M
Retail and Car Park within Tung Hei Court	72.9	43.0
Hing Tin Commercial Centre	210.0	188.0
Wah Kwai Shopping Centre	518.0	366.0
Kwai Hing Shopping Centre	438.8	299.0
<b>Total</b>	<b>1,239.7</b>	<b>896.0</b>

## INTELLECTUAL CAPITAL

### OUR EXPERTISE IN ASSET MANAGEMENT

As at 31 March 2014, the portfolio was 94.4% occupied, an increase of 0.3% from 31 March 2013.



Our asset management expertise, comprising leasing and property management, forms The Link REIT's intellectual capital.

## LEASING

Our leasing strategy consists of pursuing sustainable rental growth, introducing an exciting tenant mix across our properties and reducing long-term vacancies. We have achieved an occupancy rate of 94.4% for our entire property portfolio.

## RETAIL PORTFOLIO BREAKDOWN

Properties <sup>(1)</sup>	Retail properties valuation	Retail rentals	Average monthly unit rent per leased IFA		Occupancy rate	
	As at 31 March 2014 HK\$'M	Year ended 31 March 2014 HK\$'M	As at 31 March 2014 HK\$ psf	As at 31 March 2013 HK\$ psf	As at 31 March 2014 %	As at 31 March 2013 %
1-10	25,636	1,393	60.5	55.7	98.7	98.4
11-50	42,303	2,417	45.1	41.2	95.6	95.0
51-100	19,267	1,245	32.4	30.0	91.8	91.9
101-153	4,039	271	23.2	20.8	89.3	89.6
Total	91,245	5,326	42.1	38.4	94.4	94.1

Note:

(1) Ranked by retail valuation as at 31 March 2014.

## OPERATIONAL STATISTICS OF THE RETAIL PORTFOLIO

	Occupancy rate		Composite reversion rate		% of total IFA <sup>(1)</sup>
	As at 31 March 2014 %	As at 31 March 2013 %	Year ended 31 March 2014 %	Year ended 31 March 2013 %	As at 31 March 2014 %
Shops	96.6	96.3	25.8	24.7	82.1
Markets/Cooked Food Stalls	82.4	82.0	25.1	28.0	8.9
Education/Welfare, Office and Ancillary	86.3	86.0	14.1	10.0	9.0
Total	94.4	94.1	25.7	24.6	100.0

Note:

(1) Total excluding self use office.

35



TENANTS JOINING  
OUR PORTFOLIO

Our leasing team has been heavily involved with the layout and design of each enhancement project with a view to maximise footfall, create points of attraction and efficient circulation to all areas of our shopping centres. We have increased rental revenue through more efficient allocation of floor space to create new shop areas, more shopping choices and by creating themed trade zones.



Culinary delights meet cozy ambience at a new restaurant in the renovated Lok Fu Market

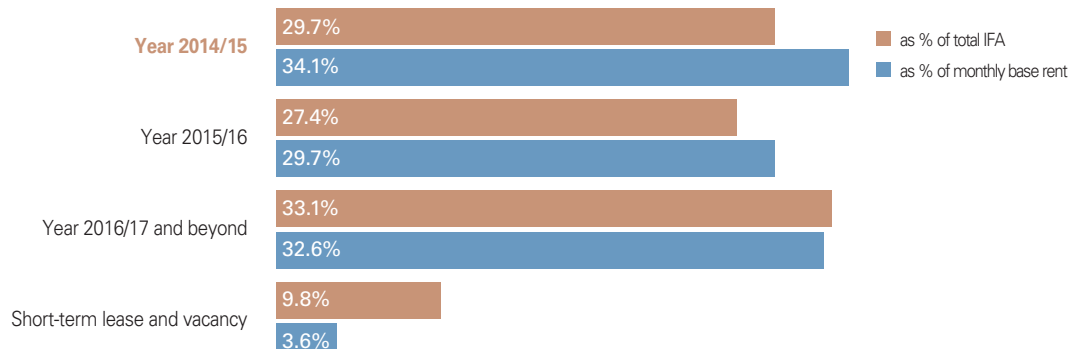
New tenants enrich our trade varieties and increase our brand offerings, which increase the overall attractiveness of our shopping centres. We regularly engage with prospective tenants to understand their businesses or expansion plans and to identify how their operations can add value to our existing trade mix.

Overall, our active property management and leasing strategies have created in-demand retail locations, particularly among our top 50 properties. As we move forward, we are constantly adjusting and fine-tuning these strategies to make the most efficient use of existing space, increase footfall and identify opportunities to facilitate and support the business of our tenants. A key challenge will be addressing and reducing long vacant

shop areas (i.e. retail spaces that have not been leased for 24 months or more) which comprise 3.4% of our total IFA as at 31 March 2014. We will continue to evaluate the remaining long vacant shop areas to understand the nature of their vacancies, including physical, regulatory and technical constraints, and identify appropriate strategies to reduce these stocks.

## PORTFOLIO LEASE EXPIRY PROFILE

(As at 31 March 2014)



## RETAIL TRADE MIX BY MONTHLY BASE RENT AND LEASED IFA

(As at 31 March 2014)

Trade	as % of monthly base rent (%)	as % of total leased IFA (%)
Food and Beverage	24.9	29.5
Supermarkets and Foodstuff	22.9	19.2
Markets/Cooked Food Stalls	14.3	7.8
Services	11.1	9.7
Personal Care, Medicine, Optical, Books and Stationery	8.3	5.9
Education/Welfare, Office and Ancillary	1.3	8.3
Others <sup>(1)</sup>	17.2	19.6
Total	100.0	100.0

Note:

(1) Includes clothing, department stores, electrical and household products, leisure and entertainment, and valuable goods.

During the year under review, The Link REIT's tenants' average monthly retail gross sales per square foot continued to improve and rose by 7.9% as compared to last year. "Food and Beverage" posted a healthy year-on-year growth in gross sales per square foot of 12.1%, while "General Retail" and "Supermarkets and Foodstuff" recorded an increase of 6.8% and 5.6%, respectively.

## PROPERTY MANAGEMENT

Our property management focuses on effective control of property operating costs and delivering a consistently high quality of service to tenants and shoppers.

Against the rising electricity tariff rates, we have again managed to lower our year-on-year total annual electricity consumption by 20 million kWh, a reduction of 7.8% over last year. The corresponding annual cost savings amounted to HK\$23 million, excluding the impact of tariff increment. This was achieved following a combination of replacing inefficient chillers, improving lighting efficiency, installing variable speed drives to control airflow and implementing a comprehensive building management system for all air-conditioned properties. These cost savings initiatives are part of the 5-year Link Energy Management Programme, which was launched in 2010 to improve energy efficiency across our property portfolio.

We are pleased to see that by March 2014 we early achieved our 20/20 vision which is to reduce, by 2020, our total annual energy consumption by 20% against the 2010 baseline. Moving forward, there will be a projected annual increase in energy tariffs over the next five years. Utility costs will continue to be a significant operating cost and to prepare for this, we are developing a second 5-year energy management programme which will include initiatives such as chiller optimisation and better zone control of lighting and temperature at our properties. In line with our efforts to continually improve, we have established a revised target, which seeks to achieve a 30% reduction in annual energy consumption by 2020, again using 2010 as a baseline.

In November 2013, an independent assessment ranked our entire property portfolio among the top five in Hong Kong in terms of overall energy efficiency performance. Implementing energy conservation and efficiency measures will become increasingly challenging as hardware upgrade initiatives such as chiller and lighting replacement will soon be exhausted. Our energy management strategy will start to shift towards using our BMS for focused monitoring and managing of electricity consumption at the individual property level.

During the year under review, we started implementing our service standardisation programme which addresses issues such as improving customer service facilities and upgrading lavatory provisions. This programme serves to ensure that shoppers can experience and enjoy quality service that is consistent across all our properties. The entire service standardisation programme will be complete in 2014/15.

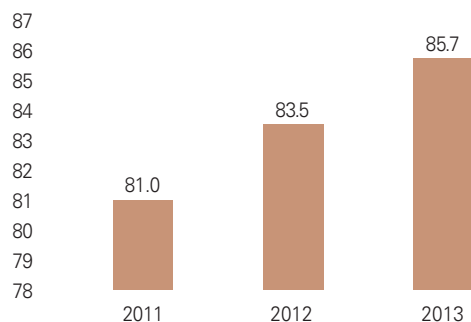
We continue to rollout our barrier free access ("**BFA**") programme to facilitate all people to have access to our properties. As at 31 March 2014, 73 properties completed basic BFA modifications, with works for the remaining properties scheduled for completion either in 2014/15 and 2015/16 or to be addressed during asset enhancement work.

We have streamlined our repair and maintenance work programme in order to ensure that work orders – placed by tenants, shoppers or our own staff – are addressed in a timely manner to provide tenants and shoppers with the best possible retail environment. In 2013/14, 78% of works requested were completed within one day, and we aim to increase this to 80% in 2014/15.

Our Mystery Shopper Programme continues to monitor and assess our performance, and our continuing efforts have been evidenced in our improving scores, both within our portfolio and against comparable properties in Hong Kong.

## PEAK MYSTERY SHOPPER SCORES FOR THE ENTIRE PORTFOLIO

(Score out of 100)



Evaluation Criteria for Mystery Shopper Programme:

- 1. Facilities**  
Including common area, washrooms, lifts/escalators, fire safety and access
- 2. Customer service**  
Including service level of customer service counters, ambassadors, cleaners and fitters
- 3. Barrier free accessibility\***
- 4. Customer service for people with disabilities\***
- 5. Car park facilities\***

*\*newly added items*

The Mystery Shopper Programme has been implemented for three consecutive years. We have consistently been improving on previous years, and strive to achieve and maintain a satisfactory score of over 80.

## CAR PARK

In 2013/14 several general market trends including a year-on-year increase of car registrations in Hong Kong and a slow increase in the number of car park spaces resulted in a favourable environment for our car park business. Our car park utilisation rate increased to 88.1% as at 31 March 2014 compared to 83.5% as at 31 March 2013, reflecting increasing demand for our car park spaces and increased patronage at our shopping centres.

We will continue to enhance our car park services, including improving security, to increase our car park utilisation.



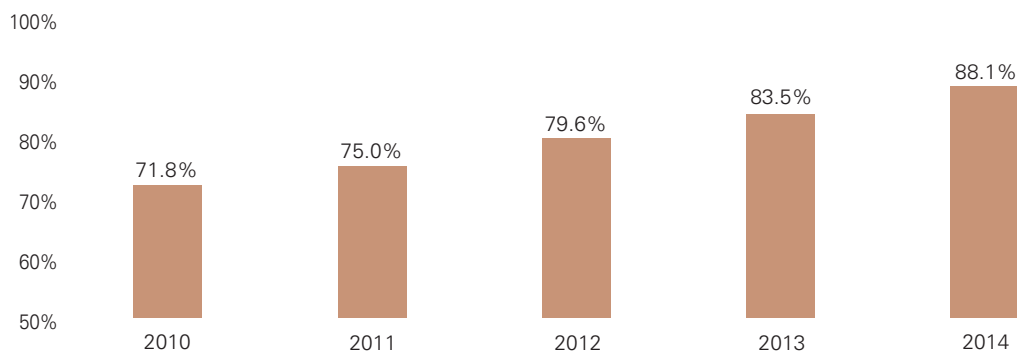
As service enhancements are made to further improve security, car park users enjoy greater ease of mind

## KEY CAR PARK PERFORMANCE INDICATORS

	Year ended 31 March 2014	Year ended 31 March 2013
Utilisation of car park spaces (%)	88.1	83.5
Car park income per space per month (HK\$)	1,566	1,378
Net property income margin (%)	69.1	65.5
Average valuation per space (HK\$'000)	235	192

## CAR PARK UTILISATION TREND

(As at 31 March)



## FINANCIAL CAPITAL

### OUR FINANCIAL RESOURCES AND CAPABILITY

The Link REIT continued to record solid growth for this financial year with total distribution per unit increased by 13.2%.



## OVERALL FINANCIAL RESULTS

During the year, revenue and net property income increased by 10.0% and 12.7% year-on-year to HK\$7,155 million (2013: HK\$6,506 million) and HK\$5,202 million (2013: HK\$4,616 million), respectively. Distribution per unit for the year increased by 13.2% year-on-year to HK165.74 cents (2013: HK146.46 cents), comprising an interim DPU of HK80.22 cents (2013: HK71.08 cents) and a final DPU of HK85.52 cents (2013: HK75.38 cents). The total DPU represents a distribution yield of 4.3% based on the closing market price of the units of HK\$38.15 on 31 March 2014. The Manager has continued its policy of distributing 100% of The Link REIT's distributable income. Our distribution reinvestment scheme has been suspended since interim distribution for the year 2013/14.

## FINANCIAL REVIEW

### REVENUE ANALYSIS

Supported by strong consumer sentiment, rising household income from favourable employment conditions, and the enhanced appeal of our shopping centres resulting from our property management and asset enhancement programmes, total revenue surged 10.0% to HK\$7,155 million (2013: HK\$6,506 million), comprising rental income from retail properties of HK\$5,326 million (2013: HK\$4,872 million), car parks of HK\$1,494 million (2013: HK\$1,315 million) and other property related revenue of HK\$335 million (2013: HK\$319 million).

	Year ended 31 March 2014 HK\$'M	Year ended 31 March 2013 HK\$'M	Year-on-year change %	Percentage contribution in year ended 31 March 2014 %
<b>Retail rentals:</b>				
Shops <sup>(1)</sup>	4,338	3,974	9.2	60.6
Markets/Cooked Food Stalls	695	640	8.6	9.7
Education/Welfare, Office and Ancillary	137	128	7.0	1.9
Mall Merchandising	156	130	20.0	2.2
<b>Car park rentals:</b>				
Monthly	1,108	973	13.9	15.5
Hourly	386	342	12.9	5.4
<b>Expenses recovery and other miscellaneous revenue:</b>				
Property related revenue <sup>(2)</sup>	335	319	5.0	4.7
<b>Total</b>	<b>7,155</b>	<b>6,506</b>	<b>10.0</b>	<b>100.0</b>

Notes:

(1) Includes base and turnover rents.

(2) Includes other revenue from retail properties of HK\$331 million (2013: HK\$316 million) and car parks of HK\$4 million (2013: HK\$3 million).



## EXPENSE ANALYSIS

Total property operating expenses for the year increased 3.3% to HK\$1,953 million (2013: HK\$1,890 million). In spite of inflationary pressure and the increase in the minimum wage during the year, we managed to contain cost increments at low level raising our net property income margin to 72.7%.

	Year ended 31 March 2014 HK\$'M	Year ended 31 March 2013 HK\$'M	Year-on-year change %	Percentage contribution in year ended 31 March 2014 %
Property managers' fees, security and cleaning	543	499	8.8	27.8
Staff costs	325	326	(0.3)	16.6
Repair and maintenance	200	205	(2.4)	10.2
Utilities	296	305	(3.0)	15.2
Government rent and rates	209	187	11.8	10.7
Promotion and marketing expenses	111	109	1.8	5.7
Estate common area costs	114	116	(1.7)	5.8
Other property operating expenses	155	143	8.4	8.0
<b>Total property operating expenses</b>	<b>1,953</b>	<b>1,890</b>	<b>3.3</b>	<b>100.0</b>

As a result of the increase in the statutory minimum wage in Hong Kong since May 2013, property managers' fees for the year increased by 8.8%.

Effective energy management measures promoted operating efficiency. Despite an increase in electricity tariffs, utilities expense decreased by 3.0% compared to last year as a result of continuous efforts in the energy management programme, in particular chiller replacement, electricity consumption control, and lighting improvement.

Repair and maintenance costs were reduced following improvements to our properties and efficient management of works.

Government rent and rates have increased primarily because of a reduction in the Government rates concession during the year. Meanwhile, ratable value increased in-line with rental increases, contributing to the increase in the expenses.

Promotion and marketing expenses remained steady with numerous innovative marketing campaigns introduced during the year to attract more shoppers to our properties.

## CAPITAL MANAGEMENT

We have taken a proactive capital management approach in response to the changing market conditions. During the year ended 31 March 2014, total debt declined to HK\$12.56 billion (31 March 2013: HK\$13.36 billion). With increase in property valuation, our gearing level dropped to 11.0% (31 March 2013: 13.6%) .

## FINANCIAL CAPITAL

### OUR FINANCIAL RESOURCES AND CAPABILITY

During the year under review, The Link REIT issued HK\$350 million 7-year unsecured notes at a fixed rate of 3.15% per annum under the MTN Programme and signed a total of HK\$2 billion 5-year new unsecured bilateral bank loan facilities at an average all-in cost of HIBOR + 1.275% per annum.

A HK\$650 million bilateral bank loan was repaid in September 2013. In order to further improve our credit rating, we will gradually refinance all secured debts from The Hong Kong Mortgage Corporation Limited when they fall due with unsecured facilities. The first HK\$1 billion tranche of secured loan was repaid in May 2013. The second HK\$2 billion tranche and the final HK\$1 billion tranche of secured loans are scheduled for repayment in May 2014 and May 2015, respectively. Accordingly, by May 2015, no property of the Group will be pledged.

## COMMITTED DEBT FACILITIES <sup>(1)</sup>

(As at 31 March 2014)

(HK\$ billion)	Fixed rate debt <sup>(2)</sup>	Floating rate debt <sup>(2)</sup>	Utilised facilities	Undrawn facilities	Total committed facilities
Secured loan	0.75	2.25	3.00	-	3.00
Unsecured bank loans	1.40	1.81	3.21	4.31	7.52
MTN	4.32	2.03	6.35	-	6.35
<b>Total</b>	<b>6.47</b>	<b>6.09</b>	<b>12.56</b>	<b>4.31</b>	<b>16.87</b>
<b>Percentage</b>	<b>52%</b>	<b>48%</b>	<b>74%</b>	<b>26%</b>	<b>100%</b>

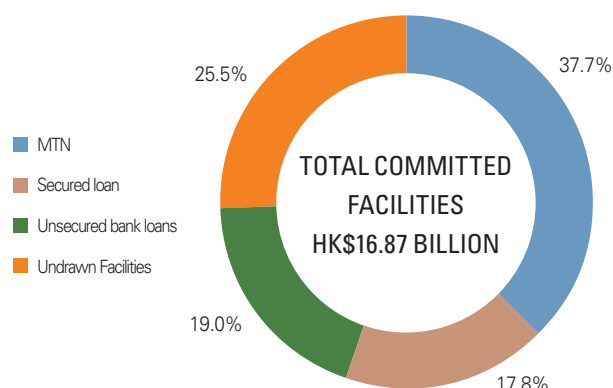
Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

## FUNDING BASE

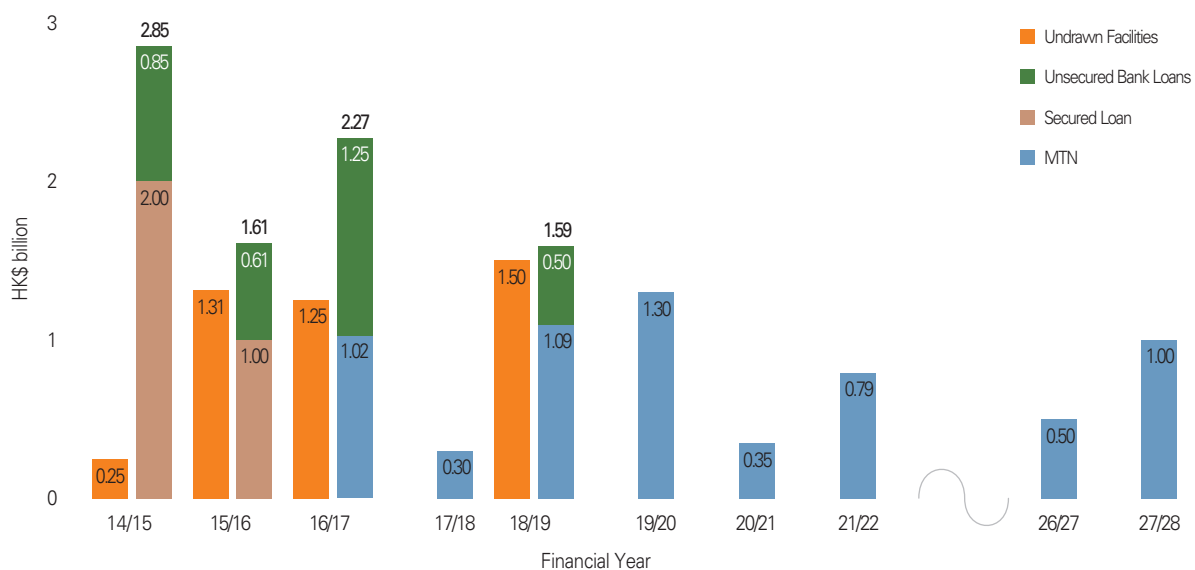
(As at 31 March 2014)



Maturity of the Group's debt portfolio has been widely spreaded out to reduce refinancing risk. We manage no more than 30% of the total debt maturing in any financial year. Average outstanding life of the Group's committed debt facilities as at 31 March 2014 was reduced slightly to 3.7 years (31 March 2013: 4.0 years) only because of the impact of the HK\$2 billion secured loan being scheduled for repayment on 30 May 2014, for which the funding has been fully arranged. Should the HK\$2 billion secured loan be excluded, average life of debt facilities would have increased to 4.2 years.

## FACILITY MATURITY PROFILE <sup>(1)</sup>

(As at 31 March 2014)

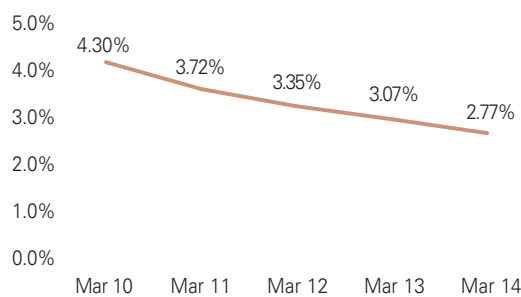


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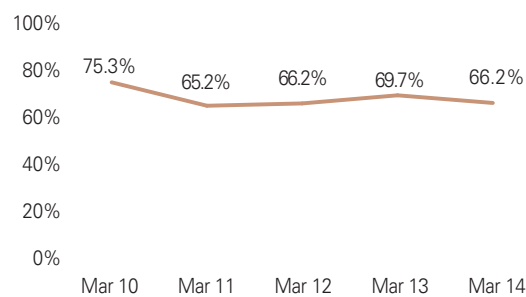
(1) All amounts are at face value.

Through our continuous efforts over the last few years, the effective interest cost of our debt portfolio was reduced from 4.30% as at 31 March 2010 to 2.77% as at 31 March 2014. At the same time, the percentage of fixed rate debt to net debt has been consistently maintained at around 65% to 75%.

## EFFECTIVE INTEREST COST



## FIXED DEBT / NET DEBT

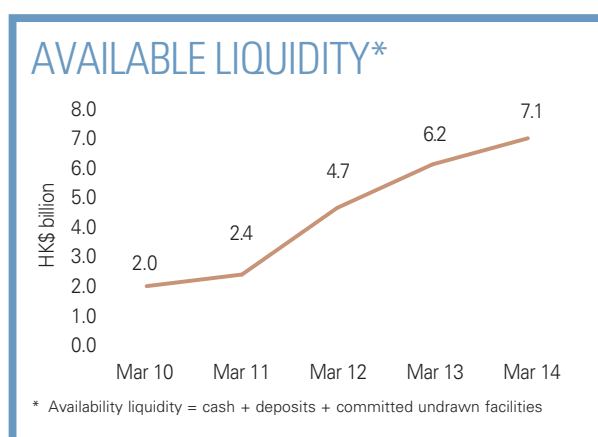
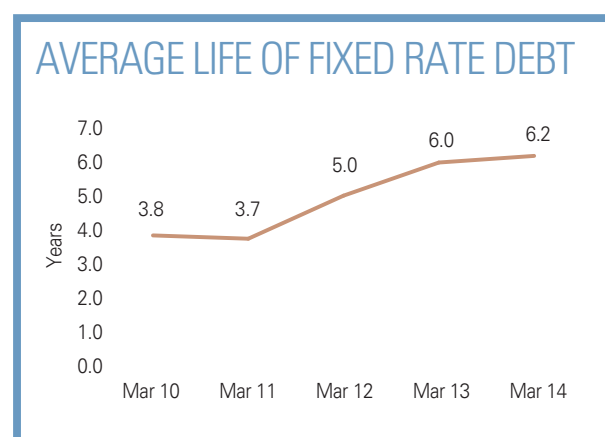


## FINANCIAL CAPITAL

### OUR FINANCIAL RESOURCES AND CAPABILITY

General market expectation is that the United States Federal Reserve will end its asset purchase programme by the end of 2014 and will start raising interest rates from mid 2015. We believe that The Link REIT is well positioned to face the challenge of an increasing interest rate cycle. The average life of fixed rate debt, representing the average period of interest rate protection provided by the fixed rate debt, has increased to 6.2 years as at 31 March 2014.

In order to support The Link REIT's future growth strategy, we have further increased the available liquidity to HK\$7.10 billion (31 March 2013: HK\$6.21 billion), comprising HK\$2.79 billion (31 March 2013: HK\$3.15 billion) in cash and deposits and HK\$4.31 billion (31 March 2013: HK\$3.06 billion) in committed but undrawn facilities.



The Link REIT's credit ratings were affirmed by Moody's Investors Service at A2/Stable on 11 February 2014 and by Standard & Poor's at A/Stable on 7 March 2014.

## KEY CREDIT METRICS BY RATING AGENCIES

	As at 31 March 14 <sup>(3)</sup>	As at 31 March 13 <sup>(4)</sup>	S&P (A / Stable)	Moody's (A2 / Stable)
Total debt / total assets	11.1%	13.6%	N/A	< 30%
Total debt / total capital <sup>(1)</sup>	11.5%	14.3%	< 35%	N/A
FFO <sup>(2)</sup> : total debt	32.8%	26.6%	> 15%	N/A
EBITDA interest coverage	12.1x	9.6x	N/A	> 3.5x
Total debt / EBITDA	2.5x	3.0x	N/A	< 5.0x

Notes:

(1) Total capital is calculated by total debt plus net assets attributable to Unitholders.

(2) Funds from operations is calculated by net cash generated from operating activities with adjustments for operating lease expense, interest expenses and income.

(3) Figures are yet to be confirmed by rating agencies.

(4) Figures are based on reports of rating agencies.

## HUMAN CAPITAL

### THE PEOPLE WE WORK WITH



We aim to provide our staff with a fair, equitable and transparent work environment valuing work life balance and leadership development, with the long-term goal of becoming an employer of choice.

The success of The Link REIT relies on our staff being engaged and empowered to continually improve our business. We enhance our “Human Capital” by establishing a clear and consistent corporate culture, engaging our staff through different channels to hear their opinions, and by encouraging and supporting their professional development to enable employees to reach their full potential. Staff diversity is important to us and provides a wealth of viewpoints and opinions to help us continually improve. 25% of our executive committee members are female. This percentage increases to 49% when considering for our entire direct staff.

### EMPLOYEE UNIT PURCHASE PLAN

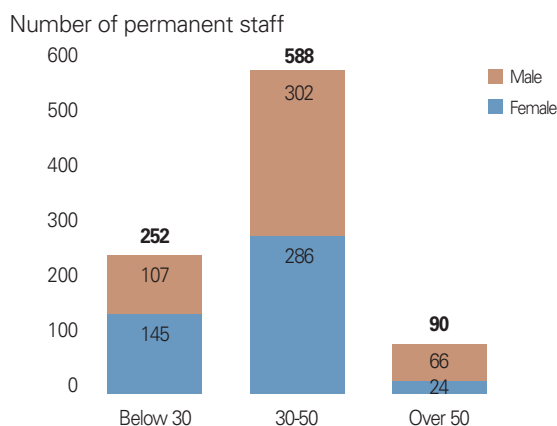
The introduction of the EUPP in September 2012 was to align the interest of the staff and the company, and our staff can now benefit directly from the success of The Link REIT. We are pleased to report an increase this year in the number of staff who are taking advantage of the EUPP. The programme – which sponsors eligible employees (based on tenure and performance) who want to purchase units of The Link REIT in the open market – achieved a participation rate of 48% as at 31 March 2014. Employees are holding onto their units, with post-purchase unit retention rates consistently above 80%.

### PROFESSIONAL DEVELOPMENT AND TRAINING

With a view to investing in our people, generating value for their personal growth and enhancing their competencies, we created a diploma programme in conjunction with the Institute of Advanced Executive Education of The Hong Kong Polytechnic University. The Link Executive Diploma Programme in Shopping Mall Management course strives to help staff gain a better understanding of other departments and functions, and allows them to network with colleagues who work in other areas of the business. The course covers a diverse range of topics including property law, accounting for management decision-making, property management, maintenance management and operation, real estate valuation, corporate real estate and asset

### STAFF DIVERSITY

(As at 31 March 2014)



management, and principles of corporate finance. Cross-departmental training of our staff establishes a home-grown leadership pipeline that is well equipped to address corporate challenges and strengthens our ability to excel and innovate as a business.

E-learning together with traditional classroom training are provided to both our direct and contracted staff as part of our talent management strategy. Training modules serve several purposes, including ensuring all staff are up to date on the latest industry trends, ensure alignment with the corporate vision and to enhance customer service. During the year under review, a total of 212 classroom trainings were provided to our staff including Emergency Response Procedures training, Mystery Shopper and Barrier Free Access Service training and media response training. We also provide training on our VMV to update our staff on the latest VMV initiatives introduced. The total number of training hours was 19,441 hours and the average training hours for different employee categories are shown below:

### AVERAGE HOURS OF TRAINING

Employee category	2013/14	2012/13	2011/12	2010/11
Senior Management	11.5	6.4	8.6	10.1
Middle Management	11.8	11.3	13.6	13.0
Operational staff	11.7	12.5	12.7	12.7
Contractors' staff	3.3	3.7	2.2	0.9

In 2013/14, we invested HK\$37 million in workforce training and development. We continue to set aside a budget for staff to apply for sponsorships to enroll in training seminars and courses. In 2013/14, our education sponsorship totalled approximately HK\$1.5 million.

### REMUNERATION

Our remuneration policy and practices are outlined in the corporate governance report, found on page 81, and regularly reviewed by independent consultants to ensure that remuneration packages are in line with the market trends and practices. This ensures that we stay competitive in attracting and retaining high performing staff. The remuneration package for a full-time and permanent staff comprises a basic salary and a discretionary bonus, the payment of which is based on both the individual's performance and the overall performance of The Link REIT.

### HEALTH AND SAFETY

We are committed to providing healthy and safe work environments, we do so by identifying and reducing safety risks, developing safety standards and guidelines and regularly organising safety training workshops to our staff. In 2013/14, we recorded 17 work injury cases resulting in an annual injury rate of 1.9%. Five cases resulted in no injury leave being taken, six cases resulted in less than three days and six cases required more than three days of injury leave.



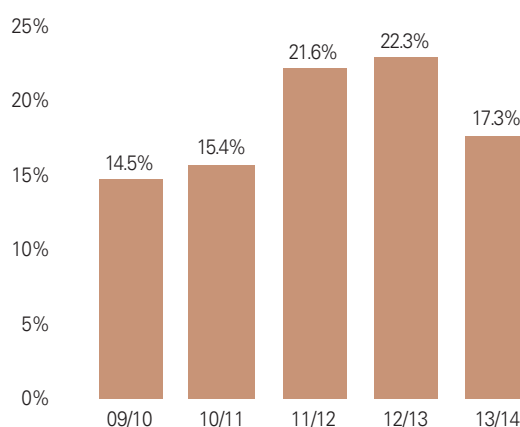


For the fourth year, The Link REIT's Dragon Boat Team has participated at the Stanley International Dragon Boat Championships

## ATTRITION

The attrition rate for the year under review was 17.3%, compared with 22.3% in the last reporting year. Attrition among our management level staff is much lower, at 9.7% and we have been able to retain our high performing staff. The 2013 attrition rate in property development and management sector in Hong Kong was 22.4%. Our attrition rates are below the industry average, but we must be prepared for the tough year ahead. Increasing housing construction and major infrastructure projects will continue to drive demand for talents from Project, Property Management and Repair and Maintenance teams. It will be a continuous challenge to maintain an attrition rate below the market average.

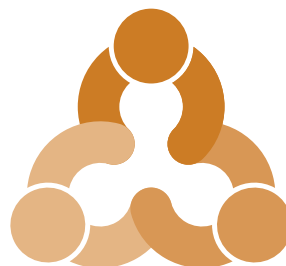
### ANNUAL ATTRITION RATE



# SOCIAL AND RELATIONSHIP CAPITAL

## BUILDING TRUST AND CONFIDENCE

Our Vision, Mission and Value statement sets the foundation for what we do, the standards that we expect from ourselves and which our stakeholders can expect from us.



In 2013/14, we engaged in an in-depth perception audit to examine how key audiences viewed us, and their expectations of The Link REIT. The perception audit builds upon our existing efforts in engaging key audiences and is critical to ensure that we meet the long-term needs of those that we serve. The results of these engagement efforts audit form the baseline against which we can measure progress made as we compare results from similar audits to be conducted on a regular basis.

### THE LINK REIT STAKEHOLDER GROUPS

The following table outlines our main stakeholders and describes how we engage with each.

Group	Description of engagement	General findings/Concerns
Staff	<ul style="list-style-type: none"><li>• Interviewed 40 staff</li><li>• Annual VMV survey</li><li>• Open and transparent performance appraisals</li></ul>	<ul style="list-style-type: none"><li>• Disclose more information about upcoming projects and future directions</li><li>• Showcase feedback from beneficiaries of the community projects initiated by The Link REIT</li></ul>
Opinion formers	<ul style="list-style-type: none"><li>• 40 key opinion leaders &amp; influencers<ul style="list-style-type: none"><li>◦ 27 were financial opinion formers such as financial reporters, stock commentators, fund managers, analysts</li><li>◦ 13 were social opinion formers including concern / interest groups, industry associations, politicians, academia, media (daily news)</li></ul></li><li>• Over 450 individual investments managers and analysts</li></ul>	<ul style="list-style-type: none"><li>• Prioritisation and scheduling of properties to undergo asset enhancement</li><li>• Plan for making further enhancements to assets that have already completed earlier asset enhancement programmes</li><li>• Managing increasing operational costs</li><li>• How to balance the interest of different stakeholders</li><li>• Implementing community projects to improve the quality-of-life of the grass-roots community</li></ul>
Tenants	<ul style="list-style-type: none"><li>• 24 in-depth interviews</li><li>• 429 face to face interviews</li></ul>	<ul style="list-style-type: none"><li>• How to enhance competitiveness of small shops during the asset enhancement process</li><li>• Ensuring tenant sustainability</li></ul>
Shoppers	<ul style="list-style-type: none"><li>• 14 focus groups</li><li>• Separate groups for shoppers who live within vicinity and outside vicinity of The Link REIT's shopping centres</li></ul>	<ul style="list-style-type: none"><li>• Further improvement and enhancement of tenant mix</li></ul>
General public	<ul style="list-style-type: none"><li>• 1,016 random household telephone interviews</li></ul>	<ul style="list-style-type: none"><li>• How can The Link REIT address the issue of aging population</li><li>• Organising more strategic employee volunteer programmes and cooperation with NGOs to build a caring culture in the society</li><li>• Using The Link REIT properties to encourage arts and culture</li></ul>

In 2014/15 one of our key focuses will be on establishing and building The Link REIT's brand and reputation beyond local communities in order to earn the trust and loyalty of our different stakeholders across greater Hong Kong and around the world. Our reputation and the quality of relationships with our tenants, shoppers, communities, government, decision-makers and other partners including vendors and service providers is a key component of ensuring that The Link REIT brand is synonymous with having a positive impact on communities both in and outside of Hong Kong.

## SHOPPERS AND THE LOCAL COMMUNITIES

Our business is closely intertwined with the daily lives of the local neighborhoods in which we operate. The Link REIT plays a unique role in Hong Kong daily life and this allows us to enhance, enrich and support the development of vibrant and flourishing communities.

We recognise that the people living near our shopping centres have diverse backgrounds, lifestyles and interests. To cater to this, in 2013/14 we organised or co-hosted 59 marketing programmes throughout our portfolio, targeting specific segments of shoppers including youngsters, family and tourists. Some of these events have become our annual signature events, such as The Link Chinese New Year Bike Event, Lok Fu Haunted House and the Asia A Capella Festival. These free of charge events have increased in popularity each year, enhancing community spirit and encouraging shoppers to visit The Link REIT's shopping centres.

2013/14 saw the official launch of The Link Together Initiatives, our flagship charity and community engagement programme. The Link Together Initiatives focuses on supporting the well being of the elderly, and the education, training and development of children and youth. Ten projects were selected and initial funding was provided. The Link REIT's staff, including Board of Directors, are involved in each of the charity programmes sponsored by The Link Together Initiatives. Details of each project can be found on pages 118-119 of this Annual Report.



A Board member (first from left) at a fall-risk assessment event organised for the elderly by a beneficiary organisation of "The Link Together Initiatives"



A Board member (second from right) visits the mobile playground of a child support programme, funded by "The Link Together Initiatives" to inspire children's creativity and enhance parent-child relationships

To better understand the needs and concerns of our local communities, we developed a network of community relationship managers whose role is to engage with local audiences such as district councillors, merchant associations, residents groups, schools and tenants. The managers are our first point of communication with local communities and they play a key role in ensuring our shopping centres meet the demands of local shoppers.



## TENANTS

We are committed to establishing long-term relationships with our tenants to enhance and support their operations. When our tenants do well, we do well. Enhancing our assets provide the improved hardware in the form of cleaner, brighter and more welcoming shopping environments for tenants to do business. In 2013/14 we focused on improving the “software” for our tenants to do better business by providing coaching and insights to help tenants keep pace with market changes and enhance their competitiveness for sustained performance.

The Link Tenant Academy continues to be a well-received programme particularly for independent operators. The programme focuses on providing tenants with the latest insights in market trend analysis, customer service and sales techniques, business operations and business management. These seminars, organised free of charge and outside of business operating hours, provide our tenants with easily accessible and valuable information on the local retail market that can help enhance their businesses. This programme has been extended to include tenants operating in our fresh markets. Approximately 2,800 participants attended the programme during the year, with a satisfaction rate of 87%.



The Link Tenant Academy helps tenants to keep abreast of the latest market trends through regular seminars and workshops

Guiding the growth and development of our tenants is another way we add value to our social and relationship capital. Our leasing team is actively engaged in identifying quality small tenants across different trades and properties who share our vision of serving and improving the lives of those around us. We help these tenants grow by placing them in strategic locations throughout our properties, partnering with them to improve their storefronts and enhance their brand exposure during strategic marketing events. In turn, these quality tenants help raise the standard of quality at our properties by serving as role models for other tenants. Over the past few years a number of small tenants have expanded their operations to other properties owned by us.

We use our properties to promote innovation and incubate new business ideas. New businesses are encouraged to lease kiosks which are located in high-footfall areas such as mall intersections or plaza atriums. Kiosks offer a low-rent platform for burgeoning entrepreneurs to test their ideas without the overhead of a long-term rental agreement – those that succeed have the opportunity to grow together with us and establish a more permanent presence in our shopping centres.

Our property management, free marketing programmes and leasing initiatives have provided value added services that our tenants have come to expect from us when choosing to operate their businesses at our shopping centres. For the year ended 31 March 2014, this synergy resulted in 7.9% year-on-year increase in our tenants' sales.

## SERVICE PROVIDERS AND CONTRACTORS

In 2013/14 The Link REIT had over 1,200 active service providers, vendors and contractors providing a range of services including maintenance, general housekeeping, waste management and construction. Establishing strong partnerships with these parties ensures that The Link REIT maintains and delivers consistent environmental and customer service quality across our portfolio. As part of our contractor engagement strategy, we include contractor staff in our training programmes and have developed a “Contractor Code of Conduct” which shares our sustainability vision and encourages our contractors to adopt sustainability practices in maintenance, service provision and project management.

## GOVERNMENT, NGOS AND GLOBAL ORGANISATIONS

We are committed to being an active member of the Hong Kong community. We do so by supporting and participating in different advisory groups, working groups and committees organised by the Hong Kong Special Administrative Region Government, NGOs and global organisations. These events provide us with opportunities to develop trust with decision makers, implement global best practices, report on our progress and advocate for improving best practices.

The Link REIT regularly contributes to local, regional and global working groups and associations. Notable participation during the year include:

Local	Description
Hong Kong Institute of Certified Public Accountants	We participated in a number of advisory groups of the Hong Kong Institute of Certified Public Accountants in order to further the continuing enhancement of accounting and reporting standards in Hong Kong.
	The Financial Services Development Council maps out the strategic direction for the development of Hong Kong as an international financial centre, including the strategic development of the REIT market. We are represented on the Policy Research Committee.
Regional	Description
	The Asia Pacific Real Estate Association is a non-profit industry association that represents and promotes the real estate asset class in the Asia Pacific. The Link REIT works closely with the association in establishing regional best practices and performance benchmarks for the real estate industry, including energy efficiency and property sustainability. We participated on the board and the sustainability committee.
Global	Description
	The United Nations Environment Programme Finance Initiative is a global partnership between the United Nations Environment Programme and the financial sector. Through this platform, The Link REIT works with industry peers to effectively communicate to the financial sector the importance and value of corporate sustainability.
	In addition to being a signatory and advocate of the UN Global Compact, The Link REIT is also a member of the UNGC-RICS Global Compact Real Estate Sector Steering Committee, which is focused on developing a strategy to implement the UNGC in the real estate sector.

## NATURAL CAPITAL

### OUR CONTRIBUTIONS TO THE ENVIRONMENT

The Link REIT is focused on minimising its environmental footprint and strives to be a community leader in making a positive impact on the environment.



As a property owner and manager, our environmental footprint is comprised of greenhouse gas emissions (“GHG”) from electricity consumption, water consumption and waste production from our asset enhancement projects and retail operations.

The impact of global climate change due to increasing concentration of GHG in the atmosphere, is a challenge that businesses and organisations around the world must face and address. In 2013/14, our total CO<sub>2</sub>e emissions was 155,614 tons, which comprises our complete scope 1 (emission arising from direct burning of fuels) and 2 (emissions arising from purchased electricity for our portfolio operations) emissions, and expanding this year to include scope 3 business air travel emissions. Emission from electricity consumption at our corporate offices were insignificant and excluded from the total. Our total carbon intensity for our portfolio was 11.87 kg CO<sub>2</sub>e/sq ft, a decrease of 4.7% compared to 12.45 kg CO<sub>2</sub>e/sq ft in 2012/13. In 2013/14 we invested an additional HK\$135 million to our Link Energy Management Programme, bringing the total amount invested to maximise our energy efficiency to HK\$435 million.

### THE CO<sub>2</sub>e EMISSIONS BY SOURCE

Source	Emissions (tons CO <sub>2</sub> e)
Scope 1	0
Scope 2	155,478
Scope 3	136

While various actions have been taken to reduce our CO<sub>2</sub>e emissions, the challenge will be increasingly difficult. In 2013/14, our strategic management of energy consumption resulted in a 7.8% year-on-year reduction in energy consumption, but only corresponded to a 0.7% year-on-year reduction in CO<sub>2</sub>e emissions due to a recent change in fuel mix by a major energy supplier during the reporting year.

With limited choice and ability in selecting an energy service

provider, to continue reducing our total CO<sub>2</sub>e emissions, we will need to incorporate a range of options including diligently identifying additional opportunities to enhance energy efficiency, investigate the feasibility of alternative sources of energy including renewable, and partner with our tenants to cultivate behavioral change and awareness for energy management.



Our shopping centres are an important platform through which we engage the community to care for the environment

Total water consumption for 2013/14 was 1,594,302 cubic metres, representing a 4.1% decrease from the previous year. Water usage was mainly for domestic use purposes, and our operations do not produce hazardous waste or effluent streams. As the number of “hot” and “very hot” days in Hong Kong is projected to increase, we anticipate this will result in increasing demand on our water cooled air-conditioning systems across our portfolio, resulting in increased water consumption. Using our BMS to optimise our ventilation and cooling control will help mitigate and minimise the increase in water consumption.



The Link REIT's portfolio consists of 40 slopes, 5,840 trees, and 956,000 sq ft of landscaped area. We believe a greener environment is better for our tenants, shoppers and the community. Our in-house Tree and Slope Team launched a Horticultural Maintenance and Improvement Contract, comprising over HK\$7.5 million investment in 2013/14 to carry out regular maintenance and greening improvement. Our appointed arborists and landscape architects scrutinise each site's unique environment for selection of appropriate species.

We have planted over 95,000 plants across the portfolio. As part of our biodiversity measures, we are committed to planting native plant species wherever possible. On top of greening initiatives, landscaping is also one of the strategic elements of "Green The Link". Construction of green roofs and green walls are planned in 2014/15 for several locations. Green roofs and green walls aim not only to provide our shoppers with more comfortable environments, but also to reduce our carbon footprint by reducing the need for air-conditioning.

Waste management was a key environmental focus in 2013/14 for both The Link REIT and the Hong Kong Special Administrative Region Government. We work diligently in reducing our waste produced from retail operations and from construction during asset enhancement programmes through a combination of collaborating with different audiences to promote recycling and sorting of waste, and to re-use materials wherever possible.

With the impending introduction of waste tariffs in Hong Kong, treatment and disposal of waste could result in significant additional operating costs. In light of this, we initiated a study to measure and quantify the daily total amount of waste produced from our properties. The pilot phase selected seven properties, representative of our portfolio, to assess total waste production and to examine practical and responsible options of minimising waste streams. Results of this study will lead to the formulation of our waste management strategy.

As a property owner and manager, The Link REIT's business operations have limited impacts on other traditional environmental areas such as outdoor air quality, biodiversity and marine conservation. However, as a community centre, we play an important role in raising community awareness to such environmental issues. We partner with NGOs and government to launch awareness campaigns and roadshows at our shopping centres to educate our shoppers and the community on current important environmental issues such as reduction of food waste, biodiversity, environmental sustainability and living healthy lifestyles.



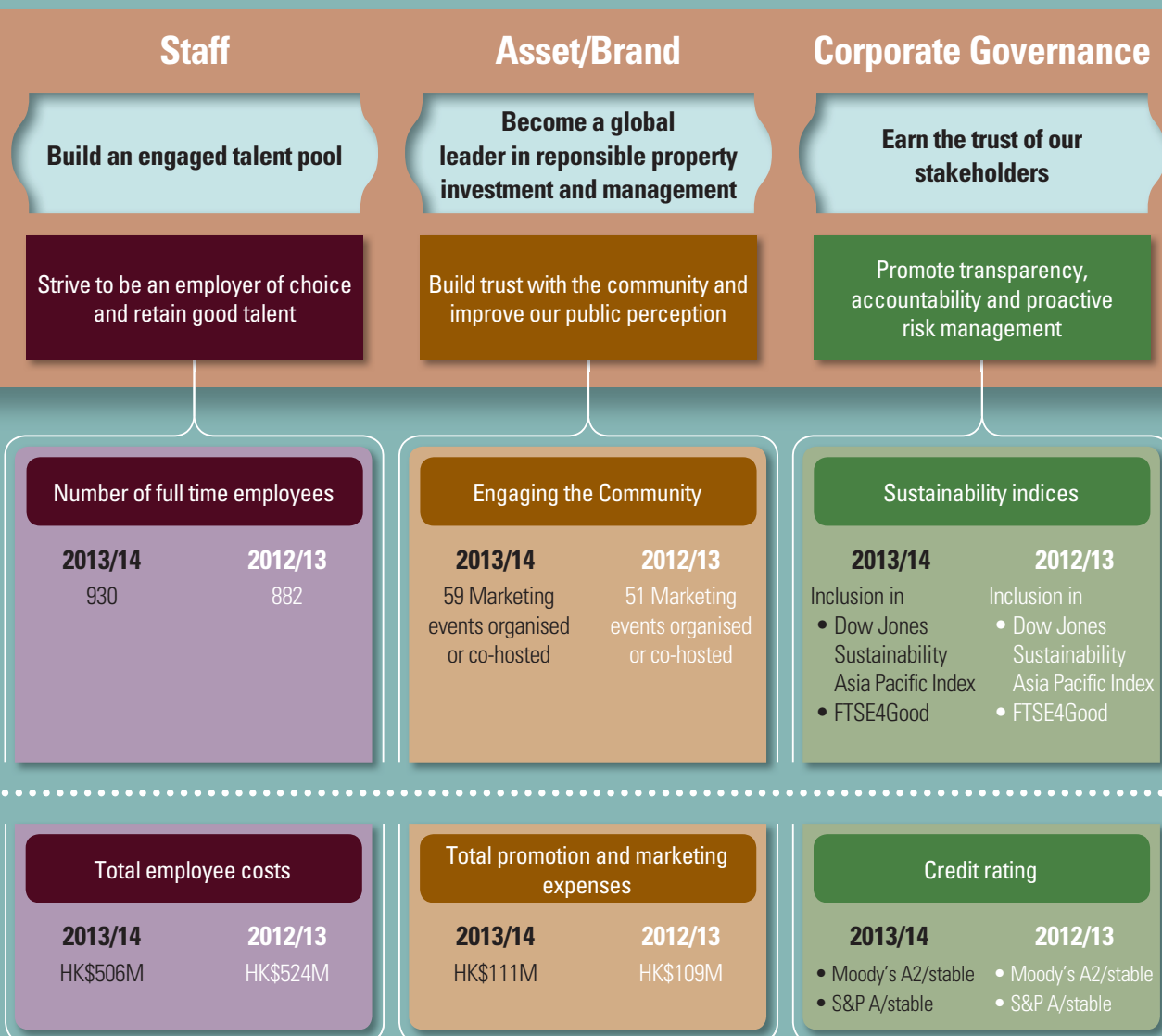
Publicity campaigns are regularly organised to promote environment-friendly, healthy lifestyles

# WHAT WE DID THIS YEAR

## MATCHING FINANCIAL AND NON-FINANCIAL INDICATORS

	Environment	Tenants	Community												
KEY INDICATOR	<b>Minimise our environmental footprint</b>  Reduce CO <sub>2</sub> equivalent	<b>Enhance our engagement with tenants</b>  Build long-term partnerships and help our tenants do better business	<b>Support the community to thrive</b>  Invest 0.25% of previous year's net property income to support community based projects												
NON-FINANCIAL INDICATORS	<b>CO<sub>2</sub>e emissions from electricity consumption</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>155,478 tonnes CO<sub>2</sub>e</td><td>156,589 tonnes CO<sub>2</sub>e</td></tr></table>	2013/14	2012/13	155,478 tonnes CO <sub>2</sub> e	156,589 tonnes CO <sub>2</sub> e	<b>Occupancy rate</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>94.4%</td><td>94.1%</td></tr></table>	2013/14	2012/13	94.4%	94.1%	<b>Programmes supported and number of people reached</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>Supported 10 programmes, impacting nearly 80,000 individuals</td><td>N/A</td></tr></table>	2013/14	2012/13	Supported 10 programmes, impacting nearly 80,000 individuals	N/A
2013/14	2012/13														
155,478 tonnes CO <sub>2</sub> e	156,589 tonnes CO <sub>2</sub> e														
2013/14	2012/13														
94.4%	94.1%														
2013/14	2012/13														
Supported 10 programmes, impacting nearly 80,000 individuals	N/A														
FINANCIAL INDICATORS	<b>Annual cost savings</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>HK\$23.0M (excluding impact of tariff rate increase)</td><td>HK\$16.6M</td></tr></table>	2013/14	2012/13	HK\$23.0M (excluding impact of tariff rate increase)	HK\$16.6M	<b>Year-on-Year increase in tenant gross sales</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>7.9%</td><td>9.6%</td></tr></table>	2013/14	2012/13	7.9%	9.6%	<b>Amount invested in The Link Together Initiatives</b>  <table><tr><th>2013/14</th><th>2012/13</th></tr><tr><td>HK\$10.4M</td><td>N/A</td></tr></table>	2013/14	2012/13	HK\$10.4M	N/A
2013/14	2012/13														
HK\$23.0M (excluding impact of tariff rate increase)	HK\$16.6M														
2013/14	2012/13														
7.9%	9.6%														
2013/14	2012/13														
HK\$10.4M	N/A														

Sustainability is good for those around us, and therefore good for our business. This does not mean just simply “doing good” for environmental and social reasons, but instead, it requires us to transform how we do business by integrating sustainability into our strategy and operations. When we make business decisions, we refer to our sustainability framework and ensure that multiple elements are addressed. This means that gauging the success of our business should take into account both financial and non-financial indicators.



# CORPORATE GOVERNANCE

## MESSAGE FROM THE BOARD CHAIRMAN

Dear Unitholders,

In our role in setting the strategic direction of The Link REIT's business and in overseeing the management's delivery of that vision, a number of topics have had priority for the Board of Directors over the past 12 months.

As noted in my Chairman's Statement this year, in order to be a successful business it is essential that we have an eye on the future and how our operating environment is likely to change and evolve over the long term. In addition to our conventional Board duties of strategic and business oversight, auditing and legal compliance, we also give consideration to wider issues encompassing reputation and brand, quality and quantity of intellectual and human capital, and the impact of our business on the communities upon which the success of our business depends.

A number of developments over the year in relation to the Board and governance are worthy of being highlighted:

- **Changing the investment mandate.** We spent much of our time this year considering the merits of changing our investment mandate to enable us to invest in properties outside of Hong Kong. Like our investors, 94% of whom voted in favour of these changes, we felt it was necessary to expand our geographic mandate in order to open-up significant long-term opportunities to grow our business. Similarly, in response to the recent SFC consultation, we have spent time considering how the REIT Code might be adapted in order to enhance our long-term prospects for growth.
- **Remuneration.** We also considered the remuneration and incentivisation of the Directors and key members of the senior management. This process, which drew on support and recommendation from external consultant, will help to ensure that The Link REIT is able to attract the best talent to run the business while also ensuring that they are incentivised in a way that is appropriate. The outcome of this review is covered in more detail later in this section.
- **Board composition.** Over recent years, we have sought to enhance the composition of our Board to ensure it brings together a diverse range of perspectives and expertise that can best support our business. In this regard, we are delighted to welcome Mrs Eva CHENG LI Kam Fun to the Board as of February 2014. With her experience from a 34-year career with Amway, including as executive chairman of Amway (China) Co., Ltd., Mrs Eva CHENG LI Kam Fun is an excellent addition to the Board.

The Link REIT remains committed to setting and maintaining the highest standards of corporate governance.

**Nicholas Robert SALLNOW-SMITH**

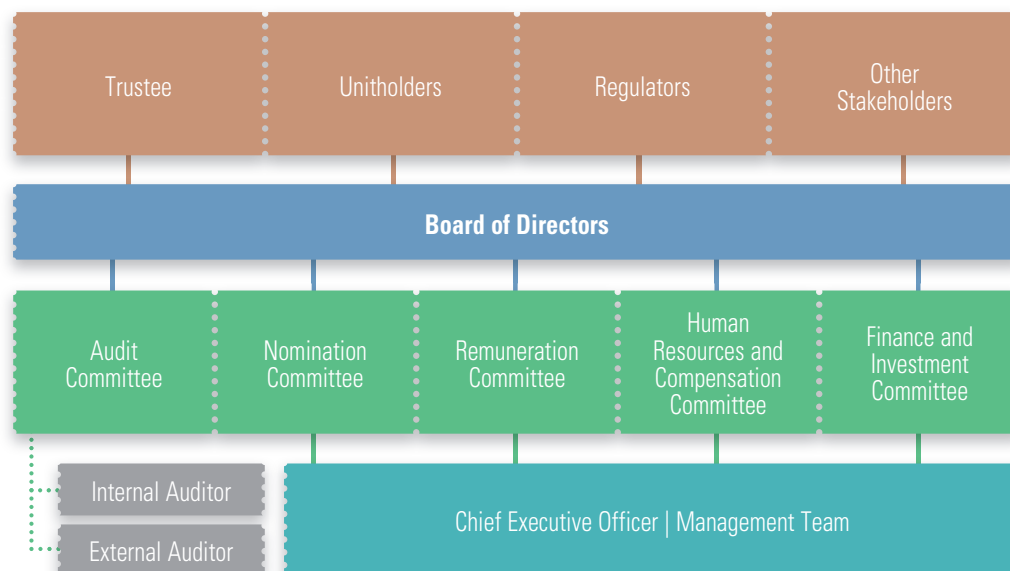
*Chairman of the Board*

4 June 2014

# CORPORATE GOVERNANCE

## OUR CORPORATE GOVERNANCE FRAMEWORK

The four tenets of our philosophy and approach to corporate governance are illustrated as follows:



## ACCOUNTABILITY

The Board is the centerpiece of our corporate governance framework, leading a disciplined management team to deliver on agreed goals and business plans, and accounting to a spectrum of stakeholders comprising:

- the Unitholders who invest in The Link REIT for financial returns,
- the Trustee and securities regulators for strict compliance of the terms of the trust mandate of The Link REIT and the regulatory requirements specific on The Link REIT's business (see the section on "Authorisation Structure" below), and
- those living and working in the communities in which The Link REIT operates.

## INDEPENDENCE

There is a high majority of independent non-executive directors serving on our Board and Board committees, with diversity in skills, experience, age, and gender. The Board and Board committees operate within clear and defined terms of reference, contributing together to the effective performance and good checks and balances.

The checks and balances are further reinforced internally by the separate functions of internal audit and risk management, and externally by professional audit.

## TRANSPARENCY

We constructively and proactively engage our Unitholders, giving comprehensive information timely for them to make informed decisions and taking their feedback. We also regularly engage other stakeholders explaining through media and other channels issues relevant to them.

## STEWARDSHIP

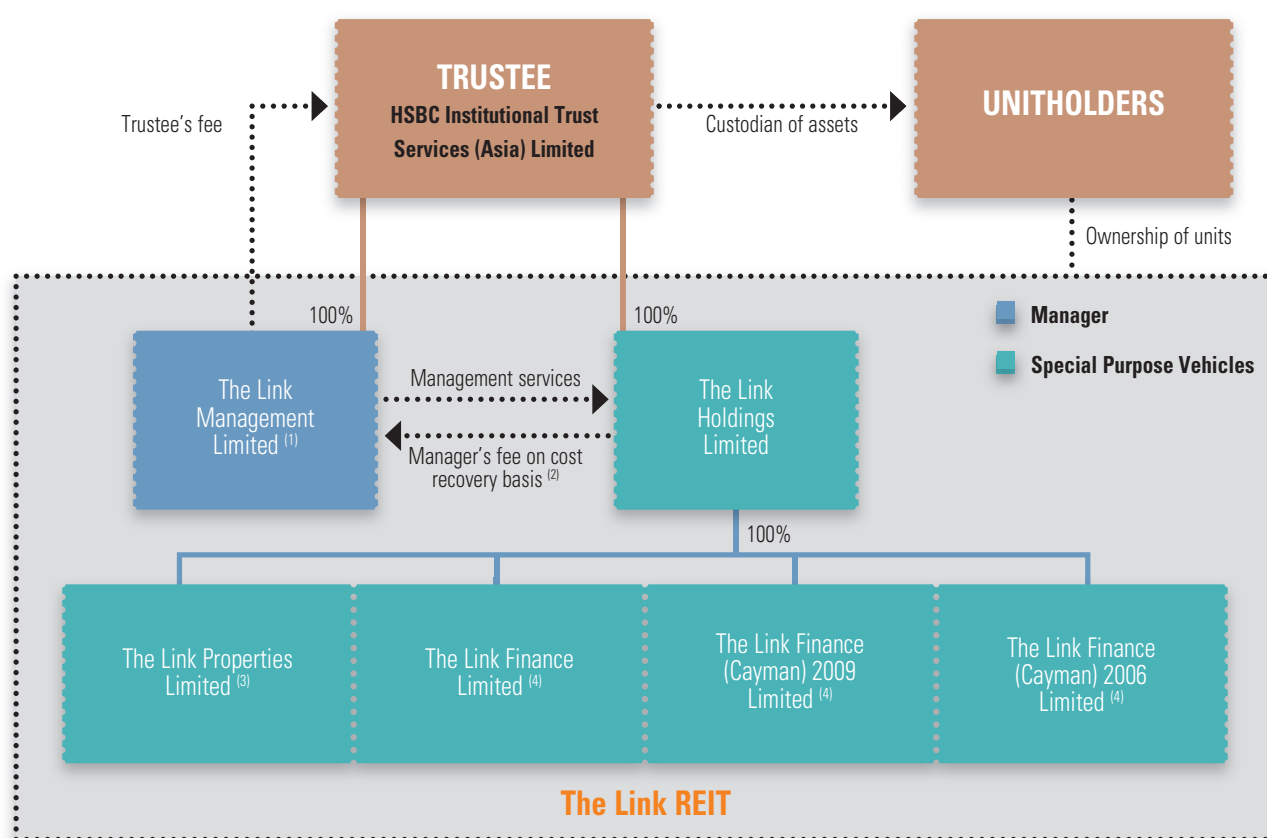
Our corporate governance practices consistently exceed the standard expectation of Hong Kong Stock Exchange rules, and in many aspects – such as our sustainability efforts and reporting – lead general market practices in Hong Kong. This reflects the normative framework of our corporate governance which looks at the wider issues that impact The Link REIT's long-term value creation.

## AUTHORISATION STRUCTURE

### Regulatory Aspects

The Link REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO. The Link Management Limited is the Manager of The Link REIT. The SFC regulates the activities of The Link REIT and the activities of the Manager pursuant to the REIT Code and the SFO.

The Link REIT is internally managed. The Manager and the assets of The Link REIT are under unitary ownership of the Trustee of The Link REIT (which is currently HSBC Institutional Trust Services (Asia) Limited) holding in trust for all the Unitholders of The Link REIT. This aligns the interest of the Manager with our Unitholders'.



Notes:

(1) Licensed by the SFC to conduct the regulated activity of asset management and is the internal Manager of The Link REIT.

(2) No acquisition/divestment fee, nor fee based on a percentage of assets under management or other performance-related fee is charged.

(3) Special purpose vehicle for holding all the properties of The Link REIT, including one property held through a direct wholly-owned subsidiary, Great Land (HK) Limited.

(4) Special purpose vehicles for financing purposes.



## The Manager

The Manager is licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management (Type 9). It is wholly owned by the Trustee, and manages professionally all the assets of The Link REIT in the sole interest of our Unitholders. As at the date of this annual report, the Manager has five responsible officers (including the two Executive Directors) whose names appear in the “*Corporate Information*” section.

As mandated under the Trust Deed of The Link REIT, the Manager is compensated by management fee on a cost-recovery basis. No acquisition/divestment fee, nor fee based on a percentage of assets under management or other performance-related indicia, is charged.

During the year ended 31 March 2014, the Manager managed The Link REIT, in all material respects, in accordance with the provisions of the Trust Deed, and the Manager’s compliance manual (the “**Compliance Manual**”) which sets out the key processes, systems, and measures in respect of the operations of The Link REIT.

## The Trustee

The Trustee is a registered trust company for collective investment schemes under the SFO and the REIT Code. It is the custodian holding all the assets of The Link REIT for and in the sole interest of our Unitholders. The Trustee and the Manager operate independently, and their rights and obligations are governed by the Trust Deed.

The Trustee carries out periodic reviews on the Manager, in addition to the reviews performed by the internal auditor of the Manager and the external auditor of The Link REIT (being PricewaterhouseCoopers). The Trustee’s report is on page 120 of this annual report.

## Amendments to the Trust Deed

At the Extraordinary General Meeting of Unitholders held on 18 February 2014 (the “**EGM**”), our Unitholders approved for The Link REIT to expand its geographical investment scope beyond Hong Kong and to amend the Trust Deed reflecting changes necessitated by or consequential to the geographical expansion and regulatory and practices updating, details of which were set out in the circular to Unitholders dated 17 January 2014 of The Link REIT. Voting results were set out in the announcement dated 18 February 2014. The Trustee and the Manager executed the tenth supplemental deed to amend and supplement the Trust Deed in accordance with the special resolutions passed by our Unitholders at the EGM.

## Amendments to the Compliance Manual

The Manager updated the Compliance Manual on 13 November 2013 to bring its provisions in line with the business practices and operations of The Link REIT and latest applicable laws and rules (including amendments to the Listing Rules).

To comply with the REIT Code and the SFC requirements on REITs’ investing and operating overseas and to regulate possible activities of The Link REIT in Mainland China following approval by our Unitholders at the EGM, the Manager further updated the Compliance Manual on 17 April 2014 to include new controls and procedures to monitor risks associated with a new operating environment.

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE REPORT

Our strong corporate governance is accentuated by these attributes: great diversity and strong independence among members of our Board, high level of commitment and diligence of our Directors, and an efficient and transparent Board process.

An effective Board works for the long-term success of The Link REIT. The Board strongly supports the principle of regular evaluation of its own effectiveness and that of its committees (the “**Board Committees**”) and individual Director. An external consultant firm (which the Nomination Committee commissioned to undertake a formal evaluation of the effectiveness of our Board) ranked our Board performance very high among the corporations it surveyed. Details of the evaluation of the Board performance appear on page 68 of this report.

### AN EFFECTIVE BOARD

The Manager has a unitary Board that acts collectively in meetings to promote the long-term success of The Link REIT and deliver value to our Unitholders. Led by the Board Chairman, the Board sets the strategy and approves business plans and budgets presented by management for the achievement of the strategic objectives of The Link REIT. Implementation of the strategy is delegated to the management team led by the Chief Executive Officer (the “**CEO**”) of the Manager.

#### Composition and Size

As at the date of this annual report, there are 13 Board members, comprising two Executive Directors (being the CEO and the Chief Financial Officer (the “**CFO**”) of the Manager), one Non-Executive Director, and 10 Independent Non-Executive Directors. Set against a maximum of 14 and a minimum of 9 members, the Nomination Committee assessed and our Board considered that the current size of our Board is appropriate, given the scale and complexity of The Link REIT’s business and the significant time demand placed on the Non-Executive Director and the Independent Non-Executive Directors, many of whom serve on more than one Board Committee.

#### Clear Division of Duties and Responsibilities

The roles of the Board Chairman and the CEO are separate and performed by different individuals. There is a clear division of responsibilities distinguishing between the running of the Board (which is the responsibility of the Board Chairman) and the executive responsibility for running The Link REIT’s business (which is the responsibility of the CEO (being assisted by the CFO)).

The key responsibilities of our Directors are as follows:



### Board Chairman

**Nicholas Robert SALLNOW-SMITH**

(being an Independent Non-Executive Director)

   Key Responsibilities

- Leading the Board and ensuring its effectiveness
- Leading The Link REIT's interactions on matters of public policy and regulatory reform with regard to the REIT's industry
- Developing relationships with Government, regulators and investors
- Developing and leading on strategic issues and corporate governance
- Undertaking performance management of the CEO



### Executive Directors

**George Kwok Lung HONGCHOY** (CEO)

**Andy CHEUNG Lee Ming** (CFO)

#### The CEO

- Developing, driving and delivering performance against business plans agreed by the Board
- Supervising management team to ensure that The Link REIT is being operated in accordance with stated strategies, policies and regulations
- Driving inorganic growth, such as acquisitions and business developments

#### The CFO

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

- Overseeing The Link REIT's affairs through the Board and various Board Committees
- Taking lead when potential conflict of interest arises
- Scrutinising management's performance in achieving agreed corporate goals and business objectives
- Monitoring compliance and reporting



### Independent Non-Executive Directors

**William CHAN Chak Cheung**

**Eva CHENG LI Kam Fun**

**Anthony CHOW Wing Kin**

**Patrick FUNG Yuk Bun**

**Stanley KO Kam Chuen**

**May Siew Boi TAN**

**David Charles WATT**

**Richard WONG Yue Chim**

**Elaine Carole YOUNG**

### Non-Executive Director

**Ian Keith GRIFFITHS**

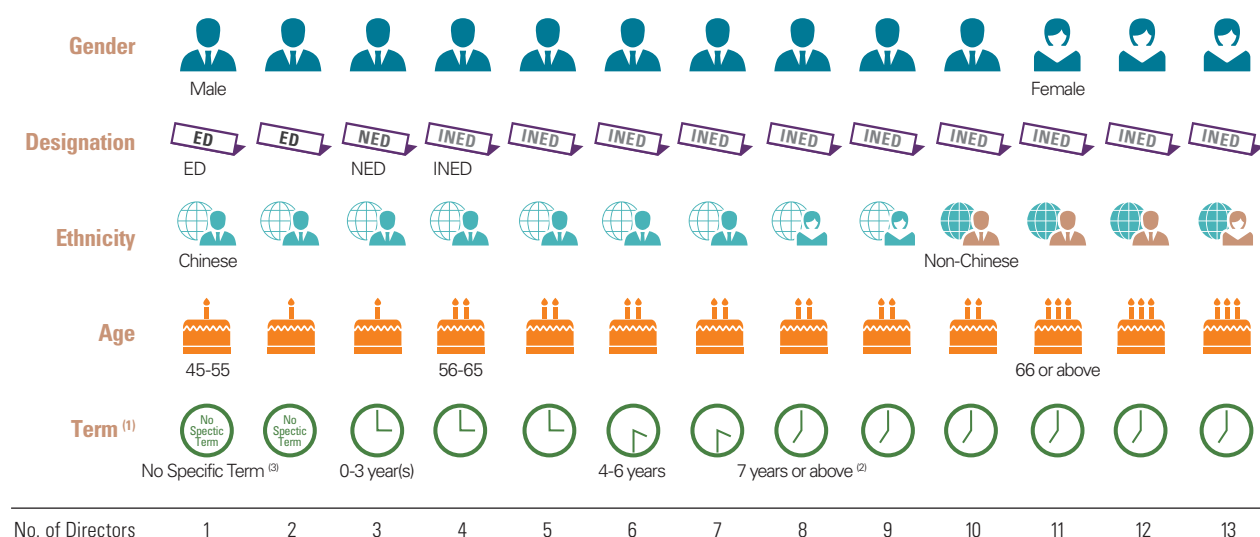
## Board Diversity

An appropriate balance of skills, knowledge and experience, ethnicity and gender on the Board is an important aspect of our corporate governance practices, driving the Board effectiveness as a whole for the long-term success of The Link REIT.

Board appointments are made on a merit basis and with due regard for the benefits of diversity on the Board. Our Board Diversity Policy appears on our corporate website at [www.thelinkreit.com](http://www.thelinkreit.com). Our Nomination Committee monitors progress towards Board diversity, which is a key criterion in our Board succession planning. In February 2014, on the recommendation of the Nomination Committee, we added Mrs Eva CHENG LI Kam Fun to our Board, bringing the proportion of female members on our Board to 23%.

Gender apart, our Board members (with diverse backgrounds) have both the breadth and depth of skills and experience to steer and oversee the business of The Link REIT. The current mix of our Board members is balanced, and well represented by business executives, professionals, and leader in the academic area.

## Members' Diversity



Notes:

- (1) Independent Non-Executive Director ("INED") is subject to retirement by rotation and re-election at annual general meetings, but with a maximum service term of 9 years.
- (2) Mr Ian Keith GRIFFITHS, a Non-Executive Director ("NED"), who falls within this category, has no maximum term of service but is subject to retirement by rotation and re-election.
- (3) The CEO and the CFO, being the only two Executive Directors ("ED"), fall within this category.

## Skill-sets, Expertise and Experience of the Directors

<b>Nicholas Robert SALLNOW-SMITH</b> <i>Chairman/INED</i>	<b>George Kwok Lung HONGCHOY</b> <i>CEO/ED</i> (accounting/surveying)	<b>Andy CHEUNG Lee Ming</b> <i>CFO/ED</i> (accounting)	<b>Ian Keith GRIFFITHS</b> <i>NED</i> (architect)	<b>William CHAN Chak Cheung</b> <i>INED</i> (accounting)
<b>Eva CHENG Li Kam Fun</b> <i>INED</i>	<b>Anthony CHOW Wing Kin</b> <i>INED</i> (legal)	<b>Patrick FUNG Yuk Bun</b> <i>INED</i>	<b>Stanley KO Kam Chuen</b> <i>INED</i>	<b>May Siew Boi TAN</b> <i>INED</i> (accounting)
			Property Experience          Retail Experience          Financial Services/Investment          Professional/Academic	
<b>David Charles WATT</b> <i>INED</i> (surveying)	<b>Richard WONG Yue Chim</b> <i>INED</i> (academic)	<b>Elaine Carole YOUNG</b> <i>INED</i>		

## Strong Element of Independence

Of our 13 Board members, 10 are Independent Non-Executive Directors (including our Board Chairman) and one Board member is a Non-Executive Director.

All our Board Committees are chaired by Independent Non-Executive Directors. Our Audit Committee and Remuneration Committee are made up of entirely Independent Non-Executive Directors. Our other Board Committees have a high component of Independent Non-Executive Directors. No individual or small group dominates the decision-making process of the Board or the Board Committees. The terms of reference of our Audit Committee do not allow overlapping in membership between the Audit Committee and the Finance and Investment Committee.

We exceed the requirements of the Corporate Governance Code in Appendix 14 of the Listing Rules (the “**Listing Rules Corporate Governance Code**”) in this regard.

## Independence Weighting

<b>Board</b>
10/13 members (including chairman)
<b>Audit Committee</b>
All 5 members (including chairman)
<b>Remuneration Committee</b>
All 4 members (including chairman)
<b>Nomination Committee</b>
4/5 members (including chairman)
<b>Human Resources and Compensation Committee</b>
4/5 members (including chairman)
<b>Finance and Investment Committee</b>
3/6 members (including chairman)



The Board assesses the independence of our Independent Non-Executive Directors annually based on the independence criteria set forth in the Corporate Governance Policy of our Compliance Manual (the “**Corporate Governance Policy**”). Our independence criteria model on the independence guidelines of the Listing Rules. From time to time, the Board also references major proxy advisors’ voting recommendation policies in this regard.

In accordance with the independence criteria of our Corporate Governance Policy, each Independent Non-Executive Director had provided an annual confirmation of his or her independence to the Manager. Based on the annual confirmation of independence received from each of them, the Nomination Committee had assessed and the Board considered that all the Independent Non-Executive Directors remained independent during the year under review.



## OUR DIRECTORS

The two Executive Directors are employees. They are responsible for the daily operations of The Link REIT and the implementation of the plans and strategies set by the Board.

Our Non-Executive Director and Independent Non-Executive Directors are not employees. They bring constructive analysis and critical judgement on proposals by management, challenge constructively and help develop proposals on strategy, scrutinise performance of management in setting objectives and meeting business goals, and monitor the risk, financial reporting and compliance aspects of the operations of The Link REIT.

Biographies of our Directors appear on pages 95 to 99 of this report.

### Commitment and Diligence

Our Directors participate actively in the affairs of The Link REIT. In the year under review, the Manager had eight Board meetings and 19 Board Committee meetings, exceeding the requirements of the Listing Rules Corporate Governance Code. Each year, one Board meeting will be held outside Hong Kong when the Directors focus their discussions with management on long-term strategies.

The Board Chairman, the chairmen of all the Board Committees, the CEO, the CFO and all the other Independent Non-Executive Directors attended the 2013 Annual General Meeting of The Link REIT to meet and answer questions from Unitholders. The CEO also reported to Unitholders issues raised at the prior year's Annual General Meeting.

The Board Chairman, the chairmen of all the Board Committees, the CEO, the CFO and all the other Independent Non-Executive Directors also attended the EGM on 18 February 2014 to explain to our Unitholders the rationale behind the proposals for, among others, the expansion of the geographical investment scope of The Link REIT beyond Hong Kong and to answer queries from them. The CEO and the CFO led the investor relations team to meet major Unitholders abroad to articulate the rationale for, and solicit support from major Unitholders on, the proposals by management at the EGM.

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

Directors' Meeting Attendance (Number of Meetings Attended/Eligible to Attend)							
Name	Board	Audit Committee	Remuneration Committee	Nomination Committee	Human Resources and Compensation Committee	Finance and Investment Committee	2013 Annual General Meeting and EGM on 18 February 2014
<b>Current Directors</b>							
Nicholas Robert SALLNOW-SMITH	8/8	–	–	3/3	–	6/6	2/2
George Kwok Lung HONGCHOY	8/8	–	–	3/3	3/3	6/6	2/2
Andy CHEUNG Lee Ming	8/8	–	–	–	–	6/6	2/2
Ian Keith GRIFFITHS	8/8	–	–	–	–	5/6	0/2
William CHAN Chak Cheung	7/8	4/4	3/3	–	–	–	2/2
Eva CHENG LI Kam Fun <sup>(1)</sup>	1/1	–	–	–	1/1	–	–
Anthony CHOW Wing Kin	8/8	4/4	3/3	3/3	–	–	2/2
Patrick FUNG Yuk Bun	8/8	–	3/3	–	–	–	2/2
Stanley KO Kam Chuen	8/8	4/4	–	–	3/3	–	2/2
May Siew Boi TAN	8/8	4/4	–	3/3	–	–	2/2
David Charles WATT	8/8	–	3/3	–	–	5/6	2/2
Richard WONG Yue Chim	7/8	4/4	–	3/3	3/3	–	2/2
Elaine Carole YOUNG	8/8	–	–	–	3/3	6/6	2/2
<b>Former Director</b>							
Michael Ian ARNOLD <sup>(2)</sup>	3/3	–	–	–	0/1	2/3	1/1
<b>In attendance</b>							
External auditor <sup>(3)</sup>	2/8	2/4	–	–	–	–	2/2
Internal auditor	–	4/4	–	–	–	–	–
Principal valuer <sup>(4)</sup>	2/8	2/4	–	–	–	–	–
<b>Total no. of meetings held</b>	8	4	3	3	3	6	2
Minimum no. of meetings required <sup>(5)</sup>	4	3	2	2	2	4	1
<b>Approximate duration per meeting</b>	2 to 4 hours <sup>(6)</sup>	1.5 to 2.5 hours	1.5 to 2.5 hours	1.5 to 2 hours	1 to 2 hours	2.5 to 3.5 hours	1 hour <sup>(7)</sup>

Notes:

(1) Appointed on 24 February 2014.

(2) Retired on 3 September 2013.

(3) The external auditor attended by invitation all meetings where its presence was required.

(4) Jones Lang LaSalle Limited retired as the principal valuer on 16 November 2013 after serving consecutively for 3 years. During its tenure of services, it attended all meetings by invitation where its presence was required. CBRE Limited was appointed as the principal valuer with effect from 17 November 2013.

(5) Minimum number of meetings required by the terms of reference of respective Board Committees.

(6) Excluding the 2-day annual off-site strategy meeting.

(7) Excluding the Q&A session for raising questions within and outside the meeting agenda.

## Continuous Professional Development of Directors

Our Directors attended focused training programmes in the year to keep themselves abreast of the latest developments in the fields relevant to their expertise and professions. They received regular briefings from the Company Secretary on regulatory developments which have a bearing on their duties (such as the new Companies Ordinance and the SFC consultation on amendments to the REIT Code). They also attended externally-run seminars by professional bodies. Each Director was provided with comprehensive guidance on directors' duties and liabilities.

The Executive Directors developed and refreshed their skills and knowledge of The Link REIT's business through making presentations to investors and analysts, speaking at industry conferences and meeting with regulators and Government officials.

The Company Secretary kept records of Directors' training to facilitate the Nomination Committee's annual review of Directors' performance. During the year under review, our Directors attended the following seminars and events as part of their ongoing training and professional development.

Continuous Training and Professional Development of Directors				
Name	Reading materials circulated by the Manager <sup>(1)</sup>	Updates given at Board meetings <sup>(2)</sup>	Seminars/ training courses <sup>(3)</sup>	Other professional development <sup>(4)</sup>
Nicholas Robert SALLNOW-SMITH	√	√	a, b, c, d	√
George Kwok Lung HONGCHOY	√	√	a, b, c, d	√
Andy CHEUNG Lee Ming	√	√	a, b, c, d	√
Ian Keith GRIFFITHS	√	√	a, d	√
William CHAN Chak Cheung	√	√	a, b, c, d	√
Eva CHENG LI Kam Fun <sup>(5)</sup>	√	√	a, b	√
Anthony CHOW Wing Kin	√	√	a, b	√
Patrick FUNG Yuk Bun	√	√	a, b, c	–
Stanley KO Kam Chuen	√	√	a, b	–
May Siew Boi TAN	√	√	a, b, c	–
David Charles WATT	√	√	a, b, d	√
Richard WONG Yue Chim	√	√	a, b	–
Elaine Carole YOUNG	√	√	a	–

Notes:

(1) Reading materials on latest regulatory changes and developments or commentary relevant to directors' duties such as the updated version of "A Guide on Directors' Duties" published by the Companies Registry; and other training materials on the new Companies Ordinance issued by professional bodies.

(2) Updates given at Board meetings regarding the adoption of the Board Diversity Policy, the SFC consultation paper on amendments to the REIT Code, and the new Companies Ordinance.

(3) Seminars/training courses in the following areas:

- corporate governance
- legal and regulatory
- capital and finance
- property related

(4) Other forms of professional development undertaken by Directors such as attending talks, forums, conferences and other briefings, etc.

(5) New Independent Non-Executive Director who came on Board in February 2014 and took induction programme including a comprehensive induction kit and updates on the new Companies Ordinance.

### **Director's Tenure**

Each Non-Executive/Independent Non-Executive Director was appointed for a specific term of 3 years. It can be renewed upon expiry. The terms, duties and obligations of each Non-Executive/Independent Non-Executive Director are set out in the letter of appointment entered into by the Manager with each of them.

Our Corporate Governance Policy specifies that the maximum term of our Independent Non-Executive Director is 9 years. There is also the additional requirement in our Corporate Governance Policy for a 3-year "cool-off" before an individual can rejoin our Board as an independent non-executive director. The setting of a 9-year maximum term and the 3-year "cool-off" additional requirement with respect to our Independent Non-Executive Director avoid a prolonged tenure impairing independent judgement due to the close relationship developed with management over the years and a potential tendency to become overly invested in prior decisions. This exceeds the Listing Rules' criteria on director's independence.

The two Executive Directors (being the CEO and the CFO) have employment contracts with the Manager but not on specific service term. They are not subject to retirement by rotation at annual general meetings. The Manager modified the rigid application of code provision A.4.2 of the Listing Rules Corporate Governance Code to our Executive Directors, which does not work for the long-term interest of our Unitholders. The Manager considers that business continuity and longevity at the top level of senior management are critical for the long-term development of The Link REIT. Frequent reshuffle in executive directorate, absent the anchor of a controlling Unitholder, tends to promote "short-termism" which is not in the interest of our Unitholders. Any risk of possible entrenchment by a Board member is well countenanced by an overwhelmingly high majority of Independent Non-Executive Directors on our Board, who have the collective power under the Trust Deed to remove a recalcitrant Director. There is also power under the Trust Deed for the Unitholders to remove a Director.

## **Appointment, Removal and Re-appointment of Directors**

### **By the Board**

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

- at any time appoint any person who is willing to act as a Director, either to fill a casual vacancy or as an addition to the existing Board members, provided that the total number of Directors shall not exceed 14; and
- remove any Director, and in such case, the Board shall give the incumbent Director notice to that effect signed by all the other Directors.

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

### **By the Unitholders**

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

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

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

### **Retirement by Rotation of Directors**

The Articles of Association of the Manager require that:

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

The Manager's Corporate Governance Policy further requires one-third of the Independent Non-Executive Directors to retire by rotation (but they are eligible for re-election) at each annual general meeting.

### **Directors' Service Contracts**

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

### **Directors' Interests in Contracts**

Save as disclosed under the "*Connected Party Transactions*" section on pages 112 to 117 of this annual report and in Note 27 to the consolidated financial statements, no contracts of significance in relation to The Link REIT's business to which the Manager was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Directors' and Officers' Insurance**

The Manager has arranged for directors' and officers' liability insurance in the year under review, which is reviewed every two years to ensure that our Directors and officers (including the Company Secretary) in so acting for The Link REIT are fairly and sufficiently covered against potential liability to third parties. Such review will also take into account potential liability under new enactments, such as the new Companies Ordinance which came into force in March 2014. In the year under review, no claim was made under such insurance.

### **Updates on our Directors**

#### **Change of Board and Board Committee Members**

- (i) Mr Michael Ian ARNOLD, having served for the maximum 9-year term, retired as an Independent Non-Executive Director and member of the Nomination Committee, the Human Resources and Compensation Committee, and the Finance and Investment Committee on 3 September 2013.
- (ii) Professor Richard WONG Yue Chim was appointed as a member of the Nomination Committee on 3 September 2013.
- (iii) Mrs Eva CHENG LI Kam Fun was appointed as an Independent Non-Executive Director and a member of the Human Resources and Compensation Committee on 24 February 2014.

#### **Updates on Directors' Other Particulars**

- (i) Mrs Eva CHENG LI Kam Fun resigned as an independent non-executive director of Amway (Malaysia) Holdings Berhad, a company listed on the main market of Bursa Malaysia Securities Berhad, effective from 8 May 2014; and was appointed as a non-executive director of Amcor Limited, a company listed on the Australian Securities Exchange, effective from 2 June 2014. She is an independent non-executive director of Esprit Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange, till 30 June 2014.
- (ii) Mr William CHAN Chak Cheung resigned as an independent non-executive director of King Fook Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange, effective from 15 April 2014.

## **AN EFFECTIVE, EFFICIENT AND TRANSPARENT BOARD PROCESS**

The Board leads the corporate strategy and direction and has the overall responsibility on the business and performance of The Link REIT. Assisted by the Board Committees, it supervises and monitors the performance of management, scrutinises internal control, risk management and governance functions, approves major financial and business decisions, and reviews the overall performance of The Link REIT.

### **Delegation by and Reserved Matters of the Board**

The powers of the Board are governed by the Manager's Articles of Association and the Trust Deed. The Board has delegated specified functions to the respective Board Committees and the day-to-day operations to the management team (led by the CEO). Certain matters which have a critical bearing on The Link REIT are specifically reserved for consideration by the full Board:

- (i) approval of interim and final distributions, interim and annual reports and financial statements and circulars to Unitholders;
- (ii) recommendation to Unitholders on any change of the Articles of Association of the Manager or the provisions of the Trust Deed;
- (iii) approval of sale and/or acquisition of properties;
- (iv) appointment or removal of the CEO and any other Directors as well as the Company Secretary;
- (v) issue of new units and/or buy-back of units of The Link REIT;
- (vi) approval of any matter which would have a material effect on The Link REIT's financial position, liabilities, future strategy or reputation; and
- (vii) delegation of powers and authority to various Board Committees.



### **Information and Support**

The CEO and the CFO regularly report to the Board on the business and activities of The Link REIT. Monthly updates on the business and financial performance, and other affairs of The Link REIT are provided to each Director. The Board also receives regularly reports from management on progress against targets and business developments of The Link REIT. The chairmen of the Board Committees report to the Board on their decisions and recommendations at Board meetings.

A meeting calendar is set each year for Directors to plan their schedules. Agenda of Board or Board Committee meeting is circulated in advance for members to comment or add items they want to bring up for discussion at the meeting. Notice of regular Board or Board Committee meeting is sent at least 14 days in advance. Agenda, discussion papers and supporting materials are sent not less than three days in advance for Directors to have sufficient time to digest the information and prepare for discussion. Telephone participation is also arranged as required.

Minutes of Board and Board Committee meetings are properly kept by the Company Secretary. Comments from Directors will be collected before the final version is signed by the Board/Board Committee chairman. Copies of minutes of meetings of the Board and Board Committees are circulated to each Director for information and record. The Company Secretary will also supply each Director with a complete set of electronic-stored minutes/resolutions that were passed during the year.

All Directors have full and timely access to independent professional advice at the Manager's expense. Representatives from the external auditor and the principal valuer of The Link REIT will attend the Board meetings and the Audit Committee meetings held for approving the interim and final results of The Link REIT. All Board Committees have timely access to independent professional advice on issues relevant to their functions at the Manager's expense.

The Directors have free and open contact with management at all levels. Function heads regularly attend Board and Board Committee meetings to deliberate on their proposals and answer queries from Board members. Management will arrange for the Directors to visit The Link REIT's properties and operations, and from time to time Directors are invited to participate in other property tours and The Link REIT's corporate activities when they have opportunity to meet frontline staff to understand the operations and staff's concerns.

### **Induction to New Directors**

A full, formal, and tailored induction programme, with particular emphasis on the regulatory and corporate framework of The Link REIT, is arranged for a newly-appointed Director. The programme includes meeting the Board Chairman, the Executive Directors, and members of the senior management to familiarise the new Director with the strategies, business operations and latest developments of The Link REIT. A newly-appointed Director also receives comprehensive guidance from the Company Secretary on directors' duties and liabilities. Arrangement is also made for a new Director to visit selected properties of The Link REIT.

### **Role of the Company Secretary**

The Company Secretary currently heads the legal department of the Manager and is the SFC-compliance manager of The Link REIT. A brief description of the Company Secretary appears on page 100 of this report.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and all applicable rules and regulations are complied with. Under the direction of the Board Chairman, the Company Secretary's responsibilities include ensuring good information flow within the Board and the Board Committees and between senior management and non-executive Directors, as well as facilitating induction and assisting with professional development of Directors as required. The Company Secretary is responsible for advising the Board through the Board Chairman on corporate governance matters. During the year under review, the Company Secretary undertook over 15 hours of professional training.

### **Succession**

Succession planning is an important responsibility of the Board. The Board, through the Nomination Committee, progressively refreshes Board members over time so that the experience of longer serving Directors can be drawn upon while tapping into new external perspectives and insights which new Directors can bring to the Board. The process is assisted by an external search firm to ensure a pipeline of high calibre candidates is available for the Board to consider and their appointments fit the retirement schedules of long serving members on our Board.

## **BOARD PERFORMANCE EVALUATION**

The Board Chairman leads the process of Board performance evaluation. Annually, he meets the Non-Executive Director and each of the Independent Non-Executive Directors in the absence of the Executive Directors to discuss issues concerning the Board. The (non-executive) Directors are invited to send their feedback directly to the Board Chairman. During such evaluation, the Board Chairman discusses the individual contribution of each (non-executive) Director, explores training and development needs, seeks input on areas where a Director feels he or she could make a greater contribution and discusses whether the time commitment required of a Director can continue to be delivered. Based upon their individual evaluation, the Board Chairman has confirmed that all the Non-Executive/Independent Non-Executive Directors continue to perform effectively, contribute positively to the governance of The Link REIT, and demonstrate full commitment to their roles.

Evaluation of the performance of the Executive Directors is undertaken as part of the performance management process for all employees, the results of which are considered by the Remuneration Committee when determining the variable pay awards to them each year. The Board Chairman attended a session of the Remuneration Committee meeting to give his input on the performance of the CEO during the year.

### Formal Evaluation of Board Performance

In the year under review, an external consultant firm was commissioned to undertake a formal and structured evaluation of the effectiveness of the Board. The external consultant is independent, having no connection with the Manager or any of its officers, Directors or Unitholders.

The external consultant's report was prepared following interviews with Directors and certain senior members of the management team including the Company Secretary. Factors assessed during the external consultant's review included The Link REIT's culture, handling of reputational issues, composition and structure of the Board and the Board Committees, effectiveness of the Board Chairman and the CEO, and interaction between Board/Board Committee members and management. The external consultant's evaluation of the effectiveness of the Board also took into consideration the diversity elements and generally, how the Board works together as a unit. The external consultant concluded in its report that the Board operates effectively with a number of significant strengths and ranked the performance of the Board very high among the corporations it surveyed.

The external consultant presented its report at a full meeting of the Board. Such report is used by the Board in its annual evaluation of its own performance and that of the Board Committees and by the Board Chairman in his review of the individual performance of Directors.

It is the intention of the Board to conduct self evaluation every year and formal evaluation of its performance with external facilitation at intervals of at least every three years.

### THE BOARD COMMITTEES AND THEIR REPORTS

The Board is assisted by five Board Committees each on specific areas. Each Board Committee has its own written terms of reference, which were adopted by the Board and are available on The Link REIT's corporate website at [www.thelinkreit.com](http://www.thelinkreit.com). The respective written terms of reference of our Board Committees were reviewed and updated by the Board in the year to align with the latest regulatory requirements.

Members of each Board Committee have the appropriate skills and experience for them to perform the functions required of them. Their decisions and recommendations are reported to the Board on a regular basis. The Company Secretary circulates copies of minutes of each Board Committee to members of that Board Committee after collecting comments from all members, and also to the other Board members who are not members of that Board Committee to update them on the latest developments.

The reports of the **Audit Committee**, the **Nomination Committee**, the **Remuneration Committee**, the **Human Resources and Compensation Committee** and the **Finance and Investment Committee** are set out below.



## Report of the Audit Committee

Composition	Independent	Attendance
William CHAN Chak Cheung (Chairman)	✓	4/4
Anthony CHOW Wing Kin	✓	4/4
Stanley KO Kam Chuen	✓	4/4
May Siew Boi TAN	✓	4/4
Richard WONG Yue Chim	✓	4/4

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

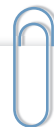
The CEO, the CFO, the Head of Internal Audit, and the Head of Risk Management attended all Audit Committee meetings in the year. The external auditor and the principal valuer of The Link REIT also attended the relevant meetings to assist the Audit Committee to review the interim and final results of The Link REIT. The Chairman of the Audit Committee also had ad hoc meetings with the Head of Internal Audit and the Head of Risk Management to discuss matters which they may wish to raise privately or together with any person, and also with representatives of the external auditor on audit scope and other financial reporting obligations.

In the year under review, there had not been changes to the membership of the Audit Committee. None of the Audit Committee members was a partner, or a former partner of The Link REIT's external auditor within one year immediately before his/her appointment to the Board.

During the year ended 31 March 2014, the Audit Committee met four times.

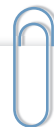
### Key Areas of Review by the Audit Committee

- ❖ Interim and annual reports and financial statements
- ❖ Disclosure of information to Unitholders
- ❖ Connected party transactions
- ❖ Internal audit plan and work
- ❖ External auditor's performance
- ❖ Appointment/re-appointment/removal of external auditor
- ❖ Internal controls and risk management
- ❖ Compliance with the Listing Rules Corporate Governance Code
- ❖ Compliance with Compliance Manual
- ❖ Compliance with Code of Conduct of Directors



#### Tasks performed by the Audit Committee in the year

- Reviewed interim and final results announcements and interim and annual reports and financial statements in conjunction with the external auditor and the principal valuer of The Link REIT, as required, to ensure compliance with applicable legal, accounting and financial reporting, and other regulatory requirements and recommended them for approval by the Board
- Reviewed accounting policies and practices, including approval of the critical accounting policies
- Reviewed to ensure that the annual report and financial statements for the year ended 31 March 2014, taken as a whole, are fair, balanced and understandable
- Endorsed the going concern statement and the statement of compliance with the Listing Rules Corporate Governance Code for inclusion in the annual report and financial statements
- Reviewed announcements, circulars, and other corporate communications issued to Unitholders in the year
- Reviewed and monitored connected party transactions through quarterly reports submitted by management and ensured compliance with the requirements of the REIT Code and the conditions of the relevant SFC waivers
- Reviewed internal audit activity reports on a quarterly basis and monitored implementation of recommended actions
- Satisfied itself that the internal audit function was effective and adequately resourced, and reviewed and considered through the assistance of the Human Resources and Compensation Committee to the adequacy of resources, qualifications and experience of and training programme for the staff of the accounting function
- Approved the internal audit plan for the new financial year
- Considered the external auditor's reports from PricewaterhouseCoopers on the interim review of the financial information and the annual audit of the financial statements of The Link REIT
- Reviewed the work scope and quality, fees and terms of engagements of the audit and non-audit services from, and the independence of, PricewaterhouseCoopers, and based on such review, recommended to the Board the re-appointment of PricewaterhouseCoopers as the external auditor of The Link REIT
- Reviewed risk management activity reports on a quarterly basis
- Reviewed the work plan from the Head of Risk Management on proposed additional controls and new policy and procedures with respect to the risks associated with possible investment by The Link REIT in Mainland China
- Reviewed statutory and operational compliance reports on a quarterly basis



- Reviewed and followed up whistle blowing cases
- Reviewed disclosures in the Corporate Governance Report and monitored the compliance with the Listing Rules Corporate Governance Code
- Monitored compliance with the “Code Governing Dealings in Securities of The Link REIT by Directors and Senior Management” and the other provisions of the Compliance Manual through quarterly reports submitted by management
- Reviewed and endorsed the two revisions to the Compliance Manual effective, respectively, on 13 November 2013 and 17 April 2014. The last revision included, among others, consequential amendments to the expansion of the geographical investment scope of The Link REIT as approved by the Unitholders at the EGM

**William CHAN Chak Cheung**

*Chairman of the Audit Committee*

4 June 2014



## Report of the Nomination Committee

Composition	Independent	Attendance
Nicholas Robert SALLNOW-SMITH (Chairman)	✓	3/3
George Kwok Lung HONGCHOY		3/3
Anthony CHOW Wing Kin	✓	3/3
May Siew Boi TAN	✓	3/3
Richard WONG Yue Chim	✓	3/3

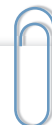
The Board has delegated to the Nomination Committee the responsibility of overseeing the corporate governance practices of the Manager. In the year under review, the Nomination Committee commissioned an independent external consultant to undertake a formal evaluation of the Board performance. The external consultant identified a number of strengths in our Board process and ranked the performance of our Board very high among the corporations they surveyed. The Nomination Committee endorsed the findings of the external consultant with its own input, which the Board adopted. It is intended that formal evaluation of Board performance with external facilitation will be undertaken at regular intervals.

The Nomination Committee regularly reviews the structure, size and composition of the Board (including skills, knowledge, experience, independence and diversity of the Board members) and makes recommendations to the Board with regard to any changes.

On Board diversity, Mrs Eva CHENG LI Kam Fun was appointed to the Board on the recommendation of the Nomination Committee following a search process with input from an external consultant. The Nomination Committee adopts a forward-looking approach to potential candidates for appointment to the Board that takes into account of the needs and development of The Link REIT's business, the benefits of diversity, and the expected retirement dates of current long serving Directors. External facilitation through professional search firm was engaged in the process to add objectivity and ensure that there is a pipeline of high calibre candidates ready to serve our Board within its desired succession time-frame.

On behalf of the Nomination Committee, I would like to thank Mr Michael Ian ARNOLD who retired after serving the Board and the Nomination Committee many years with distinction. I welcome Professor Richard WONG Yue Chim who joined the Nomination Committee in the year.





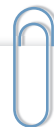
During the year ended 31 March 2014, the Nomination Committee met three times.

#### **Key Areas of Review by the Nomination Committee**

- ❖ Board composition and performance
- ❖ Appointment, re-appointment and removal of Directors
- ❖ Corporate governance policy and practices
- ❖ Continuous professional development of Directors
- ❖ Board diversity

#### **Tasks performed by the Nomination Committee in the year**

- Reviewed the composition, size and structure of the Board and each of the five Board Committees by taking into account the expertise, time commitment, diversity, and skills and experience of the members
- Evaluated Board performance with substantial input from an external consultant and presented recommendations to the Board
- Maintained and regularly reviewed a running list of potential candidates for independent non-executive directors.
- Identified candidates with the assistance of and advice from external consultant, and recommended the appointment of Mrs Eva CHENG LI Kam Fun as a new Independent Non-Executive Director
- Assessed the independence of each Independent Non-Executive Director, and the time required from the Non-Executive Director and Independent Non-Executive Directors (including any prospective Director) to fulfil their fiduciary responsibilities to provide oversight of the business of The Link REIT and serve on the Board and the various Board Committees
- Reviewed Directors' time commitment through, inter alia, monitoring their meeting attendance and number of outside directorships
- Recommended to the Board on the re-election of three retiring Directors who would stand for re-election at the forthcoming 2014 Annual General Meeting of The Link REIT after considering their respective performance, skills and expertise, contributions and independence
- Reviewed corporate governance practices, and monitored latest regulatory developments under the Listing Rules and leading proxy advisors' latest voting recommendation policies that have a bearing on corporate governance practices or may affect Board composition



- Reviewed the Corporate Governance Policy on Board Committees' structure and composition
- Reviewed the training and continuous professional development undertaken by each Director in the year
- Reviewed the Board Diversity Policy and regularly monitored progress towards the implementation of the Board Diversity Policy

**Nicholas Robert SALLNOW-SMITH**

*Chairman of the Nomination Committee*

4 June 2014



## Report of the Remuneration Committee

Composition	Independent	Attendance
Patrick FUNG Yuk Bun (Chairman)	✓	3/3
William CHAN Chak Cheung	✓	3/3
Anthony CHOW Wing Kin	✓	3/3
David Charles WATT	✓	3/3

The Remuneration Committee is responsible for setting the policy and reviewing the remuneration of the Directors. As part of its role, it considers the fee level of and the grant of restricted unit awards to the Directors and the individual remuneration packages of the Executive Directors, taking into account the conditions across The Link REIT and the labour market and the need to attract capable individuals to serve on the Board.

The Board Chairman attended and provided input on the performance of the CEO, and the CEO presented his performance assessment of the CFO, to assist the Remuneration Committee to review the remuneration packages of the two Executive Directors. An external consultant was engaged to provide input to assist the Remuneration Committee in setting fee level of Non-Executive/Independent Non-Executive Directors and determining the remuneration packages of the Executive Directors. No Directors have been involved in deciding their own remuneration. In the year under review, there was no change to the membership of the Remuneration Committee.

During the year ended 31 March 2014, the Remuneration Committee met three times.

### Key Areas of Review by the Remuneration Committee

- ❖ Remuneration policies
- ❖ Remuneration packages of Executive Directors
- ❖ Fee level of Non-Executive Director and Independent Non-Executive Directors



#### Tasks performed by the Remuneration Committee in the year

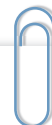
- Reviewed the remuneration policies of the Directors and, based on the recommendation of an external consultant, introduced a deferred bonus component into the remuneration policy of the Executive Directors
- Reviewed and recommended, with the assistance of an external consultant, to the Board on the remuneration packages of the CEO and the CFO
- With the assistance and input from an external consultant and feedback from major Unitholders, reviewed the vesting conditions of restricted unit awards to be granted to the Directors under the long-term incentive plan of The Link REIT, and also reviewed the vesting of restricted unit awards when a Director retires
- Recommended the grant of restricted unit awards to the Directors under the long-term incentive plan of The Link REIT
- Reviewed, with the assistance of an external consultant, the level and structure of remuneration for Non-Executive and Independent Non-Executive Directors

(For further information, please refer to the “*Remuneration Policy*” section below regarding Directors’ remuneration.)

#### **Patrick FUNG Yuk Bun**

*Chairman of the Remuneration Committee*

4 June 2014



## Report of the Human Resources and Compensation Committee

Composition	Independent	Attendance
Richard WONG Yue Chim (Chairman)	✓	3/3
George Kwok Lung HONGCHOY		3/3
Eva CHENG LI Kam Fun	✓	1/1
Stanley KO Kam Chuen	✓	3/3
Elaine Carole YOUNG	✓	3/3

The Human Resources and Compensation Committee is responsible for approving and setting the policies on the remuneration of the employees (other than the Directors), taking into account the pay and conditions across the labour market and the requirements of The Link REIT. It approves the annual budget of The Link REIT on salaries and bonus payments to staff, the grant of restricted unit awards under the long-term incentive plan of The Link REIT to selected employees (other than the Directors), and the manpower plan and other human resources initiatives of The Link REIT.

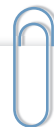
The CEO is a member of the Human Resources and Compensation Committee, leading senior members of the human resources function to make presentations and give deliberations to this Board Committee on staff recruitment and compensation proposals. External consultant's reports are also obtained to assist this Board Committee in considering remuneration issues.

In the year under review, Mrs Eva CHENG LI Kam Fun was added as a member of the Human Resources and Compensation Committee, filling the vacancy of Mr Michael Ian ARNOLD who retired on 3 September 2013.

During the year ended 31 March 2014, the Human Resources and Compensation Committee met three times.

### Key Areas of Review by the Human Resources and Compensation Committee

- ❖ Human resources strategy and policies for management team and staff (excluding the Directors)
- ❖ Compensation strategy and policies of staff (except the Directors)
- ❖ Training and continuous professional development of senior management and staff
- ❖ Code of Conduct of employees



#### **Tasks performed by the Human Resources and Compensation Committee in the year**

- Reviewed the organisation structure, manpower plan, employment terms and staff benefits, new human resources initiatives, senior management appointments (except the Directors) and other related issues
- Determined the salary increases and bonus payments of senior management (except the Directors) and other employees
- Reviewed (with the assistance and input from an external consultant) the vesting conditions in respect of restricted unit awards to be granted to selected employees under the long-term incentive plan of The Link REIT
- Approved the grant of restricted unit awards to selected employees (except the Directors) under the long-term incentive plan of The Link REIT
- Reviewed the effectiveness of the system process and the adequacy of resources for continuous education and professional development of staff
- Ongoing monitoring of employees' Code of Conduct

(For further information, please refer to the *"Remuneration Policy"* section below regarding staff and senior management remuneration.)

#### **Richard WONG Yue Chim**

*Chairman of the Human Resources and Compensation Committee*

4 June 2014



## Report of the Finance and Investment Committee

Composition	Independent	Attendance
Nicholas Robert SALLNOW-SMITH (Chairman)	✓	6/6
George Kwok Lung HONGCHOY		6/6
Andy CHEUNG Lee Ming		6/6
Ian Keith GRIFFITHS		5/6
David Charles WATT	✓	5/6
Elaine Carole YOUNG	✓	6/6

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

In the year under review, the Finance and Investment Committee endorsed management's proposals on unit buy-back against agreed criteria and disposal of non-core assets of The Link REIT.

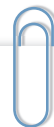
Other than the retirement of Mr Michael Ian ARNOLD, there has not been any change to the membership of the Finance and Investment Committee in the year.

During the year ended 31 March 2014, the Finance and Investment Committee met six times.

### Key Areas of Review by the Finance and Investment Committee

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





#### **Tasks performed by the Finance and Investment Committee in the year**

- Reviewed and recommended for the Board's approval of the 3-year budget and business plans
- Approved new asset enhancement projects within the authority limits set by the Board and monitored regularly the progress of existing projects
- Evaluated different investment opportunities within the investment criteria approved by the Board
- Made recommendations to the Board on the acquisition opportunities in the year
- Reviewed and recommended to the Board on the disposal of non-core assets of The Link REIT and the criteria of the disposal
- Reviewed regular reports on capital management issues and treasury matters and considered various financing/ refinancing proposals
- Reviewed capital market policies including the mix of fixed/floating rate liabilities, and reviewed the distribution policy of The Link REIT
- Reviewed and monitored the issue of new notes under the MTN Programme to finance working capital
- Reviewed and recommended to the Board on the criteria of unit buy-back and its implementation
- Reviewed and recommended to the Board to suspend the distribution reinvestment scheme of The Link REIT

#### **Nicholas Robert SALLNOW-SMITH**

*Chairman of the Finance and Investment Committee*

4 June 2014

## REMUNERATION POLICY

### Objective and Strategy

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

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

### Structure of Remuneration

#### Non-Executive/Independent Non-Executive Directors

The Manager's objective is to remunerate our Non-Executive and Independent Non-Executive Directors appropriately, having regard to their time and efforts dedicated to The Link REIT's affairs and their roles and duties. The level of fees is reviewed annually in the light of market trend and practices and with significant inputs from an independent external consultant. Additional fees will be paid for undertaking extra duties on Board Committees. Our Non-Executive and Independent Non-Executive Directors are also eligible to participate in the long-term incentive plan of The Link REIT.

#### Executive Directors and Other Staff

During the year under review, with inputs from an independent external consultant, the Manager reviewed its remuneration policy and practices (including a deferred bonus component to the Executive Directors) to ensure that the remuneration packages it paid to the Executive Directors and other staff were in line with the labour market and that they will stay competitive for the Manager to attract and retain high performing staff.

A full-time and permanent staff member (including the Executive Directors) receives a compensation package comprising a basic salary and a discretionary bonus, the payment of which is based on both the individual's performance and the overall performance of The Link REIT. Other staff benefits include, among others, contribution to mandatory provident fund, annual leave, sick leave, maternity/paternity leave, birthday leave, medical insurance, life and personal accident insurance, and reimbursement of industry-specific club/professional association membership fee.

To align the interest of staff with those of our Unitholders, full-time staff members of the Manager meeting prescribed criteria of performance and service length are eligible to participate in the EUPP. Further disclosures on EUPP appear on page 90 of this report.

Executive Directors and certain key staff members (based on their contributions to The Link REIT) are eligible to participate in the long-term incentive plan of The Link REIT. Directors and staff participating in the long-term incentive plan are not eligible to participate in the EUPP.

## **Approval of Remuneration**

### **Directors**

Remuneration of the Directors (including the two Executive Directors) is determined by the Board after the review by, and upon the recommendation of, the Remuneration Committee. No Director is involved in deciding his or her own remuneration.

Director's fees in respect of the 10 Independent Non-Executive Directors and the Non-Executive Director, and salaries and discretionary bonuses of the two Executive Directors, as well as the grant of restricted unit awards to the Directors, are assessed and then recommended by the Remuneration Committee for final approval by the Board. Our Remuneration Committee comprises entirely Independent Non-Executive Directors. The process ensures that all our Directors are being fairly but not excessively rewarded for their services to the Manager.

As approved by the Board upon the recommendation of the Remuneration Committee and the advice of an independent external consultant, there is no change to the level of Director's fees for the financial year ending 31 March 2015. The vesting of awards granted under the long-term incentive plan of The Link REIT to the Non-Executive and Independent Non-Executive Directors is tenure-based while that of the Executive Directors is performance-linked.

### **Senior Management**

The Board has delegated to the Human Resources and Compensation Committee the responsibility to review, determine and approve the remuneration of the senior management. The Human Resources and Compensation Committee, which is chaired by an Independent Non-Executive Director, comprises a high majority (being 80%) of Independent Non-Executive Directors.

Biographies of our management team appear on pages 100 to 102 of this report.

The remuneration of the senior management (including the two Executive Directors) for the year under review was as follows:

Range HK\$	No. of Persons
3,000,001 – 3,500,000	1
3,500,001 – 4,000,000	1
4,000,001 – 4,500,000	1
4,500,001 – 5,000,000	4
5,000,001 – 5,500,000	2
5,500,001 – 6,000,000	1
9,500,001 – 10,000,000	1
22,500,001 – 23,000,000	1
<b>Total No. of Persons</b>	<b>12</b>

The members of the Remuneration Committee and that of the Human Resources and Compensation Committee do not overlap and the two Board Committees are chaired by two different Independent Non-Executive Directors. The decision of one Board Committee does not influence the other. The duties of the two Board Committees are segregated and clearly defined, ensuring that there is no conflict and the interests of various individual groups on remuneration issues are balanced, well represented, and fairly treated. The Manager's remuneration model is not only in line with the rationale but exceeds the requirement under code provision B.1.2(c) of the Listing Rules Corporate Governance Code.

## UNITHOLDERS' RIGHTS

### Communications with Unitholders and Other Stakeholders

Transparency is a key attribute of good corporate governance. The Manager proactively engages with Unitholders and other stakeholders through effective channels to articulate the business objectives and progress of The Link REIT and collect their views and suggestions.

Executive Directors and senior executives in charge of the investor relations function attend conferences and seminars organised by the investment community, and hold regular meetings with institutional investors. The Board also receives regular investors activity reports, which provide feedback from meetings with institutional investors, institutional and retail stockbrokers, analysts' forecasts, information from research reports, and data on our unit price performance.

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

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

- press conferences with the media and analysts' briefings after announcing the interim and final results of The Link REIT. The Board Chairman, the CEO and the CFO attended the press conferences. The CEO, the CFO and senior management representing the investor relations function attended the analysts briefings to answer queries on financial results
- the 2013 Annual General Meeting of The Link REIT where Directors met Unitholders "face-to-face" to have a direct "Q&A" dialogue. Comments received from prior year's Annual General Meeting were followed up and reported back to Unitholders at the meeting
- the EGM on 18 February 2014 where Directors met Unitholders "face-to-face" to explain to our Unitholders the rationale for the proposals on The Link REIT's expansion of geographical investment scope beyond Hong Kong and the various other amendments to the Trust Deed
- post-results investors' conferences and non-deal roadshows to explain the strategies, business developments and the sustainability efforts of The Link REIT, promoting transparency and inter-active communications with the investment community, and also visits by analysts and representatives from major Unitholders to The Link REIT's properties after asset enhancement
- regular meetings with media to articulate the position of The Link REIT on current social, business and other issues that are of interest to the community
- email and investor hotline (see "Investor Information" section) to receive and answer enquiries from Unitholders on a timely manner

- corporate website for posting of corporate communications voluntarily and as required by the Listing Rules and the REIT Code, including Directors and senior management profile (with information on the roles and functions of all the Directors), business and sustainability developments, financial calendar and other news and latest developments of The Link REIT
- proactively engaging proxy advisors to match the corporate governance expectations of the major Unitholders
- documents available for inspection at the office of the Manager including, among others, the Trust Deed (and all supplemental deeds, the latest one being the 10th supplemental deed dated 18 February 2014) constituting The Link REIT and the Corporate Governance Policy

### Investor Relations

The Manager has continually communicated with the investment community to ensure that analysts, retail and institutional investors are properly informed, and to gauge their views on the business objectives, activities and future direction of The Link REIT. There are currently 17 equity research analysts covering The Link REIT. Since April 2013, the Manager held discussions with over 450 individual investment managers and analysts at meetings and conference calls, including attendance at 12 investors' conferences/corporate days, and eight roadshows to Asia, Australia, Europe and the United States. The Manager also arranged 33 site visits for interested parties.

Event	Number
Individual Meetings and Conference Calls	>450
Investors' Conferences/Corporate Days	12
Post Results/Non-deal Roadshows	8
Site Visits	33

### Reporting and Transparency

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

- Publication of annual report within three months after the financial year end and interim report within two months after the half-year period end as well as results highlights in major newspapers to widen dissemination
- Issue of announcements and circulars on material information or development as required by the REIT Code, the Listing Rules and/or the SFC, or voluntarily as the Board considers appropriate
- Publication of The Link REIT's sustainability reports which were issued to Unitholders along with the annual reports in the past years and are available on the corporate website of The Link REIT ([www.thelinkreit.com](http://www.thelinkreit.com)). This year we made our first step towards an integrated reporting model with our sustainability report being integrated into in this annual report.

### General Meetings

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

A general meeting of Unitholders may be convened:

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

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

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



### **Matters required to be decided by Special Resolution**

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

- (i) disposal of any property forming part of the assets of The Link REIT within two years of acquisition of such property;
- (ii) disposal by the Trustee of all or any of the issued share capital of the Manager;
- (iii) any increase in the maximum percentage rate or any change to the structure of the Trustee's fee;
- (iv) any modification, alteration or addition to the Trust Deed, save in certain circumstances specified in the Trust Deed;
- (v) termination or merger of The Link REIT; and
- (vi) removal of the Trustee under certain circumstances.

### **2013 Annual General Meeting**

At the 2013 Annual General Meeting of Unitholders held on 31 July 2013, Unitholders approved, by ordinary resolutions, the re-election of Mr Ian Keith GRIFFITHS as a Non-Executive Director as well as Mr Nicholas Robert SALLNOW-SMITH, Dr Patrick FUNG Yuk Bun, Professor Richard WONG Yue Chim, Ms May Siew Boi TAN and Ms Elaine Carole YOUNG as Independent Non-Executive Directors, and renewed the general unit buy-back mandate.

The voting results showing level of Unitholders' support on the relevant ordinary resolutions appear in the poll results announcement of The Link REIT dated 31 July 2013.

The Board Chairman (who also chaired the Nomination Committee), the chairmen of the Audit Committee and the Remuneration Committee, other Independent Non-Executive Directors, the CEO, the CFO as well as The Link REIT's external auditor attended the 2013 Annual General Meeting.

### **Extraordinary General Meeting held on 18 February 2014**

At the EGM, overwhelming support was received from our Unitholders who approved, by special resolutions, the expansion of the geographical scope of The Link REIT's investment strategy beyond Hong Kong, consequential amendments to the Trust Deed following the geographical expansion, and certain other updates on the Trust Deed to keep the provisions in line with the latest regulatory changes and practices of other REITs in Hong Kong. The results of our Unitholders' voting on the respective special resolutions appear in the poll results announcement of The Link REIT dated 18 February 2014.

The Board Chairman (who also chaired the Nomination Committee), the chairmen of the Audit Committee and the Remuneration Committee, other Independent Non-Executive Directors as well as the CEO and the CFO attended the EGM.

### **2014 Annual General Meeting**

This year's Annual General Meeting of Unitholders of The Link REIT will be held on 23 July 2014. Notice and agenda are set out in the circular to Unitholders accompanying this annual report.

## INTERNAL CONTROL AND RISK MANAGEMENT

The Board (as assisted by the Audit Committee) is responsible for maintaining and reviewing the effectiveness of risk management and internal control systems and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. Led by the Board, management designs procedures and implements control system for safeguarding assets against unauthorised use or disposal, maintaining proper accounting records and the reliability and usefulness of financial information used within the business or for publication, and ensuring compliance with laws and regulations affecting the business, operations and affairs of The Link REIT. These procedures can only provide reasonable but not absolute assurance against material misstatement, errors, losses or fraud.

### Three lines of Defense



The Manager has developed a three lines of defense system, which allows the Board to consider control issues effectively. The Board receives regular reports through the Audit Committee from the risk management and the internal audit functions.

### **1st Line of Defense – Internal Control & Operational Management**

Control and monitoring procedures over compliance and risk management have been integrated into the daily operations with clear policies and procedures, which are reviewed on a regular basis to ensure their effectiveness. This ensures that management is operating within the guidelines of an established control framework. Comprehensive trainings have also been provided to staff to ensure their understanding of the control and compliance requirements.

During the year under review, management had reviewed the existing policies and procedures and started planning for additional measures to be in place to anticipate and manage risks associated with investment by The Link REIT beyond Hong Kong, particularly in Mainland China. Management had also reviewed and obtained approval from the SFC on certain revisions to the Compliance Manual in this particular regard.

### **2nd Line of Defense – Risk Management & Compliance**

The risk management and compliance functions monitor the effectiveness of the established risk management control framework. In particular, they provide guidelines to business functions to facilitate their risk management processes, support management to assess known and identify emerging risks and assist in developing the respective internal controls.

Further, irregularities identified at the functional level, if any, will be reported to the risk management and compliance teams who red-flag the risk for timely rectification and senior management's attention.

### **3rd Line of Defense – Internal Audit**

The internal audit function provides independent objective assurance to the Audit Committee on whether the control environments within the business are adequate. The internal audit function carries out independent reviews of key business processes and controls in accordance with its annual audit plan approved by the Audit Committee. The internal audit function periodically reports to the Audit Committee and has regular meetings with the chairman of the Audit Committee bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Key findings and recommendations for improvement and the implementation progress of the internal auditor's recommendations are regularly reported to the Board through the Audit Committee.

The Manager also has in place a whistle blowing policy such that possible improprieties may be detected earlier and brought to the attention of management and the Audit Committee.

The external auditor also reports on any control issues identified in the course of its audit work.

With the assistance of the Audit Committee, the Board had reviewed and was satisfied with the effectiveness and adequacy of internal controls for the year under review, having had regard to the key processes of The Link REIT. These were achieved primarily through approving the scope of the annual internal audit plan, reviewing the findings and recommendations of internal audit work, reviewing annual and interim financial statements as well as the nature, scope of work and reports of the external auditor.

## CONFLICT OF INTEREST

The Manager has instituted stringent internal procedures to monitor and deal with conflict of interest issues. In particular:

- (i) Directors are required to periodically report and update changes to directorships and positions held in other companies and organisations. The Manager maintains a register of and makes filings with the SFC with respect to such directorships and positions. Management checks transactions against the register and performs other periodic and sample checking to detect and handle potential connected party transactions in the manner as required under the REIT Code;
- (ii) Directors are required to declare their interest in any business or arrangements The Link REIT proposes to enter into. In general, Directors cannot vote on business in which they have an interest and cannot be counted in the quorum;
- (iii) Unitholders cannot vote (nor will they be counted in the quorum) on business in which they have a material interest which is different from the interest of other Unitholders as a whole;
- (iv) the Manager does not manage any REITs other than The Link REIT; and
- (v) all connected party transactions are managed in accordance with the requirements of the REIT Code, and in the manner and in accordance with the procedures prescribed in the Compliance Manual and under the waivers granted by the SFC relevant to the type of connected party transactions in question.

## COMPLIANCE AND OTHER DISCLOSURES

### Auditor's Re-appointment and Remuneration

The Audit Committee had reviewed and recommended to the Board the re-appointment of the existing external auditor. In making such recommendation, the Audit Committee had taken into consideration the quality and effectiveness of the work, current level of remuneration as against market trend and the independence of the external auditor. It had also considered the scope of non-audit services provided by the external auditor and assessed whether its independence and objectivity were affected by the rendering of these non-audit services. Non-audit services normally include the review of interim results and report, review of internal control systems, taxation and other ad hoc non-recurring assignments. The Manager had put in place specific approval and reporting guidelines governing the engagement of the external auditor for provision of non-audit services.

Fees paid/payable to the external auditor for audit and non-audit services for the year ended 31 March 2014 are disclosed in Note 9 to the consolidated financial statements on page 147 of this annual report.

### Employee Unit Purchase Plan

The EUPP was established in 2012 to provide benefits to eligible employees to create a sense of ownership among staff of The Link REIT. Employees meeting the prescribed criteria under the EUPP are entitled to a subsidy from the Manager which can only be used for purchasing, on the open market, units of The Link REIT through an independent third party intermediary (currently, the Bank of China (Hong Kong) Limited). Four purchases will be made in a year on pre-determined dates, and the amount of subsidy for each eligible employee is determined in accordance with the rules of the EUPP with reference to the length of service and appraised performance.

In the year under review, 452 eligible employees of the Manager participated in the EUPP who together purchased 344,563 units on the Hong Kong Stock Exchange at a total consideration of HK\$12,700,196.06, of which HK\$1,739,170.01 was subsidised by the Manager.

### Charity and Community Engagement Programme

The charity and community engagement programme – now known as “*The Link Together Initiatives*” – was first established in 2012 as part of The Link REIT’s ongoing commitment to sustainable development. In the year under review, upon the recommendation of the programme’s selection committee and with endorsement from the Board, 10 charity and community projects for an aggregate amount of charitable donations and sponsorships of HK\$10.4 million were approved. The themes of all these projects are in line with the twin-focus of the programme, which are to support (i) the well-being of the elderly and the disadvantaged and (ii) the education, training and development of children and youth services, in the communities near the real estate owned and/or operated by The Link REIT in Hong Kong. The internal auditor of the Manager carried out periodic reviews to ensure that the selection process and allocation of funds are within the rules of the programme and in accordance with its defined objectives. For more details of the programme, please refer to “*The Link Together Initiatives*” section on pages 118 and 119 of this annual report.

### Directors’ Responsibility for the Financial Statements

The Directors acknowledged their responsibilities for the preparation of the financial statements of The Link REIT for the year ended 31 March 2014, which had been reviewed by the Audit Committee and approved by the Board to ensure accuracy and completeness of disclosures.

The statement of the auditor regarding its reporting responsibilities on the consolidated financial statements of The Link REIT is set out in the independent auditor’s report on pages 121 and 122 of this annual report.

### Regulatory Compliance

Throughout the year ended 31 March 2014,

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

### Dealings in Securities of The Link REIT by Directors and Senior Management

The Manager has incorporated in the Compliance Manual the Code Governing Dealings in Securities of The Link REIT by Directors and Senior Management (the “**Securities Dealing Code**”) to govern dealings in securities of The Link REIT by the Directors and senior management of the Manager and their respective associates. The terms of the Securities Dealing Code are regularly reviewed and updated (when required) to ensure that they are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules.

All the Directors, after making specific enquiry of each of them, confirmed that they complied with the required standard set out in the Securities Dealing Code throughout the year ended 31 March 2014.

Pursuant to the Securities Dealing Code, Directors or relevant senior employees wishing to deal in the securities of The Link REIT 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 applied to The Link REIT. They must also refrain from dealing in the securities of The Link REIT if they are aware of, or are privy to, any negotiations or agreements relating to intended acquisitions or disposals which are significant, or have been otherwise in possession of unpublished inside information, until proper disclosure of the inside information has been made.

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

### **Controls on Inside Information**

The Manager has put in place an escalation policy monitoring information flow for management to identify events and the Board to consider timely disclosures of inside information. It has adopted stringent internal procedures to preserve confidentiality of inside information. The Manager complied with the requirements of Part XIVA of the SFO, which has been extended to non-corporation entities including The Link REIT. In the year under review, the internal audit function had also reviewed the procedures and controls in relation to inside information, its preservation and timely disclosures.

In the year under review, the Audit Committee also reviewed in each quarter the compliance controls over inside information through reports submitted by the management.

### **Foreign Account Tax Compliance Act**

In January 2013, the government of the United States (“US”) issued the final regulations on its Foreign Account Tax Compliance Act (“**FATCA**”). FATCA aims to prevent the non-compliance with US tax obligations by US taxpayers holding foreign financial accounts. According to the information published by the US Internal Revenue Service, a foreign financial institution within FATCA will need to conduct due diligence to identify and report to the US Internal Revenue Service information in respect of relevant foreign financial accounts. Foreign financial institutions which do not comply with FATCA will be subject to withholding taxes on certain payments received by them.

The Manager is assessing the potential implications of FATCA on The Link REIT’s business operations and has been seeking professional advice on the appropriate operational and system procedures if the Manager comes to the view that The Link REIT is subject to compliance with FATCA.

### **Issue of New Units**

During the year ended 31 March 2014, the Manager and The Link REIT did not issue any new units in breach of the pre-emption right of the Unitholders and has observed the relevant provisions and restrictions in the REIT Code regarding issue of new units.

22,828,121 new units in aggregate were issued in the year, comprising:

- (i) 2,055,632 new units issued on 15 July 2013 pursuant to the long-term incentive plan of The Link REIT; and
- (ii) 20,772,489 new units issued on 2 August 2013 at an issue price of HK\$37.52 per unit pursuant to the distribution reinvestment scheme in respect of the final distribution for the year ended 31 March 2013.

Based on 2,310,889,561 units in issue as at 31 March 2014, the number of new units issued in the year represented approximately 1.0%.

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

Neither the Manager nor any of The Link REIT's subsidiaries bought back, sold or redeemed any of The Link REIT's listed units during the year ended 31 March 2014.

### Public Float

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

### Unitholders Statistics

An analysis of the registered Unitholders as at 31 March 2014 according to the register of The Link REIT was as follows:

Range of Holdings	Number of Holders	Number of Units	Percentage %
0-1,000	8,051	5,465,189	0.23
1,001-5,000	15,449	34,119,318	1.48
5,001-10,000	1,122	7,788,136	0.34
10,001-100,000	683	17,820,997	0.77
100,001 or over	77	2,245,695,921	97.18
<b>Total</b>	<b>25,382</b>	<b>2,310,889,561</b>	<b>100.00</b>

HKSCC Nominees Limited (through which most Unitholders hold their units) was a single largest registered Unitholder, holding 2,219,773,107 units (96.1%) as at 31 March 2014.

As at 31 March 2014, there were 2,310,889,561 units of The Link REIT in issue, which amounted to a market capitalisation of approximately HK\$88.16 billion based on the closing price of HK\$38.15 per unit as at that date. Further details are set out in Note 23 to the consolidated financial statements in this annual report.

### Acquisition or Disposal of Real Estate

The Link REIT and/or its subsidiaries did not make any acquisition or disposal of real estate in the year.

Subsequent to year end, The Link Properties Limited, a wholly-owned subsidiary of The Link REIT, disposed of four properties, namely, the Hing Tin Commercial Centre, the Kwai Hing Shopping Centre, the Retail and Car Park within Tung Hei Court and the Wah Kwai Shopping Centre for a total consideration of HK\$1,239,738,800. Completion of such disposals shall take place on 31 July 2014. Further details are disclosed in the announcement of The Link REIT dated 20 May 2014.

### Major Real Estate Agent

During the year ended 31 March 2014, no commission was paid to any real estate agent.



### Major Contractors

During the year ended 31 March 2014, the aggregate value of service contracts of the top five contractors engaged by The Link REIT and their respective value of services rendered were as follows:

Contractors	Nature of Services	Value of Services HK\$'M	Percentage of Relevant Costs %
Pat Davie Limited	Projects and maintenance	231	11.14
Wan Chung Construction Co Ltd	Projects and maintenance	115	5.55
The Jardine Engineering Corporation, Limited	Projects and maintenance	70	3.38
Wilson Parking (Holdings) Limited	Car park management	69	3.33
Ching Lee Engineering Ltd	Projects and maintenance	65	3.14
<b>Total</b>		<b>550</b>	<b>26.54</b>

### Major Customers and Suppliers

For the year ended 31 March 2014, the percentages attributable to the five largest customers combined and the five largest suppliers combined were less than 30% of The Link REIT's total turnover and total purchases for the year, respectively.

So far as the Directors are aware, none of the Directors, their respective associates and any Unitholder which to the knowledge of the Directors owned more than 5% of the issued units of The Link REIT, had any interest in the five largest customers or the five largest suppliers.

### Changes after Closure of Financial Year

This annual report has taken into account changes occurred since the end of the financial year on 31 March 2014 up to the date of approval by the Board of this annual report on 4 June 2014.

4 June 2014

# CORPORATE GOVERNANCE

## BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT TEAM

### DIRECTORS OF THE MANAGER

#### **Mr Nicholas Robert SALLNOW-SMITH**

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

Mr Sallnow-Smith, aged 64, has been an Independent Non-Executive Director and the Chairman of the Board of the Manager since April 2007. He is also the Chairman of the Nomination Committee and the Finance and Investment Committee of the Manager.

Mr Sallnow-Smith has over 38 years of experience in the finance and treasury field in the United Kingdom and Hong Kong, and has extensive knowledge of the property investment/management industry in Hong Kong. He was Chief Executive of Hongkong Land Limited between 2000 and 2007.

Mr Sallnow-Smith is an independent non-executive director of Wynn Macau, Limited (a company listed on the Main Board of the Hong Kong Stock Exchange) and Unitech Corporate Parks PLC (a company listed on the Alternative Investment Market of the London Stock Exchange), and a non-executive director of Aviva Life Insurance Company Limited in Hong Kong.

Mr Sallnow-Smith has been actively involved in public service. He is a member of the Council of the Treasury Markets Association and was the Chairman of the General Committee of The British Chamber of Commerce in Hong Kong from 2012 to 2014. He became a member of the Financial Reporting Council of Hong Kong in December 2012. He is also the Chairman of Hong Kong Youth Arts Foundation, a Councillor of Foundation for the Arts and Music in Asia Limited, and a director of The Photographic Heritage Foundation Limited.

Mr Sallnow-Smith was presented with a Director of the Year Award under the category of Listed Companies – Non-Executive Directors by The Hong Kong Institute of Directors in 2011.

#### **Mr George Kwok Lung HONGCHOY**

##### **Executive Director & Chief Executive Officer**

Mr Hongchoy, aged 52, joined the Manager as the Chief Financial Officer in January 2009, was appointed as an Executive Director in February 2009, and became the Chief Executive Officer in May 2010. Mr Hongchoy is also a member of the Nomination Committee, the Finance and Investment Committee and the Human Resources and Compensation Committee of the Manager and director of The Link Holdings Limited, The Link Properties Limited and The Link Finance Limited, principal subsidiaries of The Link REIT.

Mr Hongchoy has over 25 years of experience in investment banking, financial consulting and accounting in Asia and New Zealand with focus on real estate, financial services and consumer/retail sectors. He holds a Bachelor of Commerce degree from the University of Canterbury and a MBA degree from The Wharton School, University of Pennsylvania. He is a Chartered Accountant from the New Zealand Institute of Chartered Accountants. He is also a Fellow member of the Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Directors, Hong Kong Securities and Investment Institute, the Royal Institution of Chartered Surveyors and Institute of Shopping Centre Management.

Mr Hongchoy is a director of Hong Kong Cyberport Management Company Limited, a director of Asia Pacific Real Estate Association Limited and Chairman of its Hong Kong Chapter Board. He is a member of the Asia Executive Board of The Wharton School and a member of the Financial Development Research Committee of the Financial Services Development Council of The Government of the HKSAR. Mr Hongchoy was a Council Member of the Hong Kong Institute of Certified Public Accountants and Chairman of its Corporate Finance Committee in 2008, a member of the Advisory Committee on Human Resources Development in the Financial Sector of The Government of the HKSAR in 2008-2010 and a director of Hong Kong Securities and Investment Institute in 2006-2011.

## CORPORATE GOVERNANCE

### BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT TEAM

Mr Hongchoy was presented with Asian Corporate Director Award by Corporate Governance Asia in 2013, Director of the Year Award under the category of Listed Companies – Executive Directors by The Hong Kong Institute of Directors and Outstanding Entrepreneurship Award by Enterprise Asia in 2011.

#### **Mr Andy CHEUNG Lee Ming**

##### **Executive Director & Chief Financial Officer**

Mr Cheung, aged 47, joined the Manager as an Executive Director and the Chief Financial Officer in June 2010. He is also a member of the Finance and Investment Committee of the Manager and director of The Link Holdings Limited, The Link Properties Limited and The Link Finance Limited, principal subsidiaries of The Link REIT.

Mr Cheung has over 22 years of experience in the areas of business development, finance and audit. He holds a Bachelor degree in Business Administration from the Boston University and a Master of Business Administration degree from the McMaster University. He is a Certified Public Accountant of the State of Illinois in the United States and also a Council Member of the Hong Kong Institute of Real Estate Administrators, a member of the Real Estate and Infrastructure Committee of The Hong Kong General Chamber of Commerce, and a member of the General Committee of The Chamber of Hong Kong Listed Companies.

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

#### **Mr Ian Keith GRIFFITHS**

##### **Non-Executive Director**

Mr Griffiths, aged 59, has been a Non-Executive Director of the Manager since September 2007. He is also a member of the Finance and Investment Committee of the Manager. Mr Griffiths has practiced architecture for 35 years, with 31 years in Hong Kong. He is the Chairman of Aedas Global Board, an Honorary Fellow of the University of Wales and a member of the respective board of directors of the Asian Youth Orchestra and the City Chamber Orchestra of Hong Kong. Aedas is one of the world's leading global architecture and design practices with 27 offices and 2,000 staff internationally.

#### **Mr William CHAN Chak Cheung**

##### **Independent Non-Executive Director**

Mr Chan, aged 66, has been an Independent Non-Executive Director of the Manager since October 2009. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee of the Manager. Mr Chan is a retired partner of PricewaterhouseCoopers with a career spanning 33 years in Canada, Hong Kong and Mainland China. Mr Chan is an independent non-executive director of National Electronics Holdings Limited and was also an independent non-executive director of King Fook Holdings Limited; both of which are listed on the Main Board of the Hong Kong Stock Exchange. He is also a director of several non-listed companies. Mr Chan brings senior management skills and experience in solving complex business issues in many different industries including the real estate industry, and also brings experience in matters on corporate governance.

### **Mrs Eva CHENG LI Kam Fun**

#### **Independent Non-Executive Director**

Mrs Eva Cheng, aged 61, has been an Independent Non-Executive Director of the Manager since February 2014. She is also a member of the Human Resources and Compensation Committee of the Manager since February 2014. Mrs Eva Cheng began her career with Amway in Hong Kong in 1977. In 2011, she retired from her positions as corporate executive vice president of Amway Corporation and executive chairman of Amway (China) Co., Ltd. During her 34 years with Amway, Mrs Eva Cheng's area of responsibilities covered markets in the Greater China and Southeast Asia regions. Mrs Eva Cheng's leadership is well recognised in the business community. In 2007, CNBC presented Mrs Eva Cheng with the "China Talent Management Award". In 2008 and 2009, Mrs Eva Cheng was twice named the "World's 100 Most Powerful Women" by Forbes Magazine. In 2010, Fortune magazine (Chinese edition) named Mrs Eva Cheng as one of the "25 Most Influential Business Women in China".

Mrs Eva Cheng is currently an independent non-executive director of Esprit Holdings Limited (till 30 June 2014), Trinity Limited and Haier Electronics Group Co., Ltd., all of which are companies listed on the Main Board of the Hong Kong Stock Exchange. She is also an independent non-executive director of Nestlé S.A., a company listed on the SIX Swiss Exchange, and a non-executive director of Amcor Limited, a company listed on the Australian Securities Exchange. She was an independent non-executive director of Amway (Malaysia) Holdings Berhad, a company listed on the main market of Bursa Malaysia Securities Berhad.

In China, Mrs Eva Cheng is currently a member of the executive committee of the All-China Women's Federation, a director of the China Children and Teenagers' Foundation, a member of the Chinese

People's Political Consultative Conference – Guangdong Commission and founding/honorary chairwoman of the Amway Charity Foundation. In Hong Kong, Mrs Eva Cheng is an Honorary President of the All-China Women's Federation Hong Kong Delegates Association, a member of the Council of The Hong Kong Academy for Performing Arts and a member of the Court of The Open University of Hong Kong. Mrs Eva Cheng obtained a Bachelor of Arts (Honours) degree and a Master of Business Administration degree from The University of Hong Kong.

### **Mr Anthony CHOW Wing Kin, SBS, JP**

#### **Independent Non-Executive Director**

Mr Chow, aged 63, has been an Independent Non-Executive Director of the Manager since May 2006. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Manager. Mr Chow is a solicitor admitted to practice in Hong Kong and England and Wales. He has been a practising solicitor in Hong Kong for over 33 years and is currently a partner of the law firm Messrs. Peter C. Wong, Chow & Chow in association with Guantao Law Firm (Hong Kong). His principal areas of practice include corporate and commercial, property law, probate and civil litigation. Mr Chow is a China-Appointed Attesting Officer, and a member of the Guangzhou Arbitration Commission and South China International Economic and Trade Arbitration Commission. He is a steward of The Hong Kong Jockey Club. Mr Chow is also a non-executive director of Kingmaker Footwear Holdings Limited and an independent non-executive director of Fountain Set (Holdings) Limited; and was an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd., all of which are listed on the Main Board of the Hong Kong Stock Exchange. He is the former President of The Law Society of Hong Kong and was the Chairman of the Process Review Panel for the SFC.

## CORPORATE GOVERNANCE

### BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT TEAM

#### **Dr Patrick FUNG Yuk Bun, JP**

##### **Independent Non-Executive Director**

Dr Fung, aged 67, has been an Independent Non-Executive Director of the Manager since August 2005. He is also the Chairman of the Remuneration Committee of the Manager. Dr Fung is a veteran banker with over 37 years of experience. He has been the Chairman and Chief Executive of Wing Hang Bank, Limited since 1996 and is also a non-executive director of Miramar Hotel and Investment Company, Limited; both of which are listed on the Main Board of the Hong Kong Stock Exchange. Dr Fung is the Chairman of the Executive Committee and Vice President of the Council of The Hong Kong Institute of Bankers.

#### **Mr Stanley KO Kam Chuen, BBS, JP**

##### **Independent Non-Executive Director**

Mr Ko, aged 68, has been an Independent Non-Executive Director of the Manager since September 2005. He is also a member of the Audit Committee and the Human Resources and Compensation Committee of the Manager. Mr Ko has extensive experience in business development and management of business portfolios. Mr Ko is the Chairman of Lark International Group Limited and an independent non-executive director of Sunwah Kingsway Capital Holdings Limited (a company listed on the Main Board of the Hong Kong Stock Exchange). Mr Ko was the Chairman of Jardine Matheson (China) Limited and a director of Jardine Pacific Limited.

#### **Ms May Siew Boi TAN**

##### **Independent Non-Executive Director**

Ms May Tan, aged 58, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Audit Committee and the Nomination Committee of the Manager. Ms May Tan is a non-executive director and Vice Chair, Asia of Standard Chartered Bank (Hong Kong) Limited. She was previously the chief executive officer of Cazenove Asia Limited and a partner of Cazenove and Co. Cazenove Asia Limited (now known as Standard Chartered Securities (Hong Kong) Limited) became part of Standard Chartered PLC in January 2009. Ms May Tan is a member of the Listing Committee of the Hong Kong Stock Exchange and was a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the SFC from 1 April 2001 to 31 March 2013. She is also a Council Member and the Vice Chairman of Oxfam Hong Kong. Ms May Tan graduated from The University of Sheffield. She is a member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

### **Mr David Charles WATT**

#### **Independent Non-Executive Director**

Mr Watt, aged 64, has been an Independent Non-Executive Director of the Manager since August 2009. He is also a member of the Remuneration Committee and the Finance and Investment Committee of the Manager. Mr Watt holds a Master of Arts in Modern History from the University of Oxford and completed the International Executive Programme at INSEAD, France in 1991. He is a Fellow of the Royal Institution of Chartered Surveyors and a member of the General Committee of The British Chamber of Commerce in Hong Kong. Mr Watt is Senior Advisor to InfraRed Capital Partners. He is also Senior Advisor to China Council for the Promotion of International Trade, Guangzhou Committee and China Chamber of International Commerce, Guangzhou Chamber of Commerce. He was an International Director of DTZ with responsibility for business development and client services across the Asia-Pacific Region. He has over 41 years of international experience on a wide range of commercial development projects. He is a former member of the European Advisory Board of the International Council of Shopping Centres.

### **Professor Richard WONG Yue Chim, SBS, JP**

#### **Independent Non-Executive Director**

Professor Wong, aged 61, has been an Independent Non-Executive Director of the Manager since September 2007. He is also the Chairman of the Human Resources and Compensation Committee and a member of the Audit Committee and the Nomination Committee of the Manager. Professor Wong is Professor of Economics at The University of Hong Kong. His main research interest is in the economic analysis of competition, regulation and economic development. He has been actively involved in public services and serves on numerous public bodies. Professor Wong is an independent non-executive director of Great Eagle Holdings Limited, CK Life Sciences Int'l., (Holdings) Inc., Orient Overseas (International) Limited, Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, all of which are listed on the Main Board of the Hong Kong Stock Exchange. He is also an independent non-executive director of Industrial and Commercial Bank of China (Asia) Limited.

### **Ms Elaine Carole YOUNG**

#### **Independent Non-Executive Director**

Ms Elaine Young, aged 49, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Human Resources and Compensation Committee and the Finance and Investment Committee of the Manager. Ms Elaine Young has extensive experience in both real estate and hospitality and is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by the ONYX Hospitality Group in 2010, Ms Elaine Young joined as their executive director to drive the development and operations of all ONYX brands in North Asia. In May 2014, she left ONYX in order to pursue other business opportunities within the serviced hospitality sector. Ms Elaine Young was awarded "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Women in Asia Awards in 2009. She was trained by Marks & Spencer PLC in retail and commercial management in the United Kingdom prior to living in Hong Kong.

## CORPORATE GOVERNANCE

### BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT TEAM

## MANAGEMENT TEAM

### Mr George Kwok Lung HONGCHOY

**Executive Director and Chief Executive Officer**

### Mr Andy CHEUNG Lee Ming

**Executive Director and Chief Financial Officer**

### Mr Hubert CHAK

**Director (Finance)**

Mr Chak, aged 53, oversees the finance, capital markets and investor relations functions of The Link REIT. He is one of the responsible officers of the Manager for the purpose of the SFO. Mr Chak joined the Manager in June 2010. He holds a Master of Business Administration degree and a Bachelor of Science degree in Mechanical Engineering from University of Wales (now known as Cardiff University). Before joining the Manager, he was the Group Chief Operating Officer and Executive Director of CSI Properties Limited. Mr Chak held various senior management positions at PCCW Limited between 1999 and 2007 and was an executive director of Pacific Century Premium Developments Limited until February 2007. He is currently an independent non-executive director of Tradelink Electronic Commerce Limited and a member of the Financial and Treasury Services Committee of The Hong Kong General Chamber of Commerce.

### Mr Ricky CHAN Ming Tak

**Director (Legal) & Company Secretary**

Mr Chan, aged 55, oversees the legal and company secretarial affairs and regulatory compliance issues. Mr Chan joined the Manager in August 2010 and has over 30 years of experience in the legal profession with extensive experience in real estate, corporate finance, listing matters and cross-border transactions. Before joining the Manager, Mr Chan was the Group General Counsel of Littauer Technologies Co., Ltd. (Kosdaq-listed), the Head Legal Counsel and Company

Secretary of K. Wah International Holdings Limited and the General Counsel of Pacific Century Premium Developments Limited. Mr Chan holds a Bachelor of Laws from The University of Hong Kong, a Master of Laws from University of London and is a qualified solicitor in Hong Kong. He is a member of the in-house lawyers committee of The Law Society of Hong Kong and a member of the listing-related issues concern group of The Chamber of Hong Kong Listed Companies.

### Ms Christine CHAN Suk Han

**Director (Investment)**

Ms Chan, aged 39, oversees the asset investment of The Link REIT, including acquisition, new market development, and the market study and research function. She is one of the responsible officers of the Manager for the purpose of the SFO. Ms Chan has over 16 years of experience in the real estate and fund management industry. Before joining the Manager in May 2013, Ms Chan was the Director – Investment & Acquisition at Harvest Capital Partners Limited, a subsidiary of China Resources Group. Ms Chan also held managerial positions in ARA Asset Management (Prosperity) Limited and Hutchison Whampoa Properties Limited in earlier years. Ms Chan has extensive experience in direct asset investment, debt and equity investment and financing, asset management, REIT and private equity fund set up and management in the Greater China Region. Ms Chan holds a Bachelor of Science degree in Surveying from The University of Hong Kong and a Master of Science degree in Global Finance jointly conferred by the New York University Stern School of Business and the HKUST Business School. She is a qualified General Practice Surveyor and a member of The Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors.



### **Ms Peionie KONG Po Yan**

#### **Director (Leasing & Marketing)**

Ms Kong, aged 44, oversees the leasing and marketing activities of The Link REIT's asset portfolio. Ms Kong joined the Manager in March 2005 and has 21 years of experience in the real estate industry. She has extensive experience in retail and commercial leasing as well as implementation of large scale renovation projects and trade-mix repositioning exercises. Prior to joining the Manager, she had held managerial positions in renowned property developers including Sun Hung Kai Properties Limited, New World Development Company Limited and Henderson Land Development Company Limited. Ms Kong holds a Bachelor of Arts degree in Geography from The University of Hong Kong.

### **Mr Dick LEUNG Yuen Dick**

#### **Director (Project & Asset Development)**

Mr Leung, aged 48, oversees The Link REIT's asset enhancement initiatives, asset planning/development opportunities and explores business development potential. He joined the Manager in August 2012 and has over 21 years of experience in major property development projects in Hong Kong and China. Mr Leung has extensive experience in large scale mall renovation, property development of mixed residential/commercial projects as well as corporate strategy, development and implementation. Before joining the Manager, Mr Leung was the Project Director of Sun Hung Kai Properties Limited, and was the Principal Consultant (Property Development) of its former Chairman. Mr Leung holds a Master of Science in Fire and Safety Engineering from The Hong Kong Polytechnic University, a Master of Arts in Arbitration and Dispute Resolution from City University of Hong Kong as well as a Bachelor of Architecture and a Bachelor of Arts in Architectural Studies from The University of Hong Kong. He is a Fellow of Chartered Institute of Arbitrators in Great Britain, an Authorised Person (List 1), a Registered Architect in Hong Kong and a member of The Hong Kong Institute of Architects. He also possesses the Registered Architect (Class A) qualifications in China.

### **Mr LO Bing Chung**

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

Mr Lo, aged 60, oversees corporate communications, relationship management and engagement with our key stakeholders including media, Government and the community at large. He joined the Manager in June 2014 with over 30 years of experience in corporate communications and external affairs in Hong Kong and Mainland China. He had held various senior roles in sizeable organisations including Hong Kong Disneyland, Hong Kong Jockey Club and Coca-Cola China. Mr Lo holds a Master of Business Administration degree from the University of East Asia and a Diploma in Communications from the Hong Kong Baptist University. He is an Adjunct Associate Professor of the Institute for China Business, School of Professional and Continuing Education of The University of Hong Kong. He is also an Adjunct Lecturer for post-graduate programme at the School of Journalism and Communication of The Chinese University of Hong Kong. Mr Lo is a Life Member of the International Association of Business Communicators, a director of China International Public Relations Association and a member of the Chartered Institute of Linguists in UK.

### **Mr Gordon WU Chi Ping**

#### **Director (Property Management & Operations)**

Mr Wu, aged 46, oversees the property, facility and car park management and operations of the asset portfolio of The Link REIT. He joined the Manager in September 2011. Mr Wu has over 25 years of experience in property management in both Hong Kong and the PRC, running a group of management companies and training academies. Prior to joining the Manager, he was an associate director of the Sino Group and managed more than 180 properties with a workforce over 2,000 staff. Mr Wu holds a Master of Science in Real Estate from The University of Hong Kong. He is a fellow member of The Hong Kong Institute of Housing.



## CORPORATE GOVERNANCE

### BIOGRAPHICAL DETAILS OF DIRECTORS AND MANAGEMENT TEAM

#### **Ms Amy HO Shui Yung**

##### **Head of Asset Planning & Development**

Ms Ho, aged 49, is responsible for the development and execution of asset plans of The Link REIT and coordinates the asset enhancement activities. Ms Ho joined the Manager in December 2011. Prior to joining the Manager, she had 20 years of real estate industry experience with major investment and asset management companies in both Hong Kong and PRC including InfraRed NF Investment Advisers Limited, Grosvenor Limited and Hutchison Whampoa Properties Limited. Ms Ho holds both MHKIS (General Practice) and MRICS (General Practice) qualifications, and is a member of China Institute of Real Estate Appraisers and Agents. She holds a Master of Science in Real Estate and a Postgraduate Diploma in Surveying from The University of Hong Kong.

#### **Mr Michael LO Kam Chuen**

##### **Head of Operations & Sustainability**

Mr Lo, aged 63, is responsible for the facility and engineering management of The Link REIT's asset portfolio to ensure reliable and efficient asset management, as well as taking part in overseeing the corporate sustainability. He joined the Manager in June 2010 and has 42 years of experience in the property and facility management business, including 28 years in Hongkong Land Limited. Mr Lo holds a Master of Science degree in Facility Management from The Hong Kong Polytechnic University and a Certificate in Housing Management from The University of Hong Kong. Mr Lo will retire by the end of June 2014.

# DISCLOSURES

## DISCLOSURE OF INTERESTS IN UNITS

### INTERESTS OF SIGNIFICANT UNITHOLDER AND OTHER UNITHOLDER

As at 31 March 2014, the following person was considered a significant Unitholder for the purpose of the REIT Code and held the following interests in the units of The Link REIT as at that date:

Name	Capacity	Number of units in Long Position	Approximate percentage of total units in issue <sup>(2)</sup> %
The Capital Group Companies, Inc. <sup>(1)</sup>	Interests of controlled corporations	274,510,103	11.87

In addition to the significant Unitholder as disclosed above, another person having 5% or more interests in the units of The Link REIT as at 31 March 2014 was as follow:

Name	Capacity	Number of units in Long Position (L) / Short Position (S)	Approximate percentage of total units in issue <sup>(2)</sup> %
BlackRock, Inc.	Interests of controlled corporations	(L) 151,977,145 (S) 4,085,247	6.57 0.17

**Notes:**

(1) The 11.87% units in which The Capital Group Companies, Inc. was deemed to be interested were held through its two subsidiaries, namely, Capital Research and Management Company (11.41% or 263,856,944 units) and Capital Group International, Inc. (0.46% or 10,653,159 units). The 0.46% interests of Capital Group International, Inc. were further held through its four subsidiaries, namely, Capital Guardian Trust Company (0.27% or 6,162,692 units), Capital International, Inc. (0.08% or 1,964,031 units), Capital International Limited (0.05% or 1,053,302 units) and Capital International Sàrl (0.06% or 1,473,134 units).

(2) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 31 March 2014 (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Hong Kong 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 5% or more interests in the units as at 31 March 2014.

**DISCLOSURES**  
DISCLOSURE OF INTERESTS IN UNITS

## INTERESTS OF DIRECTORS IN UNITS

According to disclosure of interests to the Hong Kong 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 The Link REIT as at 31 March 2014 were as follows:

Name	Number of units				Interest in underlying units <sup>(2)</sup>	Total interest held at 31 Mar 2014	Approximate percentage of total units in issue <sup>(4)</sup> %	Total interest held at 30 Sep 2013
	Personal interest <sup>(1)</sup>	Family interest	Corporate interest	Other interest				
<b>Current Directors</b>								
<b>Chairman (also an Independent Non-Executive Director)</b>								
Nicholas Robert SALLNOW-SMITH	624,146	—	—	—	178,000	802,146	0.035	765,646
<b>Executive Directors</b>								
George Kwok Lung HONGCHOY	963,811	—	—	—	908,000	1,871,811	0.081	1,496,811
Andy CHEUNG Lee Ming	233,132	—	—	—	280,500	513,632	0.022	408,632
<b>Non-Executive Director</b>								
Ian Keith GRIFFITHS	150,388	—	—	—	49,500	199,888	0.009	189,888
<b>Independent Non-Executive Directors</b>								
William CHAN Chak Cheung	71,696	—	—	—	66,000	137,696	0.006	124,196
Eva CHENG LI Kam Fun <sup>(3)</sup>	—	—	—	—	—	—	—	—
Anthony CHOW Wing Kin	513,427	—	—	—	66,000	579,427	0.025	525,927
Patrick FUNG Yuk Bun	270,672	—	—	—	51,500	322,172	0.014	311,672
Stanley KO Kam Chuen	199,169	—	—	—	61,500	260,669	0.011	248,169
May Siew Boi TAN	—	—	—	—	12,500	12,500	0.001	—
David Charles WATT	37,222	—	—	—	54,500	91,722	0.004	80,222
Richard WONG Yue Chim	195,243	—	—	—	62,500	257,743	0.011	244,243
Elaine Carole YOUNG	2,500	—	—	—	11,500	14,000	0.001	—
<b>Former Independent Non-Executive Director</b>								
Michael Ian ARNOLD <sup>(5)</sup>	212,874	—	—	—	49,500	262,374	0.011	262,374

**Notes:**

- (1) The personal interests of the Directors in units as stated above were long position interests. There was no short position interest held by any Director.
- (2) These interests in underlying units were long position interests and represented the maximum number of units which might be issued to the Directors (and the former Independent Non-Executive Director mentioned above) on the vesting of the restricted unit awards granted to them under the long-term incentive plan of The Link REIT. See also Note (5) below.
- (3) Mrs Eva CHENG LI Kam Fun was appointed as an Independent Non-Executive Director on 24 February 2014. No restricted unit award was granted to her under the long-term incentive plan of The Link REIT.
- (4) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 31 March 2014.
- (5) These interests in units and underlying units (referring to unvested restricted unit awards) represented Mr Michael Ian ARNOLD's position as at 2 September 2013 (i.e. the date immediately preceding his retirement). There was no change to his unvested restricted unit awards from 3 September 2013 up to 31 March 2014 except that such restricted unit awards will be subject to pro rata vesting. See Note (6) of the paragraph "Restricted Unit Awards" under the "Long-term Incentive Plan" section for further details.

Save as disclosed above and so far as the Manager is aware, none of the Directors or any of their respective associates held any interests in the units or underlying units as at 31 March 2014.

## INTERESTS OF CONNECTED PERSONS IN UNITS

After making reasonable enquiry and according to information available to the Manager, the following persons (other than the significant Unitholder<sup>(6)</sup> and Directors and any of their respective associates<sup>(7)</sup>), being connected persons (as defined in the REIT Code) to The Link REIT, held interests in the units of The Link REIT as at 31 March 2014 as follows:

Name	Number of units held at 31 Mar 2014	Approximate percentage of total units in issue <sup>(4)</sup> %	Number of units held at 30 Sep 2013
The Hongkong and Shanghai Banking Corporation Limited (" <b>HSBC</b> ") and its subsidiaries <sup>(1)</sup>	2,473,461	0.107	2,387,415
Wing Hang Bank, Limited <sup>(2)</sup> (" <b>Wing Hang Bank</b> ")	100,000	0.004	100,000
Aviva Life Insurance Company Limited <sup>(3)</sup> (" <b>Aviva</b> ")	189,000	0.008	175,000

Notes:

- (1) The Trustee is an indirect subsidiary of HSBC and hence HSBC and its subsidiaries are connected persons to The Link REIT. Apart from the 2,473,461 units disclosed in the table above, a fellow subsidiary of HSBC also held 356,501 units as at 31 March 2014.
- (2) Dr Patrick FUNG Yuk Bun is chairman of Wing Hang Bank; therefore, Wing Hang Bank is a connected person to The Link REIT.
- (3) Mr Nicholas Robert SALLNOW-SMITH is a non-executive director of Aviva; therefore, Aviva is a connected person to The Link REIT.
- (4) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 31 March 2014.
- (5) CBRE Limited, current principal valuer of The Link REIT, is a connected person to The Link REIT. A fellow subsidiary of CBRE Limited held 15,787,308 units as at 31 March 2014.
- (6) The interest held by a significant Unitholder (as a connected person to The Link REIT for the purpose of the REIT Code) is disclosed in the "Interests of Significant Unitholder and Other Unitholder" section above.
- (7) The interests of Directors (as connected persons to The Link REIT for the purposes of the REIT Code) are disclosed in the "Interests of Directors in Units" section above. The Company Secretary of the Manager and his associate (as defined in the REIT Code) were interested in 144,880 units as at 31 March 2014.

# DISCLOSURES

## LONG-TERM INCENTIVE PLAN

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

The LTI Plan is managed and administered by the Human Resources and Compensation Committee. In addition, the Remuneration Committee will review and recommend to the Board for approval of grant of Award (and other arrangements under the LTI Plan) involving a Director.

## SUMMARY OF THE LTI PLAN

### Purposes

The principal purposes of the LTI Plan are:

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

### Participants

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

### Grant of Award

Grant of Award shall be approved by the Human Resources and Compensation Committee, except for the grant of an Award to a Director, the CEO or a significant holder (as defined in the REIT Code) of The Link REIT, or any of their respective associates (other than a person who is an associate only by virtue of such person’s employment with the Manager) which shall be approved by the Board (including the Independent Non-Executive Directors). No Director shall be involved in the decision of granting an Award to himself/herself.

### Total Number of Units Available for Issue under the LTI Plan

The total number of units which may be issued pursuant to all the Awards granted under the LTI Plan shall not in aggregate exceed 213,745,400 units (being 10% of the then units in issue as at the date of the adoption of the LTI Plan). As at the date of this report, 201,353,127 units are available for further grant of Awards under the LTI Plan, representing approximately 8.71% of the units in issue.

### **Maximum Entitlement of Each Participant**

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

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

### **Vesting Period/Option Period**

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

### **Exercise Price of Unit Option**

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

### **Performance Targets**

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

### **Conditional Cash Award**

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

### **Acceptance of Award and Consideration Payable**

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

## DISCLOSURES

### LONG-TERM INCENTIVE PLAN

#### Duration of the LTI Plan

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

#### UNIT OPTIONS

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

#### RESTRICTED UNIT AWARDS

The movements in Restricted Unit Awards, which were granted in conjunction with Conditional Cash Awards <sup>(5)</sup>, under the LTI Plan during the year ended 31 March 2014 and the balances as at the beginning and end of the year were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2013 <sup>(1)</sup>	Granted during the year <sup>(1),(2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2014 <sup>(1)</sup>
<b>Current Directors</b>								
Nicholas Robert SALLNOW-SMITH (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	70,500	–	(68,385)	–	(2,115)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	52,500	–	(52,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	52,500	–	–	–	–	52,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	44,500	–	–	–	–	44,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	44,500	–	–	–	–	44,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	18,250	–	–	–	18,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	18,250	–	–	–	18,250
George Kwok Lung HONGCHOY (Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	177,500	–	(172,175)	–	(5,325)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	154,000	–	(154,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	154,000	–	–	–	–	154,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	189,500	–	–	–	–	189,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	189,500	–	–	–	–	189,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	187,500	–	–	–	187,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	187,500	–	–	–	187,500
Andy CHEUNG Lee Ming (Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	84,000	–	(81,480)	–	(2,520)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	64,500	–	(64,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	64,500	–	–	–	–	64,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	55,500	–	–	–	–	55,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	55,500	–	–	–	–	55,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	52,500	–	–	–	52,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	52,500	–	–	–	52,500
Ian Keith GRIFFITHS (Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	19,500	–	(18,915)	–	(585)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	14,500	–	(14,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	14,500	–	–	–	–	14,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	12,500	–	–	–	–	12,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	12,500	–	–	–	–	12,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	5,000	–	–	–	5,000
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	5,000	–	–	–	5,000

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2013 <sup>(1)</sup>	Granted during the year <sup>(1),(2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2014 <sup>(1)</sup>
William CHAN Chak Cheung (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	26,000	–	(25,220)	–	(780)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	19,500	–	(19,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	–	–	–	–	19,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	–	–	–	–	16,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	–	–	–	–	16,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	6,750	–	–	–	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	6,750	–	–	–	6,750
Eva CHENG Li Kam Fun (Independent Non-Executive Director)	–	–	–	–	–	–	–	–
Anthony CHOW Wing Kin (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	26,000	–	(25,220)	–	(780)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	19,500	–	(19,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	–	–	–	–	19,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	–	–	–	–	16,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	–	–	–	–	16,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	6,750	–	–	–	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	6,750	–	–	–	6,750
Patrick FUNG Yuk Bun (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	20,500	–	(19,885)	–	(615)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	15,000	–	(15,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	15,000	–	–	–	–	15,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,000	–	–	–	–	13,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,000	–	–	–	–	13,000
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	5,250	–	–	–	5,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	5,250	–	–	–	5,250
Stanley KO Kam Chuen (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	24,000	–	(23,280)	–	(720)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,000	–	(18,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	–	–	–	–	18,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	6,250	–	–	–	6,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	6,250	–	–	–	6,250
May Siew Boi TAN (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	6,250	–	–	–	6,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	6,250	–	–	–	6,250
David Charles WATT (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	21,500	–	(20,855)	–	(645)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	16,000	–	(16,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	16,000	–	–	–	–	16,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,500	–	–	–	–	13,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,500	–	–	–	–	13,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	5,750	–	–	–	5,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	5,750	–	–	–	5,750



**DISCLOSURES**  
LONG-TERM INCENTIVE PLAN

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2013 <sup>(1)</sup>	Granted during the year <sup>(1),(2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2014 <sup>(1)</sup>
Richard WONG Yue Chim (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	24,000	–	(23,280)	–	(720)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,000	–	(18,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	–	–	–	–	18,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	6,750	–	–	–	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	6,750	–	–	–	6,750
Elaine Carole YOUNG (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	5,750	–	–	–	5,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	5,750	–	–	–	5,750
<b>Former Director</b>								
Michael Ian ARNOLD (Former Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	25,000	–	(24,250)	–	(750)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,500	–	(18,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,500	–	–	–	–	18,500 <sup>(6)</sup>
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500 <sup>(6)</sup>
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500 <sup>(6)</sup>
<b>Other Participants</b>								
(in aggregate)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	501,116 <sup>(7)</sup>	–	(486,083) <sup>(7)</sup>	–	(15,033) <sup>(7)</sup>	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	698,104	–	(656,604)	(32,500)	(9,000)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	695,362	–	–	–	(45,842)	649,520
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	669,500	–	–	–	(23,266)	646,234
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	669,500	–	–	–	(24,190)	645,310
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	–	645,500	–	–	–	645,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	–	645,500	–	–	–	645,500
<b>Total</b>			<b>5,388,082</b>	<b>1,916,500</b>	<b>(2,055,632)</b>	<b>(32,500)</b>	<b>(132,886)</b>	<b>5,083,564</b>

Notes:

- (1) *These figures represent the maximum number of units that may be issued on vesting of the Restricted Unit Awards. The actual number of units that will finally vest and be issued to each grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions are met.*
- (2) *The closing price of the units on the business day immediately preceding the date of grant of the Restricted Unit Awards in the year was HK\$35.90 per unit. On the assumption that the Restricted Unit Awards granted in the year were finally vested for the maximum number of units, the estimated value of such Restricted Unit Awards would amount to approximately HK\$69 million as at 31 March 2014 based on the valuation of an independent valuer.*
- (3) *The closing price of the units on the business day immediately preceding the date on which the Restricted Unit Awards were vested in the year was HK\$38.15 per unit.*
- (4) *These figures represent the maximum number of units relating to the Restricted Unit Awards lapsed in the year. The Conditional Cash Awards granted in conjunction with such Restricted Unit Awards lapsed simultaneously.*
- (5) *The Restricted Unit Awards in the above table were all granted in conjunction with Conditional Cash Awards. An aggregate amount of HK\$6,855,208 was paid for the Conditional Cash Awards vested along with the relevant Restricted Unit Award in the year. Based on the maximum number of units to be issued in respect of the Restricted Unit Awards granted but not yet vested in the year, the aggregate weighted average value carried by each of the Conditional Cash Awards at as the end of the year was HK\$1.9844 per unit.*
- (6) *Mr Michael Ian ARNOLD retired on 3 September 2013. According to the policy determined by the Remuneration Committee, any outstanding Restricted Unit Awards held by a retired Director will vest pro rata to actual number of days in office. On this basis, the outstanding Restricted Unit Awards will not vest in favour of Mr Michael Ian ARNOLD to such maximum number of units as stated in the above table. Instead, depending on the extent to which the relevant vesting conditions are met, the maximum number of units to be issued to Mr Michael Ian ARNOLD are, respectively, 12,998 units, 8,974 units and 5,942 units.*
- (7) *Included in these figures were Restricted Unit Awards in respect of a maximum of 5,580 units granted to Dr Allan ZEMAN (a former Independent Non-Executive Director) which remained outstanding at the beginning of the year. 5,413 units were issued to Dr Allan ZEMAN in the year for Restricted Unit Awards vested and the remaining Restricted Unit Awards in respect of 167 units had lapsed. As at the end of the year, no other Restricted Unit Award was outstanding and remained unvested in favour of Dr Allan ZEMAN under the LTI Plan.*

The Restricted Unit Awards and Conditional Cash Awards are to be expensed through The Link REIT's consolidated income statement over the relevant vesting period. Further details of the LTI Plan are set out in Note 19 to the consolidated financial statements in this annual report.

# DISCLOSURES

## CONNECTED PARTY TRANSACTIONS

### WAIVERS FROM STRICT COMPLIANCE

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

During the year ended 31 March 2014, The Link REIT complied with the stipulated terms and conditions of the Waivers for the relevant connected party transactions including, inter alia, (i) conducting the transactions at arm's length on normal commercial terms in the usual and ordinary course of business and in the interests of the Unitholders; (ii) wherever applicable, within specific caps on transaction amounts or fees paid; and (iii) having the relevant transactions reviewed by the auditor and the Audit Committee and approved by the Board.

### CONNECTED PERSONS AND CONNECTED PARTY TRANSACTIONS

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

Name of Connected Person <sup>(1)</sup>	Relationship with The Link REIT	Nature of the Transactions	Income Derived HK\$'M	Expenses Incurred HK\$'M
The Link Management Limited	Manager of The Link REIT	Management fee <sup>(1)</sup>	N/A	(525.2)
HSBC Institutional Trust Services (Asia) Limited	Trustee of The Link REIT	Trustee's fee <sup>(2)</sup>	N/A	(7.7)
CBRE Limited <sup>(3)</sup>	Current Principal Valuer of The Link REIT	Valuation fee Consultancy fees	N/A N/A	(2.4) (0.2) <sup>(5)</sup>
Jones Lang LaSalle Limited <sup>(3)</sup>	Former Principal Valuer of The Link REIT	Valuation fee	N/A	(0.7)
Jones Lang LaSalle Management Services Limited <sup>(4)</sup>	Associate of former Principal Valuer of The Link REIT	Provision of fitter services	N/A	(12.0) <sup>(4)</sup>
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (" <b>HSBC Group</b> ")	Associates of Trustee	Tenancy/licence <sup>(6)</sup> Interest income Interest expenses and financing charges Arrangement fees and bank charges	25.6 <sup>(7)</sup> 0.5 N/A N/A	N/A N/A (52.2) (2.6)
Industrial and Commercial Bank of China (Asia) Limited (" <b>ICBC (Asia)</b> ")	Associate of Professor Richard WONG Yue Chim	Tenancy/licence <sup>(6)</sup> Interest income Bank charges	7.5 <sup>(7)</sup> 2.5 N/A	N/A N/A — <sup>(9)</sup>
Standard Chartered Bank (Hong Kong) Limited (" <b>SCBHK</b> ")	Associate of Ms May Siew Boi TAN	Tenancy/licence <sup>(6)</sup> Interest income Interest expenses and financing charges Arrangement fees and bank charges	8.6 <sup>(7)</sup> 1.3 N/A N/A	N/A N/A (1.1) (0.3)
Wing Hang Bank	Associate of Dr Patrick FUNG Yuk Bun	Interest income	1.9	N/A

Name of Connected Person <sup>(11)</sup>	Relationship with The Link REIT	Nature of the Transactions	Income Derived HK\$'M	Expenses Incurred HK\$'M
Aedas Limited and its subsidiaries (" <b>Aedas</b> ") <sup>(8)</sup>	Associates of Mr Ian Keith GRIFFITHS	Fees for architectural and renovation consultancy services	N/A	(5.3) <sup>(10)</sup>
Asia Pacific Real Estate Association Limited	Associate of Mr George Kwok Lung HONGCHOY	Annual corporate membership fee	N/A	(0.1)
Foundation for the Arts and Music in Asia Limited (" <b>FAMA</b> ")	Associate of Mr Nicholas Robert SALLNOW-SMITH	Fees for organising cultural activities in two shopping centres	N/A	(0.3)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Annual corporate membership, application and sponsorship fees	N/A	(0.1)

*Notes:*

- (1) *The Manager, as an internalised management company of The Link REIT, recovers its expenses from The Link REIT on a cost recovery basis.*
- (2) *The Trustee is entitled to a fee at the rate of 0.008% per annum of the latest values of properties in Hong Kong as determined in the latest annual valuation report of the principal valuer, subject to a minimum of HK\$150,000 per month.*
- (3) *Jones Lang LaSalle Limited retired as the principal valuer of The Link REIT in accordance with the REIT Code on 16 November 2013 and CBRE Limited took over such position with effect from 17 November 2013.*
- (4) *Jones Lang LaSalle Management Services Limited is a subsidiary of Jones Lang LaSalle Limited and accordingly ceased to be a connected person of The Link REIT with effect from 17 November 2013. The amount represented the sum paid for the period from 1 April 2013 up to 16 November 2013.*
- (5) *The amount represented consultancy fees paid to CBRE Limited for the period from 17 November 2013 (the date when it became a connected person of The Link REIT) up to 31 March 2014. However, such fees were paid pursuant to contracts entered into with CBRE Limited before it became a connected person.*
- (6) *For shops, ATMs and showcases at various locations.*
- (7) *Amounts excluded deposits received.*
- (8) *A new consultancy contract in the sum of HK\$28.8 million was awarded to Aedas in the year.*
- (9) *Bank charges payable to ICBC (Asia) for the year amounted to approximately HK\$10,000.*
- (10) *Including reimbursements.*
- (11) *Other than those disclosed in the above table, a fee of HK\$8,288 was paid to Le Méridien Cyberport, a hotel owned by Hong Kong Cyberport Management Limited (an associate of Mr George Kwok Lung HONGCHOY), for a meeting package provided by the hotel, and two contracts in the amounts of, respectively, HK\$349,000 and HK\$200,000 were entered into with Hong Kong Youth Arts Foundation (an associate of Mr Nicholas Robert SALLNOW-SMITH) for provision of services relating to cultural and arts activities in the year.*

## LEASE TRANSACTIONS WITH CONNECTED PERSONS

In addition to the tenancies set out on page 91 of the annual report 2011, page 103 of the annual report 2012 and page 96 of the annual report 2013 (of which the term of each of those tenancies still subsisted at the year end), the following tenancies were entered into or renewed by The Link REIT and/or its subsidiaries with connected persons (as defined under Chapter 8 of the REIT Code) in the year of which the aggregate annual rent exceeded HK\$1 million:

Name of Tenant	Nature of the Transactions	Lease Term	Annual Rent <sup>(1)</sup> HK\$'M	Rental Deposit received as at 31 March 2014 HK\$'M
Hang Seng Bank, Limited (" <b>Hang Seng Bank</b> ")	Tenancy for shop no. G202 at Lok Fu Plaza	Term of 3 years expiring on 31 October 2016	3.1	0.8
ICBC (Asia)	Tenancy for shop nos. 21-23 at Tai Hing Commercial Centre	Term of 3 years expiring on 31 July 2016	1.4	0.4
SCBHK	Tenancy for shop no. L105 at Tin Yiu Plaza	Term of 3 years expiring on 31 May 2016	1.6	0.5 <sup>(2)</sup>

Notes:

(1) The annual rent is calculated from the monthly base rent on a 12-month basis as if such rent were received from the beginning of the financial year.

(2) In the form of a bank guarantee.

## PROVISION OF BANKING AND FINANCIAL SERVICES BY CONNECTED PERSONS

The Link REIT and its subsidiaries engaged the HSBC Group, ICBC (Asia), Wing Hang Bank and SCBHK to provide ordinary course banking and financial services in the year. Further details are set out in Note 27 to the consolidated financial statements.

The HSBC Group also provided services to subsidiaries of The Link REIT in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were maintained with the HSBC Group, ICBC (Asia), Wing Hang Bank and SCBHK for deposits and/or rent collection purposes.

## Loans

Bilateral loans of HK\$500 million and HK\$300 million were made available in May 2010 and June 2010 to The Link Finance Limited (a wholly-owned subsidiary of The Link REIT) from, respectively, HSBC and SCBHK, of which the outstanding balance due to the former was HK\$200 million and to the latter was HK\$90 million as at 31 March 2014.

A HK\$2.5 billion 5-year club loan was made available in April 2011 to The Link Finance Limited of which the outstanding balance due to HSBC was HK\$200 million as at 31 March 2014.

Bilateral loans of HK\$500 million and HK\$1 billion were made available in September 2013 and November 2013 to The Link Finance Limited from, respectively, Hang Seng Bank (a subsidiary of HSBC) and HSBC, of which the outstanding balance due to the former was HK\$250 million whereas no amount was drawn under the latter as at 31 March 2014.

## Deposits

As at 31 March 2014, subsidiaries of The Link REIT placed deposits with HSBC, ICBC (Asia), Wing Hang Bank and SCBHK of approximately HK\$171 million, HK\$111 million, HK\$289 million and HK\$0.5 million, respectively.

## Other Transactions

The MTN Programme was established by The Link Finance (Cayman) 2009 Limited, a wholly-owned subsidiary of The Link REIT, in May 2009 pursuant to which notes may be issued from time to time for working capital purposes.

A tranche of fixed rate notes for a principal amount of HK\$350 million was issued under the MTN Programme on 22 July 2013 in which HSBC acted as the dealer. The transaction was conducted under the Waiver granted in respect of connected party transactions with the HSBC Group and carried out at arm's length on normal commercial terms. No fee or commission was paid to HSBC in respect of the transaction. In order to ensure the effective interest cost of a new note issue is competitive, the Manager monitors the market interest rates and compares quotations from multiple dealers from time to time. No other notes were issued under the MTN Programme in the year.

The Link Finance Limited maintained interest rate swap contracts with HSBC during the year. As at 31 March 2014, the total notional principal outstanding value in respect of such swap contracts with HSBC was HK\$300 million.

## **CONFIRMATION BY THE MANAGER AND THE TRUSTEE IN RESPECT OF CORPORATE FINANCE TRANSACTION WITH THE HSBC GROUP**

The Trustee and the Manager both confirm that, with respect to the corporate finance transaction entered into with the HSBC Group in the year, (i) such transaction was carried out at arm's length on normal commercial terms; (ii) the Trustee was not involved in the decision to enter into such transaction, subject only to its duties of oversight under the REIT Code and the Trust Deed; and (iii) the ongoing general conditions under the relevant Waiver (details of which were disclosed in the offering circular dated 14 November 2005 of The Link REIT) were complied with.

## **REPORT FROM AUDITOR IN RELATION TO CERTAIN CONNECTED PARTY TRANSACTIONS**

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

## **CONFIRMATION BY THE AUDIT COMMITTEE**

The management submitted quarterly compliance reports to the Audit Committee.

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

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

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

## CONFIRMATION BY THE MANAGER

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

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

## CONTINUATION WITH THE WAIVERS GRANTED WITHOUT UNITHOLDERS' APPROVAL

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



# THE LINK TOGETHER INITIATIVES

## THE LINK TOGETHER INITIATIVES

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

Organisation	Project Category/ Name	Target Audience	# of Targeted Participants (approx.)	Total Funding Donated (HK\$)	Update on Progress
1. Yang Memorial Methodist Social Service	Child Anxiety Project – “Be With You”	Children & Families	1,800 (direct)/ 7,800 (indirect)	556,000	One of the first structured projects to target child anxiety at the community level. Project activities generally on schedule with screening and school-wide seminars mostly completed.
2. The Hong Kong Society for the Blind	The Glaucoma No Way & 2013 World Sight Day Programme – “Blindness Prevention with Glaucoma Screening”	Elderly	3,000	213,708	The project has expedited its service delivery in the second half of the year with full utilisation of The Link REIT’s shopping centres across Hong Kong. The use of The Link REIT’s venues enables screening service outreach to the elders who might not be so easily reachable. The project also demonstrates a high devotion of The Link REIT’s staff volunteers to spare their time every weekend to perform screening tests for the elderly.
3. HOPE Worldwide	Community Health Aging for Seniors Programme	Elderly	1,700	874,120	The number of elders screened significantly exceeded the whole-year target (1,629 vs. 1,000) in the first half of the project, with a high level of service satisfaction. In addition to the sheer quantity, by performing the screening at The Link REIT’s shopping centres, the programme allows for the screening of elders who may not otherwise be screened (i.e. “hidden” elders).
4. Playright Children’s Play Association	Mobile Playborhood Project	Children & Families	19,200	2,179,300	The interesting point of this project is its evolving nature. With the mobile truck in place and outdoor playground regularly held at The Link REIT’s shopping centres at Tin Shui Shopping Centre and Sau Mau Ping Shopping Centre, the children, parents, volunteers and communities from the neighbourhood contribute their ideas and creativity to design the games out of ordinary groceries. A significant proportion (20-30%) of children has developed a habit of joining the weekly play activity. This “repeated exposure” facilitates a long-term effect on the child’s abilities and growth.
5. Hong Kong Evangelical Church Social Service Limited	Parent-Child Development Plan	Children & Families	250 families & 3,500	686,080	With unique emphasis on character education for children at an early age, the project generally met or exceeded all output indicators. In fact, some of the activities such as the family wild camp it organised were very popular. Our staff sponsor reviewed that the programmes were well-organised with a very high standard of performance.

Organisation	Project Category/ Name	Target Audience	# of Targeted Participants (approx.)	Total Funding Donated (HK\$)	Update on Progress
6. Young Men's Christian Association	Community Support Programme – "Smile Now-Love Forward"	Children & Families	16,000	1,508,648	The concept of food and toys collection is good and it has garnered extensive press coverage. With good success in recruiting volunteers and partner NGOs, as well as encouraging participation of the food stalls owner, the project has been expanded to six districts including Tung Chung, Cheung Sha Wan, Sham Shui Po, Tuen Mun, Wong Tai Sin and Kwun Tong.
7. Yang Memorial Methodist Social Service	"Who can understand me" – Pain Management Project for the Elderly	Elderly	1,000	527,800	One of the first structured projects to target pain management among elders. The public education component of this project raises their awareness about the ways in which pain can be managed. In this vein, the use of The Link REIT's venues has broadened the reach of the public education. The project has been running smoothly with multiple sports, drug, psychology and nutrition programmes carried out by phases.
8. Hong Kong Young Women's Christian Association	Career Development for Youth	Youth	1,785	1,403,820	Generally in good progress with very encouraging results seen in the pre-and post-survey. Significant improvements seen in Forms 4 and 5 youths in their abilities to set short and long term targets, and in their knowledge of the job market.
9. Hong Kong Federation of Handicapped Youth	Love Passion "Life Warriors" Project	Youth	120 (direct)/ 1,380 (indirect)	480,500	The project is generally progressing according to the plan. Although it has a comparatively smaller number of beneficiaries targeted, the impact on at-risk youths should not be underestimated when they witness how the enthusiastic "life warriors" fully embraced challenges in adventure activities, just like the way they tackle difficulties in real life, regardless of their physical disabilities.
10. Youth Outreach	School of Hip Hop	Youth	20,000	1,996,330	Successfully brought benefits to both the youths themselves as well as other community members who view their activities as a disturbance.

Further details of The Link Together Initiatives and the selected projects are set out at [www.thelinkreit.com](http://www.thelinkreit.com).

## TRUSTEE'S REPORT

We hereby confirm that, in our opinion, the Manager of The Link Real Estate Investment Trust has, in all material respects, managed The Link Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 6 September 2005, as amended and supplemented by ten supplemental deeds, for the financial year ended 31 March 2014.

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

Hong Kong, 4 June 2014

# INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

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

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

We have audited the consolidated financial statements of The Link Real Estate Investment Trust ("**The Link REIT**") and its subsidiaries (together, the "**Group**") set out on pages 123 to 166, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of distributions, consolidated statement of changes in equity and net assets attributable to Unitholders and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGER'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Manager of The Link REIT is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and is responsible for ensuring that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 6 September 2005, as amended by the 10 Supplemental Deeds (the "**Trust Deed**"), and the relevant disclosure requirements set out in Appendix C of the Code on Real Estate Investment Trusts established by the Securities and Futures Commission of Hong Kong (the "**REIT Code**"), and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

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

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

## **AUDITOR'S RESPONSIBILITY** (Continued)

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

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

## **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2014, and of the results and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the REIT Code.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 4 June 2014

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2014

	Note	2014 HK\$'M	2013 HK\$'M
<b>Revenues</b>	6	<b>7,155</b>	6,506
Property operating expenses	8	<b>(1,953)</b>	(1,890)
Net property income		<b>5,202</b>	4,616
General and administrative expenses		<b>(222)</b>	(223)
Change in fair values of investment properties	14	<b>13,445</b>	17,705
<b>Operating profit</b>	9	<b>18,425</b>	22,098
Interest income		<b>28</b>	39
Finance costs on interest bearing liabilities	10	<b>(393)</b>	(441)
Profit before taxation and transactions with Unitholders		<b>18,060</b>	21,696
Taxation	12	<b>(755)</b>	(634)
<b>Profit for the year, before transactions with Unitholders</b> (Note (i))	13	<b>17,305</b>	21,062
Distributions paid to Unitholders:			
– 2012 final distribution		–	(1,502)
– 2013 interim distribution		–	(1,624)
– 2013 final distribution		<b>(1,725)</b>	–
– 2014 interim distribution		<b>(1,854)</b>	–
		<b>13,726</b>	17,936
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units		<b>13,851</b>	18,065
Amount arising from cash flow hedging reserve movement	24	<b>(125)</b>	(129)
		<b>13,726</b>	17,936

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

Notes:

- (i) Earnings per unit, based upon profit after taxation and before transactions with Unitholders and the weighted average number of units in issue, is set out in Note 13 to the consolidated financial statements.
- (ii) Total Distributable Income (as defined in the Trust Deed constituting The Link Real Estate Investment Trust) is determined in the consolidated statement of distributions. The final distribution declared in respect of this year as set out in the consolidated statement of distributions will be paid to Unitholders on 3 July 2014.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Note	Before transactions with Unitholders HK\$'M	Transactions with Unitholders (Note (i)) HK\$'M	After transactions with Unitholders HK\$'M
<b>For the year ended 31 March 2014</b>				
Profit for the year		<b>17,305</b>	<b>(17,430)</b>	<b>(125)</b>
Other comprehensive income				
Item that may be reclassified subsequently to the consolidated income statement				
– Cash flow hedging reserve		<b>125</b>	–	<b>125</b>
Total comprehensive income for the year	(ii)	<b>17,430</b>	<b>(17,430)</b>	–
<b>For the year ended 31 March 2013</b>				
Profit for the year		21,062	(21,191)	(129)
Other comprehensive income				
Item that may be reclassified subsequently to the consolidated income statement				
– Cash flow hedging reserve		129	–	129
Total comprehensive income for the year	(ii)	21,191	(21,191)	–

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

**Notes:**

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$3,579 million (2013: HK\$3,126 million) and change in net assets attributable to Unitholders, excluding issues of new units, of HK\$13,851 million (2013: HK\$18,065 million).
- (ii) In accordance with the Trust Deed, The Link Real Estate Investment Trust is required to distribute to Unitholders not less than 90% of Total Distributable Income for each financial year. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF DISTRIBUTIONS

For the year ended 31 March 2014

	Note	2014 HK\$'M	2013 HK\$'M
<b>Profit for the year, before transactions with Unitholders</b>		<b>17,305</b>	21,062
Adjustments:			
– Change in fair values of investment properties		<b>(13,445)</b>	(17,705)
– Other non-cash income		<b>(30)</b>	(8)
<b>Total Distributable Income</b> (Note (i))		<b>3,830</b>	3,349
Interim distribution, paid		<b>1,854</b>	1,624
Final distribution, to be paid to the Unitholders		<b>1,976</b>	1,725
Total distributions for the year (Note (ii))		<b>3,830</b>	3,349
As a percentage of Total Distributable Income		<b>100%</b>	100%
Units in issue at 31 March	23	<b>2,310,889,561</b>	2,288,061,440
Distributions per unit to Unitholders:			
– Interim distribution per unit, paid (Note (iii))		<b>HK80.22 cents</b>	HK71.08 cents
– Final distribution per unit, to be paid to the Unitholders (Note (iv))		<b>HK85.52 cents</b>	HK75.38 cents
<b>Distribution per unit for the year</b>		<b>HK165.74 cents</b>	HK146.46 cents

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the year, before transactions with Unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year.
- (ii) Pursuant to the Trust Deed, The Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager has decided to distribute 100% (2013: 100%) of Total Distributable Income as the distribution for the year ended 31 March 2014. The interim distribution was paid to Unitholders on 10 December 2013. The final distribution will be paid to Unitholders on 3 July 2014.
- (iii) The interim distribution per unit of HK80.22 cents for the six months ended 30 September 2013 was calculated based on the interim distribution of HK\$1,854 million for the period and 2,310,889,561 units in issue as at 30 September 2013. The interim distribution per unit of HK71.08 cents for the six months ended 30 September 2012 was calculated based on the interim distribution of HK\$1,624 million for the period and 2,284,402,553 units in issue as at 30 September 2012.
- (iv) The final distribution per unit of HK85.52 cents for the year ended 31 March 2014 is calculated based on the final distribution to be paid to the Unitholders of HK\$1,976 million for the second half of the financial year and 2,310,889,561 units in issue as at 31 March 2014. The final distribution per unit of HK75.38 cents for the year ended 31 March 2013 was calculated based on the final distribution of HK\$1,725 million for the period and 2,288,061,440 units in issue as at 31 March 2013.



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 HK\$'M	2013 HK\$'M
<b>Non-current assets</b>			
Goodwill		331	331
Investment properties	14	109,899	95,366
Property, plant and equipment	15	70	73
Derivative financial instruments	21	69	168
		<b>110,369</b>	95,938
<b>Current assets</b>			
Trade and other receivables	16	237	212
Deposits and prepayments		66	65
Derivative financial instruments	21	–	56
Short-term bank deposits	17	2,234	1,495
Cash and cash equivalents	17	560	1,657
		<b>3,097</b>	3,485
<b>Total assets</b>		<b>113,466</b>	99,423
<b>Current liabilities</b>			
Trade payables, receipts in advance and accruals	18	1,310	1,237
Security deposits		1,101	994
Provision for taxation		209	159
Current portion of long-term incentive plan provision	19	60	87
Interest bearing liabilities	20	2,825	1,706
Derivative financial instruments	21	27	15
		<b>5,532</b>	4,198
<b>Net current liabilities</b>		<b>2,435</b>	713
<b>Total assets less current liabilities</b>		<b>107,934</b>	95,225
<b>Non-current liabilities, excluding net assets attributable to Unitholders</b>			
Long-term incentive plan provision	19	32	52
Interest bearing liabilities	20	9,699	11,829
Derivative financial instruments	21	98	184
Deferred tax liabilities	22	1,754	1,518
		<b>11,583</b>	13,583
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<b>17,115</b>	17,781
<b>Net assets attributable to Unitholders</b>		<b>96,351</b>	81,642
Units in issue	23	<b>2,310,889,561</b>	2,288,061,440
Net assets per unit attributable to Unitholders		<b>HK\$41.69</b>	HK\$35.68

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

On behalf of the Board of Directors of  
The Link Management Limited, as the Manager

**Nicholas Robert SALLNOW-SMITH**  
Chairman  
4 June 2014

**George Kwok Lung HONGCHOY**  
Chief Executive Officer  
4 June 2014

# **CONSOLIDATED FINANCIAL STATEMENTS** **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND** **NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

For the year ended 31 March 2014

	Note	Total equity HK\$'M	Net assets attributable to Unitholders HK\$'M	Total HK\$'M
Net assets attributable to Unitholders at 1 April 2013		–	81,642	81,642
Issuance of units				
– under distribution reinvestment scheme		–	779	779
– under long-term incentive plan		–	79	79
Profit for the year ended 31 March 2014, before transactions with Unitholders		–	17,305	17,305
Distributions paid to Unitholders				
– 2013 final distribution		–	(1,725)	(1,725)
– 2014 interim distribution		–	(1,854)	(1,854)
Change in fair values of cash flow hedges	24	13	–	13
Amount transferred to the consolidated income statement	24	112	–	112
Amount arising from cash flow hedging reserve movement	24	(125)	125	–
Change in net assets attributable to Unitholders for the year ended 31 March 2014, excluding issues of new units		–	13,851	13,851
<b>Net assets attributable to Unitholders at 31 March 2014</b>		–	<b>96,351</b>	<b>96,351</b>
Net assets attributable to Unitholders at 1 April 2012		–	62,735	62,735
Issuance of units				
– under distribution reinvestment scheme		–	782	782
– under long-term incentive plan		–	60	60
Profit for the year ended 31 March 2013, before transactions with Unitholders		–	21,062	21,062
Distributions paid to Unitholders				
– 2012 final distribution		–	(1,502)	(1,502)
– 2013 interim distribution		–	(1,624)	(1,624)
Change in fair values of cash flow hedges	24	(31)	–	(31)
Amount transferred to the consolidated income statement	24	160	–	160
Amount arising from cash flow hedging reserve movement	24	(129)	129	–
Change in net assets attributable to Unitholders for the year ended 31 March 2013, excluding issues of new units		–	18,065	18,065
Net assets attributable to Unitholders at 31 March 2013		–	81,642	81,642

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	Note	2014 HK\$'M	2013 HK\$'M
<b>Operating activities</b>			
<b>Net cash generated from operating activities</b>	25(a)	<b>4,659</b>	4,199
<b>Investing activities</b>			
Additions to investment properties		(1,005)	(871)
Additions to property, plant and equipment		(18)	(25)
Interest income received		26	38
(Increase)/decrease in short-term bank deposits with original maturity of more than three months		(739)	67
<b>Net cash used in investing activities</b>		<b>(1,736)</b>	(791)
<b>Financing activities</b>			
Proceeds from interest bearing liabilities, net of transaction costs		2,233	5,424
Repayment of interest bearing liabilities		(3,050)	(4,530)
Interest expenses paid on interest bearing liabilities		(403)	(451)
Distributions paid to Unitholders		(2,800)	(2,344)
<b>Net cash used in financing activities</b>		<b>(4,020)</b>	(1,901)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,097)</b>	1,507
Cash and cash equivalents at 1 April		1,657	150
<b>Cash and cash equivalents at 31 March</b>		<b>560</b>	1,657

The notes on pages 129 to 166 are an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

The Link Real Estate Investment Trust ("**The Link REIT**") is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Link REIT is governed by a trust deed entered into on 6 September 2005 (as amended and supplemented by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005, the Third Supplemental Deed dated 16 January 2006, the Fourth Supplemental Deed dated 21 November 2006, the Fifth Supplemental Deed dated 13 July 2007, the Sixth Supplemental Deed dated 23 July 2007, the Seventh Supplemental Deed dated 5 October 2009, the Eighth Supplemental Deed dated 23 July 2010, the Ninth Supplemental Deed dated 25 July 2012 and the Tenth Supplemental Deed dated 18 February 2014) (together the "**Trust Deed**").

The principal activity of The Link REIT and its subsidiaries (the "**Group**") is investment in non-residential properties (predominantly retail-based but excluding hotels and serviced apartments) and car park operations. The addresses of the registered offices of the Manager, The Link Management Limited, and the Trustee, HSBC Institutional Trust Services (Asia) Limited, are 33/F., AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong and 1 Queen's Road Central, Hong Kong, respectively.

### 2 BASIS OF PREPARATION

#### (a) Statement of compliance

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

As at 31 March 2014, the Group's current liabilities exceeded its current assets by HK\$2,435 million (2013: HK\$713 million). Taking into account the unutilised committed bank loan facilities of HK\$4,310 million, the Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the consolidated financial statements.

#### (b) Accounting convention and functional currency

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

The consolidated financial statements are presented in millions of Hong Kong Dollars, the functional currency of The Link REIT.

#### (c) Adoption of new and revised HKFRSs

For the year ended 31 March 2014, the Group has adopted all the new standards, amendments and interpretations that are currently in issue and effective.

## 2 BASIS OF PREPARATION (Continued)

### (c) Adoption of new and revised HKFRSs (Continued)

HKAS 1 (Revised) Amendment	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 1 Amendments	Government Loans
HKFRS 7 Amendments	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to HKFRSs 2009 – 2011 Cycle	

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

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in these consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2014.

HKAS 19 (2011) Amendments	Defined Benefit Plans: Employee Contributions <sup>1</sup>
HKAS 27 (2011), HKFRS 10 and HKFRS 12 Amendments	Separate Financial Statements, Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities <sup>2</sup>
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HKAS 36 Amendments	Recoverable Amount Disclosures for Non-Financial Assets <sup>2</sup>
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedge Accounting <sup>2</sup>
HKAS 39, HKFRS 7 and HKFRS 9 Amendments	Hedge Accounting and amendments to HKAS 39, HKFRS 7 and HKFRS 9 <sup>3</sup>
HKFRS 7 and HKFRS 9 Amendments	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>4</sup>
HK(IFRIC)-Int 21	Levies <sup>2</sup>
Annual Improvements to HKFRSs 2010 – 2012 Cycle <sup>1</sup>	
Annual Improvements to HKFRSs 2011 – 2013 Cycle <sup>1</sup>	

<sup>1</sup> effective for accounting periods beginning on or after 1 July 2014

<sup>2</sup> effective for accounting periods beginning on or after 1 January 2014

<sup>3</sup> no mandatory effective date yet determined but is available for adoption

<sup>4</sup> effective for accounting periods beginning on or after 1 January 2016

## **2 BASIS OF PREPARATION** (Continued)

### **(c) Adoption of new and revised HKFRSs** (Continued)

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated in Note 2.

### **(a) Basis of consolidation**

The consolidated financial statements incorporate the assets and liabilities of The Link REIT and all its subsidiaries as at 31 March 2014 and their results for the year then ended.

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

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

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

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

### **(b) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing a particular type of service (operating segment), or in providing services within a particular economic environment (geographical segment), and which is subject to risks and rewards that are different from those of other segments. Consistent with the Group's internal financial reporting to the Manager, being the chief operating decision maker, for the purpose of making decisions about allocating resources and assessing performance, segment assets consist primarily of tangible assets and receivables and segment liabilities mainly comprise operating liabilities. No geographical segment information has been prepared as all the properties are located within Hong Kong for the years presented.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Investment properties

A property that is held for long-term rental yields or for capital appreciation or both, is classified as an investment property.

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

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

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

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

#### (d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost less estimated residual value less accumulated impairment losses over the shorter of the estimated useful lives or their lease terms (if applicable), as follows:

Leasehold improvements	5 years
Equipment	3 to 5 years
Motor vehicles	5 years

An asset's residual value and useful life are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, as an impairment loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated income statement.

#### (e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement.

#### (f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

#### (g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on business combinations is stated as a separate asset. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.



### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Unitholders' funds as a financial liability

In accordance with the Trust Deed, The Link REIT is required to distribute to Unitholders not less than 90% of the Group's Total Distributable Income for each financial year. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Presentation. This liability is shown on the consolidated statement of financial position as the net assets attributable to Unitholders. Distributions to Unitholders are recognised in the consolidated income statement.

#### (i) Trade payables and provisions

##### (i) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### (ii) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### (j) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Details of the recognition of operating lease rental income are set out in Note 3(n)(i) below.

#### (k) Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Current and deferred taxation (Continued)

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liability or deferred tax asset arising from investment property is determined based on the presumption that the carrying amount of such investment property will be recovered through sale with the corresponding tax rate applied.

#### (l) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the instrument using the effective interest method.

#### (m) Impairment of non-financial assets

Assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (n) Revenue recognition

##### (i) Rental income from retail properties

Operating lease rental income is recognised on a straight-line basis over the term of the lease agreement. Contingent rental income (representing income over and above base rent) such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which it is earned. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Revenue recognition (Continued)

##### (ii) Gross receipts from car parks

Gross receipts from car parks are recognised as revenue on an accrual basis.

##### (iii) Service fees and charges

Service fees and charges such as air conditioning income arising from the provision of services are recognised when such services are rendered.

##### (iv) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

#### (o) Expenditure

Expenditures, including property related outgoings and other expenses, are recognised on an accrual basis.

#### (p) Employee benefits

Employee benefits such as wages, salaries and bonuses are recognised as an expense when the employee has rendered the service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. The employer's contributions to the Mandatory Provident Fund for employees are expensed as incurred.

#### (q) Employees' long-term incentive plan

Incentives in the form of a long-term incentive plan are provided to eligible employees (including directors).

Employee services rendered in exchange for the grant of the long-term incentive plan awards are recognised as an expense, with a corresponding increase in the liability incurred. This expense is charged to the consolidated income statement over the vesting periods. Until the liability is settled, the value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in value recognised in the consolidated income statement for the year. At each reporting date, estimates of the number of long-term incentive plan awards that are expected to vest will be revised and the impact of the revision is recognised in the consolidated income statement. The carrying value of the long-term incentive plan awards is reviewed every six months and is independently valued by external valuers at least annually. If the awards do not vest on the vesting dates, the amounts charged to the consolidated income statement will be written back.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Derivative financial instruments and hedging activities

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

##### (i) Cash flow hedge

Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and deferred in a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Amounts accumulated in hedging reserve are transferred to the consolidated income statement in the periods when the hedged item affects earnings. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in cash flow hedging reserve are transferred from hedging reserve and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedging reserve at that time shall remain in hedging reserve and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the consolidated income statement.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Derivative financial instruments and hedging activities (Continued)

##### (ii) Fair value hedge

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges.

The Group uses interest rate swap contracts to hedge its exposure to variability in fair values of recognised liabilities against changes in market interest rates.

The Group uses cross currency swap contracts to hedge its exposure to variability in fair value of recognised foreign currency liabilities against changes in foreign currency exchange rates and market interest rates. The changes in fair values of the cross currency swap contracts are recognised directly in the consolidated income statement.

Changes in the fair values of these derivative contracts, together with the changes in the fair values of the hedged liabilities attributable to the hedged risk are recognised in the consolidated income statement as finance costs on interest bearing liabilities. At the same time the carrying amounts of the hedged liabilities in the consolidated statement of financial position are adjusted for the changes in fair values.

#### (s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

### 4 FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

Risk management is carried out by the Manager. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as interest rate swap contracts and cross currency swap contracts to manage financial risk.

## 4 FINANCIAL RISK MANAGEMENT (Continued)

### (a) Financial risk factors (Continued)

#### (i) Market risk

##### (A) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes in interest bearing liabilities and assets. The risks can be separated into cash flow interest rate risk and fair value interest rate risk.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swap contracts. Such interest rate swap contracts have the economic effect of converting borrowings from floating rates to fixed rates.

Fair value interest rate risk is the risk that the values of financial liabilities will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swap contracts which have the economic effect of converting borrowings from fixed rates to floating rates.

As at 31 March 2014, if interest rates on floating rate interest bearing liabilities net of floating rate interest bearing assets had been 100 basis points higher/lower with all other variables held constant, profit for the year, before transactions with Unitholders, would have been HK\$23 million (2013: HK\$21 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. As at 31 March 2014, if interest rates had been 100 basis points higher/lower, the hedging reserve would have been HK\$58/60 million (2013: HK\$63/65 million) higher/lower mainly as a result of an increase/decrease in the fair values of the cash flow hedges as described above.

##### (B) Currency risk

Currency risk arises on account of monetary assets and liabilities denominated in a currency that is not the functional currency. The Group has bank loans and medium term notes denominated in Australian Dollars. It uses cross currency swap contracts to hedge its exposure against changes in the Australian Dollars exchange rates, management therefore considers that there are no significant currency risk with respect to Australian Dollars. As at 31 March 2014, the Hong Kong Dollars equivalent of the Australian Dollars bank loan and medium term notes stands at HK\$455 million (2013: HK\$512 million).

## 4 FINANCIAL RISK MANAGEMENT (Continued)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its cash and cash equivalents and deposits with banks and financial institutions, derivative financial instruments as well as trade receivables.

Credit risk is managed on a group basis. The Group manages its deposits with banks and financial institutions by limiting the level of deposits to be placed with any counterparties. Deposits placed with any individual counterparty cannot exceed a pre-defined limit assigned to the individual counterparty. As at 31 March 2014, all deposits were placed with financial institutions with external credit ratings of no less than "A-".

In respect of credit exposures to tenants, credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit reviews on prospective tenants. The Group also has policies in place to ensure that rental security deposits are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for impairment losses is made for irrecoverable amounts. The Group has no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group's exposure to credit risk arising from trade receivables amounted to HK\$65 million (2013: HK\$71 million) and is set out in Note 16. The Group's exposure to credit risk arising from bank deposits amounted to HK\$2,794 million (2013: HK\$3,152 million) and is set out in Note 17. The Group's exposure to credit risk arising from derivative financial instruments amounted to HK\$69 million (2013: HK\$224 million) and is set out in Note 21.

#### (iii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from committed credit facilities and operating cashflow.

The Group has cash and cash equivalents and short-term bank deposits of HK\$2,794 million (2013: HK\$3,152 million) as at 31 March 2014. In addition to the cash resources, the Group has total available borrowing facilities amounting to HK\$16.87 billion (2013: HK\$16.42 billion), of which HK\$12.56 billion (2013: HK\$13.36 billion) was drawn as at 31 March 2014. The undrawn committed facilities, in the form of bank loans, totalled HK\$4.31 billion (2013: HK\$3.06 billion) as at 31 March 2014.

As at 31 March 2014, the Group's current liabilities exceeded its current assets by HK\$2,435 million (2013: HK\$713 million). The Group will continue to monitor market conditions to assess the possibility of arranging longer term refinancing at favourable rates and extending the maturity profile of its debts.

## 4 FINANCIAL RISK MANAGEMENT (Continued)

### (a) Financial risk factors (Continued)

#### (iii) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows which comprise both interest and principal cash flows.

	Less than 1 year HK\$'M	Between 1 and 2 years HK\$'M	Between 2 and 5 years HK\$'M	Over 5 years HK\$'M
<b>At 31 March 2014</b>				
Interest bearing liabilities	<b>3,141</b>	<b>1,864</b>	<b>4,719</b>	<b>4,479</b>
Trade payables and accruals	<b>1,160</b>	–	–	–
Security deposits	<b>414</b>	<b>309</b>	<b>334</b>	<b>44</b>
Unitholders' funds	–	–	–	<b>96,351</b>
Derivative financial instruments (net settled)	<b>59</b>	<b>21</b>	<b>46</b>	<b>1</b>
<b>At 31 March 2013</b>				
Interest bearing liabilities	1,922	3,124	4,780	5,347
Trade payables and accruals	1,091	–	–	–
Security deposits	379	293	296	26
Unitholders' funds	–	–	–	81,642
Derivative financial instruments (net settled)	73	65	51	12

### (b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to Unitholders.

The Group monitors capital on a regular basis and observes the REIT Code's maximum gearing ratio of 45%. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total asset value as shown in the consolidated statement of financial position.

	2014 HK\$'M	2013 HK\$'M
Interest bearing liabilities (Note 20)	<b>12,524</b>	13,535
Total asset value	<b>113,466</b>	99,423
Gearing ratio	<b>11.0%</b>	13.6%



## 4 FINANCIAL RISK MANAGEMENT (Continued)

### (c) Fair value estimation

#### (i) Fair value hierarchy

HKFRS 13 requires disclosure of fair value measurement by three levels of fair value measurement hierarchy. The following table presents the Group's assets and liabilities that are measured at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
<b>At 31 March 2014</b>				
Assets				
Investment properties	–	–	109,899	109,899
Derivative financial instruments	–	69	–	69
Total assets	–	69	109,899	109,968
Liabilities				
Derivative financial instruments	–	125	–	125

There were no transfers between these three levels during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

#### (ii) Fair value disclosure

The carrying values less impairment provision of trade and other receivables and the carrying values of trade payables, accruals, bank deposits and short-term interest bearing liabilities are a reasonable approximation of their fair values due to their short-term maturities.

The fair values of long-term interest bearing liabilities are based on market prices or are estimated by using the expected future payments discounted at market interest rates.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

### (a) Investment properties

The fair value of each investment property is individually determined at each reporting date by independent valuers based on a market value assessment. The valuers have relied on the discounted cash flow analysis and the income capitalisation approach as their primary methods, cross-referenced to the direct comparison method. Details of the valuation techniques and assumptions have been disclosed in Note 14.

### (b) Financial instruments

In estimating the fair value of its financial instruments, the Group uses valuation techniques such as dealer quotes and discounted cash flows. The Group also makes assumptions that are based on market conditions existing at each reporting date.

### (c) Long-term incentive plan valuation

The value of awards granted is estimated based on valuation techniques. The valuations are based on various assumptions on future unit prices, outstanding length of the awards and distribution pay-out rates, which management considers as representing the best estimate of the value of the liability for such awards at the reporting date. The carrying value of the long-term incentive plan awards is reviewed every six months and is independently valued by external valuers at least annually.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

### (d) Goodwill

Goodwill is recorded as a separate asset and it is subject to an annual impairment test. The tests undertaken as at 31 March 2013 and 2014 indicated that no impairment provision was necessary.

For the purposes of impairment tests, the recoverable amount of goodwill is determined based on the cash flow projections inherent in the valuation of investment properties by the principal valuer. Judgement was required to determine key assumptions for adoption in the cash flow projections, such as income and expenditure growth rates, discount rate, income capitalisation rate, etc. The income and expenditure growth rates were driven by the forecast occupancy rate, reversion rate, progress on asset enhancement projects and inflation. The discount rate and income capitalisation rates stated in Note 14 were used in the cash flow projections. Changes to these key assumptions can significantly affect the cash flow projections and therefore the results of the impairment tests.

## 6 REVENUES

Revenues recognised during the year comprise:

	2014 HK\$'M	2013 HK\$'M
Rentals from retail properties	5,326	4,872
Gross rentals from car parks	1,494	1,315
	6,820	6,187
Other revenues		
– Air conditioning service fees	318	301
– Other property related revenue	17	18
	335	319
Total revenues	7,155	6,506

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$141 million (2013: HK\$124 million) and have been included in the rental income.

## 7 SEGMENT INFORMATION

	Retail properties HK\$'M	Car parks HK\$'M	Head office HK\$'M	Total HK\$'M
<b>For the year ended 31 March 2014</b>				
Revenues	5,657	1,498	–	7,155
Segment results	4,167	1,035	(222)	4,980
Change in fair values of investment properties	10,183	3,262	–	13,445
Interest income				28
Finance costs on interest bearing liabilities				(393)
Profit before taxation and transactions with Unitholders				18,060
Taxation				(755)
Profit for the year, before transactions with Unitholders				17,305
Capital expenditure	972	116	17	1,105
Depreciation	–	–	(20)	(20)
<b>As at 31 March 2014</b>				
Segment assets	91,424	18,709	139	110,272
Goodwill				331
Derivative financial instruments				69
Short-term bank deposits				2,234
Cash and cash equivalents				560
Total assets				113,466
Segment liabilities	1,927	177	307	2,411
Provision for taxation				209
Long-term incentive plan provision				92
Interest bearing liabilities				12,524
Derivative financial instruments				125
Deferred tax liabilities				1,754
Total liabilities, excluding net assets attributable to Unitholders				17,115
Net assets attributable to Unitholders				96,351

## 7 SEGMENT INFORMATION (Continued)

	Retail properties HK\$'M	Car parks HK\$'M	Head office HK\$'M	Total HK\$'M
For the year ended 31 March 2013				
Revenues	5,188	1,318	–	6,506
Segment results	3,753	863	(223)	4,393
Change in fair values of investment properties	13,867	3,838	–	17,705
Interest income				39
Finance costs on interest bearing liabilities				(441)
Profit before taxation and transactions with Unitholders				21,696
Taxation				(634)
Profit for the year, before transactions with Unitholders				21,062
Capital expenditure	912	77	27	1,016
Depreciation	–	–	(27)	(27)
As at 31 March 2013				
Segment assets	80,237	15,342	137	95,716
Goodwill				331
Derivative financial instruments				224
Short-term bank deposits				1,495
Cash and cash equivalents				1,657
Total assets				99,423
Segment liabilities	1,794	147	290	2,231
Provision for taxation				159
Long-term incentive plan provision				139
Interest bearing liabilities				13,535
Derivative financial instruments				199
Deferred tax liabilities				1,518
Total liabilities, excluding net assets attributable to Unitholders				17,781
Net assets attributable to Unitholders				81,642

## 8 PROPERTY OPERATING EXPENSES

	2014 HK\$'M	2013 HK\$'M
Property managers' fees, security and cleaning	543	499
Staff costs (Note 11)	325	326
Government rent and rates	209	187
Repair and maintenance	200	205
Utilities	296	305
Promotion and marketing expenses	111	109
Estate common area costs	114	116
Other property operating expenses	155	143
	<b>1,953</b>	1,890

## 9 OPERATING PROFIT

	2014 HK\$'M	2013 HK\$'M
Operating profit for the year is stated after charging:		
Staff costs (Note 11)	452	479
Depreciation of property, plant and equipment	20	27
Loss on disposal of property, plant and equipment	–	3
Trustee's fee	8	6
Valuation fee	3	3
Auditor's remuneration		
– audit service	4	4
– non-audit service	3	2
Bank charges	4	4
Operating lease charges	24	19
Other legal and professional fees	9	18
Donations	10	–

## 10 FINANCE COSTS ON INTEREST BEARING LIABILITIES

	2014 HK\$'M	2013 HK\$'M
Interest expenses on interest bearing liabilities wholly repayable within five years	195	201
Interest expenses on interest bearing liabilities wholly repayable beyond five years	142	149
Other borrowing costs (Note (i))	74	111
	411	461
Less: capitalised under investment properties (Note (ii))	(18)	(20)
	393	441

Notes:

- (i) Other borrowing costs include HK\$83 million (2013: HK\$131 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$29 million (2013: HK\$29 million) losses on the early termination of interest rate swap contracts which was transferred from the cash flow hedging reserve, HK\$56 million (2013: HK\$65 million) net gains on interest rate swap contracts and cross currency 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 3.30% (2013: 3.48%) per annum.

## 11 STAFF COSTS

	2014 HK\$'M	2013 HK\$'M
Wages and salaries	455	395
Contributions to mandatory provident fund scheme	11	10
Long-term incentive plan awards (Note 19)	40	119
	506	524
Less: capitalised under investment properties	(54)	(45)
	452	479

(a) Staff costs can be further analysed as below:

	2014 HK\$'M	2013 HK\$'M
Included under property operating expenses (Note 8)	325	326
Included under general and administrative expenses	127	153
	452	479

## 11 STAFF COSTS (Continued)

### (b) Directors' emoluments

The remunerations of directors are set out below:

Name of Director	Cash and other benefits in kind – received during the year					2013 Total cash remuneration HK\$'000
	Fees HK\$'000	Base pay, allowance and other benefits (Note (i)) HK\$'000	Contribution to pension scheme HK\$'000	Variable remuneration related to performance	Total cash remuneration HK\$'000	
				(Note (ii)) HK\$'000		
Mr Nicholas Robert SALLNOW-SMITH	1,975	–	–	–	1,975	1,975
Mr George Kwok Lung HONGCHOY	–	6,808	15	8,874	15,697	14,153
Mr Andy CHEUNG Lee Ming	–	3,426	15	4,098	7,539	7,074
Mr Ian Keith GRIFFITHS	543	–	–	–	543	543
Mr William CHAN Chak Cheung	725	–	–	–	725	725
Mrs Eva CHENG Li Kam Fun (Note (iv))	52	–	–	–	52	–
Mr Anthony CHOW Wing Kin	730	–	–	–	730	725
Dr Patrick FUNG Yuk Bun	565	–	–	–	565	565
Mr Stanley KO Kam Chuen	675	–	–	–	675	675
Ms May Siew Boi TAN	670	–	–	–	670	107
Mr David Charles WATT	602	–	–	–	602	603
Prof Richard WONG Yue Chim	747	–	–	–	747	681
Ms Elaine Carole YOUNG	602	–	–	–	602	97
Mr Michael Ian ARNOLD (Note (vi))	279	–	–	–	279	686
	8,165	10,234	30	12,972	31,401	28,609

Name of Director	Long-term incentive plan awards ("LTI") – Provision made based on estimated values and over vesting period (Note (iii))				Total remuneration – Cash and provision	
	Current year grants HK\$'000	Prior years grants HK\$'000	2014 LTI provision HK\$'000	2013 LTI provision HK\$'000	2014 HK\$'000	2013 HK\$'000
Mr Nicholas Robert SALLNOW-SMITH	444	988	1,432	6,499	3,407	8,474
Mr George Kwok Lung HONGCHOY	3,232	3,875	7,107	18,799	22,804	32,952
Mr Andy CHEUNG Lee Ming	905	1,232	2,137	7,289	9,676	14,363
Mr Ian Keith GRIFFITHS	122	276	398	1,797	941	2,340
Mr William CHAN Chak Cheung	164	367	531	2,218	1,256	2,943
Mrs Eva CHENG Li Kam Fun (Note (iv))	–	–	–	–	52	–
Mr Anthony CHOW Wing Kin	164	367	531	2,385	1,261	3,110
Dr Patrick FUNG Yuk Bun	128	287	415	1,911	980	2,476
Mr Stanley KO Kam Chuen	152	343	495	2,220	1,170	2,895
Ms May Siew Boi TAN	152	–	152	–	822	107
Mr David Charles WATT	140	300	440	1,824	1,042	2,427
Prof Richard WONG Yue Chim	164	343	507	2,220	1,254	2,901
Ms Elaine Carole YOUNG	140	–	140	–	742	97
Mr Michael Ian ARNOLD (Note (v))	–	345	345	2,293	624	2,979
	5,907	8,723	14,630	49,455	46,031	78,064



## 11 STAFF COSTS (Continued)

### (b) Directors' emoluments (Continued)

Notes:

- (i) Other benefits include leave pay, insurance premium and club membership fee.
- (ii) The variable remunerations paid during the year were in relations to performance and services for the year ended 31 March 2013, based on financial and non-financial key performance indicators.
- (iii) Values of the LTI awards are estimated based on valuation techniques with assumptions on future unit prices, outstanding length of the awards and distribution pay-out rates. There is no commitment to pay out the estimated values provided. The eventual amounts to be paid depend on the scale of achievement against certain performance and service related vesting conditions. For the portion of the awards which do not vest on the vesting dates, the amounts previously charged to the consolidated income statement will be written back. Details on the long-term incentive plan of the Group are set out in Note 19.  
  
For the year ended 31 March 2014, certain long-term incentive plan awards have been vested and units of The Link REIT have been issued under the plan. The amounts recognised as expenses represent the provision recognised as set out in the accounting policy Note 3(q).
- (iv) Appointed on 24 February 2014.
- (v) Retired on 3 September 2013.

### (c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2013: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2013: two) individuals during the year are as follows:

	2014 HK\$'M	2013 HK\$'M
Basic salaries, other allowances and benefits in kind	10	5
Discretionary bonus	3	2
Long-term incentive plan awards	3	10
Total	16	17

The emoluments of the five individuals fell within the following bands:

	2014 Number of individuals	2013 Number of individuals
Emolument bands		
HK\$5,000,001 – HK\$5,500,000	2	–
HK\$5,500,001 – HK\$6,000,000	1	–
HK\$7,500,001 – HK\$8,000,000	–	1
HK\$8,000,001 – HK\$8,500,000	–	1
HK\$9,000,001 – HK\$9,500,000	–	1
HK\$9,500,001 – HK\$10,000,000	1	–
HK\$14,000,001 – HK\$14,500,000	–	1
HK\$22,500,001 – HK\$23,000,000	1	–
HK\$32,500,001 – HK\$33,000,000	–	1

### (d) Pension – defined contribution plan

The Group operates a pension scheme – Mandatory Provident Fund. The scheme is a defined contribution plan funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity (a fund). The Group has no further payment obligations once the contributions have been paid.

## 12 TAXATION

Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

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

	2014 HK\$'M	2013 HK\$'M
Current taxation	519	402
Deferred taxation		
– Accelerated depreciation allowances	236	232
Taxation	755	634

The differences between the Group's expected tax charge, using the Hong Kong profits tax rate, and the Group's taxation for the year were as follows:

	2014 HK\$'M	2013 HK\$'M
Profit before taxation	18,060	21,696
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2013: 16.5%)	2,980	3,580
Tax effect of non-deductible expenses	5	12
Tax effect of non-taxable income	(2,224)	(2,928)
Adjustment in respect of prior years	(6)	(30)
Taxation	755	634

## 13 EARNINGS PER UNIT BASED UPON PROFIT AFTER TAXATION AND BEFORE TRANSACTIONS WITH UNITHOLDERS

	2014	2013
Profit after taxation and before transactions with Unitholders	HK\$17,305 million	HK\$21,062 million
Weighted average number of units for the year for calculating basic earnings per unit	2,303,298,171	2,277,918,225
Adjustment for dilutive contingently issuable units under long-term incentive plan	2,021,485	3,192,105
Weighted average number of units for the year for calculating diluted earnings per unit	2,305,319,656	2,281,110,330
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$7.51	HK\$9.25
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$7.51	HK\$9.23

## 14 INVESTMENT PROPERTIES

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

	Retail properties HK\$'M	Car parks HK\$'M	Total HK\$'M
At 1 April 2013	80,090	15,276	95,366
Additions	972	116	1,088
Change in fair values	10,183	3,262	13,445
<b>At 31 March 2014</b>	<b>91,245</b>	<b>18,654</b>	<b>109,899</b>
At 1 April 2012	65,311	11,361	76,672
Additions	912	77	989
Change in fair values	13,867	3,838	17,705
At 31 March 2013	80,090	15,276	95,366

### (b) Government leases

The properties included as investment properties on the consolidated statement of financial position comprise properties where the Group has legal title under government leases for a fixed number of years (with renewal rights in one case). As at 31 March 2014, the remaining lease periods range from 29 to 46 years (2013: 30 to 47 years).

### (c) Valuation process

The investment properties were revalued on an open market value basis by CBRE Limited, an independent firm of professional qualified valuers, which was newly appointed as the principal valuer of The Link REIT for property valuation as at 31 March 2014. The independent property valuation for the year ended 31 March 2013 was performed by Jones Lang LaSalle Limited.

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.

### (d) Valuation techniques

The principal valuer has relied on the income capitalisation approach and the discounted cash flow analysis as their primary approaches, cross-referenced to the direct comparison method.

The income capitalisation approach involves the capitalisation of the current passing income and potential reversionary income to arrive at the capital value at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and tenancy profile of the properties together with the current market investment criteria, as supported by the market evidence. The prevailing market rentals have been obtained through analysis of recent lettings and achievable rentals of the properties and other similar developments in the locality. Adjustments are made accordingly to reflect factors specific to the lease and property.

Discounted cash flow analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

## 14 INVESTMENT PROPERTIES (Continued)

### (d) Valuation techniques (Continued)

The two valuation techniques are summarised in the below table with their respective significant unobservable inputs.

	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
<b>Income capitalisation approach</b>		
Retail properties and car parks	i) Capitalisation rate (Blended): 4.40% – 7.60% ii) Net passing income per annum: HK\$0.5M – HK\$222.6M	Higher the capitalisation rate, lower the fair value Higher the net passing income, higher the fair value
<b>Discounted cash flow analysis</b>		
Retail properties and car parks	i) Discount rate: 7.50% ii) Net passing income per annum: HK\$0.5M – HK\$222.6M	Higher the discount rate, lower the fair value Higher the net passing income, higher the fair value

The investment properties are included in Level 3 of the fair value hierarchy.

### (e) Security for the Group's loan facilities

As at 31 March 2014, certain of the Group's investment properties, amounting to approximately HK\$10.8 billion (2013: HK\$9.3 billion), were pledged to secure the loan from The Hong Kong Mortgage Corporation Limited. No property was pledged to secure any bank loan or medium term note.

## 15 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'M	Motor vehicles HK\$'M	Equipment HK\$'M	Total HK\$'M
At 1 April 2013	21	2	50	73
Additions	–	–	17	17
Depreciation charge for the year	(6)	(1)	(13)	(20)
<b>At 31 March 2014</b>	<b>15</b>	<b>1</b>	<b>54</b>	<b>70</b>
<b>At 31 March 2014</b>				
Cost	70	4	131	205
Accumulated depreciation	(55)	(3)	(77)	(135)
Net book value	15	1	54	70
At 1 April 2012	25	3	48	76
Additions	13	–	14	27
Disposals	(3)	–	–	(3)
Depreciation charge for the year	(14)	(1)	(12)	(27)
At 31 March 2013	21	2	50	73
At 31 March 2013				
Cost	70	5	114	189
Accumulated depreciation	(49)	(3)	(64)	(116)
Net book value	21	2	50	73

## 16 TRADE AND OTHER RECEIVABLES

	2014 HK\$'M	2013 HK\$'M
Trade receivables	66	72
Less: provision for impairment of trade receivables	(1)	(1)
Trade receivables – net	65	71
Other receivables	172	141
	237	212

Receivables are denominated in Hong Kong Dollars and 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 is as follows:

	2014 HK\$'M	2013 HK\$'M
0 – 30 days	64	70
31 – 90 days	1	1
Over 90 days	1	1
	66	72

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

Included in the net trade receivables of HK\$65 million (2013: HK\$71 million) presented above were HK\$43 million (2013: HK\$50 million) of accrued car park income and HK\$14 million (2013: HK\$15 million) of accrued turnover rent, which were not yet due as at 31 March 2014. The remaining HK\$8 million (2013: HK\$6 million) were past due but not considered impaired.

The ageing of the past due but not considered impaired trade receivables is as follows:

	2014 HK\$'M	2013 HK\$'M
0 – 30 days	7	5
31 – 90 days	1	1
	8	6

As at 31 March 2014, trade receivables of HK\$1 million (2013: HK\$1 million) were considered as impaired and had been provided for. The individually impaired receivables are those where collectibility is in doubt.

## 16 TRADE AND OTHER RECEIVABLES (Continued)

The ageing of the impaired trade receivables is as follows:

	2014 HK\$'M	2013 HK\$'M
Over 90 days	1	1

Movements on the provision for impairment of trade receivables are as follows:

	2014 HK\$'M	2013 HK\$'M
At 1 April	1	2
Provision for impairment of trade receivables	1	1
Receivables written off during the year as uncollectible	(1)	(2)
At 31 March	1	1

The creation and release of provision for impairment of trade receivables have been included in property operating expenses in the consolidated income statement. Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

The other classes of receivables included in the trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables.

## 17 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

	2014 HK\$'M	2013 HK\$'M
Cash at bank	42	29
Short-term bank deposits with original maturity of less than three months	518	1,628
Cash and cash equivalents	560	1,657
Short-term bank deposits with original maturity of more than three months	2,234	1,495
	2,794	3,152

## 18 TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS

	2014 HK\$'M	2013 HK\$'M
Trade payables	17	58
Receipts in advance	150	146
Accruals	1,143	1,033
	<b>1,310</b>	1,237

Payables are denominated in Hong Kong Dollars and the carrying amounts of these payables approximate their fair values.

The ageing of trade payables is as follows:

	2014 HK\$'M	2013 HK\$'M
0 – 30 days	14	47
31 – 90 days	3	10
Over 90 days	–	1
	<b>17</b>	58

## 19 LONG-TERM INCENTIVE PLAN PROVISION

	2014 HK\$'M	2013 HK\$'M
Long-term incentive plan provision	92	139
Less: current portion of long-term incentive plan provision	(60)	(87)
Non-current portion of long-term incentive plan provision	<b>32</b>	52

A long-term incentive plan (the “**Plan**”) was approved and adopted by ordinary resolution on 23 July 2007 at the annual general meeting of the Unitholders. The Plan shall be valid and effective for 10 years commencing on the adoption date.

Under the Plan, the Manager may grant three types of awards, the Restricted Unit Awards (“**RUA**”), Unit Options and Conditional Cash Awards (“**CCA**”) (collectively the “**Awards**”) to directors and key employees of the Manager. Awards are approved by the Human Resources and Compensation Committee and, in the case of directors of the Manager, by the Board on recommendation of the Remuneration Committee. No Unit Option has been granted since the adoption date.

Upon the vesting of RUA, units are to be issued to the grantees on a sliding scale, depending on the scale of achievement against the total Unitholders return (“**TUR**”) or net property income (“**NPI**”), where appropriate, providing that the minimum criteria for the performance measure determined by the Human Resources and Compensation Committee has been met.

During the year, certain directors and employees of the Manager were granted RUA and CCA at nil monetary consideration. The RUA granted under the Plan, in general, will vest approximately two to three years from the date of grant.

## 19 LONG-TERM INCENTIVE PLAN PROVISION (Continued)

The eventual numbers of units to be issued under RUA on vesting, which are linked to the performance of The Link REIT based on the TUR, NPI or certain vesting conditions, where appropriate, will range from 0% to 200% of RUA granted. CCA is granted in conjunction with the grant of RUA, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to Unitholders during the vesting period, multiplied by the number of units that will eventually be issued to such grantee pursuant to RUA vested.

During the vesting period, a liability is recognised representing the estimated value of the Awards granted and the portion of the vesting period expired as at the reporting date. The value of the Awards was estimated at the reporting date by Towers Watson Hong Kong Limited, an independent external valuer based on valuation techniques and assumptions on unit prices, outstanding length of the Awards and distribution pay-out rates. The change in value of the outstanding Awards was charged to the consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

During the year, the Group issued 2,055,632 units (2013: 1,834,701 units) for RUA vested in accordance with the vesting conditions under the Plan.

Movements in the number of RUA during the year and the maximum number of units to be issued upon vesting of RUA are as follows:

Date of grant	Vesting period	Outstanding as at 1 April 2013	Granted during the year	Vested during the year <sup>(i)</sup>	Cancelled during the year	Lapsed during the year	Outstanding as at 31 March 2014	Maximum to be issued on vesting date <sup>(iii)</sup>
12 November 2010	12 November 2010 to 30 June 2013	509,808	-	(509,808) <sup>(ii)</sup>	-	-	-	-
23 September 2011	23 September 2011 to 30 June 2013	554,052	-	(533,302) <sup>(ii)</sup>	(16,250)	(4,500)	-	-
	23 September 2011 to 30 June 2014	552,681	-	-	-	(22,921)	529,760	1,059,520
16 July 2012	16 July 2012 to 30 June 2014	538,750	-	-	-	(11,633)	527,117	1,054,234
	16 July 2012 to 30 June 2015	538,750	-	-	-	(12,095)	526,655	1,053,310
20 January 2014	20 January 2014 to 30 June 2015	-	515,500	-	-	-	515,500	958,250
	20 January 2014 to 30 June 2016	-	515,500	-	-	-	515,500	958,250
Subtotal		2,694,041	1,031,000	(1,043,110)	(16,250)	(51,149)	2,614,532	5,083,564
Additional units vested over 100% of RUA granted		-	-	(1,012,522) <sup>(ii)</sup>	-	-	-	-
Total		2,694,041	1,031,000	(2,055,632)	(16,250)	(51,149)	2,614,532	5,083,564

Notes:

(i) RUA vesting percentages during the year ranged from 188% to 200%.

(ii) If certain vesting conditions are met.

(iii) Additional units over 100% of RUA granted were vested pursuant to the relevant vesting conditions.



## 20 INTEREST BEARING LIABILITIES

	2014 HK\$'M	2013 HK\$'M
Bank borrowings	3,167	3,413
Medium term notes	6,357	6,122
Secured loan	3,000	4,000
	12,524	13,535
Less: current portion of interest bearing liabilities	(2,825)	(1,706)
Non-current portion of interest bearing liabilities	9,699	11,829

Interest bearing liabilities are repayable as follows:

	2014 HK\$'M	2013 HK\$'M
<b>Due in the first year</b>		
Bank borrowings	825	706
Secured loan	2,000	1,000
	2,825	1,706
<b>Due in the second year</b>		
Bank borrowings	613	858
Secured loan	1,000	2,000
	1,613	2,858
<b>Due in the third year</b>		
Bank borrowings	1,243	610
Medium term notes	988	–
Secured loan	–	1,000
	2,231	1,610
<b>Due in the fourth year</b>		
Bank borrowings	–	1,239
Medium term notes	300	1,015
	300	2,254
<b>Due in the fifth year</b>		
Bank borrowings	486	–
Medium term notes	1,095	300
	1,581	300
<b>Due beyond the fifth year</b>		
Medium term notes	3,974	4,807
	12,524	13,535

## 20 INTEREST BEARING LIABILITIES (Continued)

Notes:

- (i) Except for a bank loan of HK\$277 million (2013: HK\$311 million) and medium term notes of HK\$178 million (2013: HK\$201 million) which are denominated in Australian Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) The effective interest rate of the interest bearing liabilities (taking into account interest rate swap contracts and cross currency swap contracts) at the reporting date was 2.77% (2013: 3.07%). The carrying amounts of the interest bearing liabilities approximate their fair values.

## 21 DERIVATIVE FINANCIAL INSTRUMENTS

	2014 HK\$'M	2013 HK\$'M
<b>Derivative assets</b>		
<b>Current item</b>		
Designated as fair value hedge		
– cross currency swap contract	–	56
<b>Non-current item</b>		
Designated as cash flow hedge		
– interest rate swap contract	5	–
Designated as fair value hedge		
– cross currency swap contracts	–	11
– interest rate swap contracts	64	157
	<b>69</b>	168
	<b>69</b>	224
<b>Derivative liabilities</b>		
<b>Current item</b>		
Designated as cash flow hedge		
– interest rate swap contracts	(4)	(15)
Designated as fair value hedge		
– cross currency swap contract	(23)	–
	<b>(27)</b>	(15)
<b>Non-current item</b>		
Designated as cash flow hedge		
– interest rate swap contracts	(69)	(178)
Designated as fair value hedge		
– cross currency swap contract	(29)	(6)
	<b>(98)</b>	(184)
	<b>(125)</b>	(199)
	<b>(56)</b>	25

The fair value of financial instruments that are not traded in an active market is 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.

## 21 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The fair values of interest rate swap contracts and cross currency 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. Interest rate swap contracts and cross currency swap contracts are included in Level 2 of the fair value hierarchy.

Notes:

- (i) The Group uses interest rate swap contracts and cross currency swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in interest rates and foreign currency exchange rates in relation to its interest bearing liabilities. The fair values of these interest rate swap contracts and cross currency 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 values of cross currency swap contracts are recognised directly in the consolidated income statement. A net amount of HK\$125 million (2013: HK\$129 million) has been credited to the hedging reserve during the year as further set out in Note 24.
- (ii) As at 31 March 2014, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 2.7 years on HK\$2.15 billion borrowings (2013: 2.1 years on HK\$3.15 billion borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 31 March 2014 were HK\$2.15 billion (2013: HK\$3.15 billion) and 2.95% (2013: 3.76%) respectively.
- (iii) As at 31 March 2014, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars floating rates interest bearing liabilities. The notional principal amounts of the outstanding interest rate swap contracts and cross currency swap contracts qualifying as fair value hedges as at 31 March 2014 were HK\$1.82 billion (2013: HK\$1.82 billion) and HK\$507 million (2013: HK\$907 million) respectively.
- (iv) Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 24) as at 31 March 2014 will be released to the consolidated income statement.

## 22 DEFERRED TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 16.5% (2013: 16.5%).

The movements in deferred tax liabilities during the year were as follows:

	2014 HK\$'M	2013 HK\$'M
Temporary differences		
At 1 April	1,518	1,286
Recognised in the consolidated income statement:		
– Accelerated depreciation allowances claimed	236	232
At 31 March	1,754	1,518

The deferred tax liabilities solely arose from accelerated depreciation allowances claimed.

## 23 UNITS IN ISSUE

	2014 Number of units	2013 Number of units
At 1 April	2,288,061,440	2,262,372,930
Units issued under distribution reinvestment scheme	20,772,489	23,853,809
Units issued under long-term incentive plan	2,055,632	1,834,701
At 31 March	2,310,889,561	2,288,061,440

Closing price of the units as at 31 March 2014 was HK\$38.15 (2013: HK\$42.30) per unit. Based on 2,310,889,561 units in issue as at 31 March 2014 (2013: 2,288,061,440 units), market capitalisation was HK\$88,160 million (2013: HK\$96,785 million).

## 24 RESERVES

	Hedging reserve HK\$'M	Earnings retained for cash flow hedge adjustments HK\$'M	Total reserves HK\$'M
At 1 April 2013	(193)	193	–
Cash flow hedges:			
– Change in fair values	13	–	13
– Amount transferred to the consolidated income statement (Note)	112	–	112
	125	–	125
Net assets attributable to Unitholders:			
– Amount arising from cash flow hedging reserve movement	–	(125)	(125)
<b>At 31 March 2014</b>	<b>(68)</b>	<b>68</b>	<b>–</b>
At 1 April 2012	(322)	322	–
Cash flow hedges:			
– Change in fair values	(31)	–	(31)
– Amount transferred to the consolidated income statement (Note)	160	–	160
	129	–	129
Net assets attributable to Unitholders:			
– Amount arising from cash flow hedging reserve movement	–	(129)	(129)
At 31 March 2013	(193)	193	–

Note: Amount transferred to the consolidated income statement in respect of cash flow hedges was included in "Finance costs on interest bearing liabilities" (Note 10).

## 25 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Net cash generated from operating activities

	2014 HK\$'M	2013 HK\$'M
Profit before taxation and transactions with Unitholders	18,060	21,696
Loss on disposal of property, plant and equipment	–	3
Long-term incentive plan awards	40	119
Depreciation charge	20	27
Interest income	(28)	(39)
Finance costs on interest bearing liabilities	393	441
Change in fair values of investment properties	(13,445)	(17,705)
Increase in trade and other receivables, deposits and prepayments	(25)	(33)
Increase in trade payables, receipts in advance and accruals	14	21
Increase in security deposits	107	97
Long-term incentive plan paid	(8)	(6)
Hong Kong profits tax paid	(469)	(422)
Net cash generated from operating activities	4,659	4,199

### (b) Major non-cash transactions

During the year, distributions amounting to HK\$779 million (2013: HK\$782 million) were paid to Unitholders in the form of additional units under the distribution reinvestment scheme. Additional units of HK\$79 million (2013: HK\$60 million) were issued under the long-term incentive plan.

## 26 COMMITMENTS

### (a) Capital commitments

	2014 HK\$'M	2013 HK\$'M
Improvement projects to existing investment properties		
– Authorised but not contracted for	2,064	1,346
– Contracted but not provided for	483	544
	2,547	1,890

### (b) Operating lease commitments

As at 31 March 2014, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable operating leases is as follows:

	2014 HK\$'M	2013 HK\$'M
Within one year	20	18
Between one and five years	16	27
	36	45

## 27 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

### (a) Nature of relationship with connected/related parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and nature of their relationship with the Group as at 31 March 2014:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the " <b>Trustee</b> ") *	The Trustee of The Link REIT
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the " <b>HSBC Group</b> ") *	Associates # of the Trustee
CBRE Limited (the " <b>Principal Valuer</b> ") (Note (i))	The current Principal Valuer of The Link REIT
Jones Lang LaSalle Limited (Note (ii))	The former Principal Valuer of The Link REIT
Jones Lang LaSalle Management Services Limited (Note (iii))	Associate # of the former Principal Valuer
Aedas Limited and its subsidiaries (the " <b>Aedas Group</b> ") *	Associates # of director
Asia Pacific Real Estate Association Limited	Associate # of director
Foundation for the Arts and Music in Asia Limited	Associate # of director
Hong Kong Cyberport Management Limited	Associate # of director
Industrial and Commercial Bank of China (Asia) Limited (" <b>ICBC (Asia)</b> ")	Associate # of director
Standard Chartered Bank (Hong Kong) Limited (" <b>SCBHK</b> ") (Note)	Associate # of director
The Chamber of Hong Kong Listed Companies	Associate # of director
Wing Hang Bank, Limited (" <b>Wing Hang Bank</b> ") *	Associate # of director

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

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

#### Notes:

- (i) CBRE Limited is the current Principal Valuer of The Link REIT who is responsible for the property valuation of The Link REIT for the year ended 31 March 2014. CBRE Limited was appointed as the Principal Valuer of The Link REIT with effect from 17 November 2013.
- (ii) Jones Lang LaSalle Limited was the former Principal Valuer of The Link REIT who was responsible for the property valuation of The Link REIT up till the period ended 30 September 2013. Jones Lang LaSalle Limited retired as the Principal Valuer of The Link REIT in accordance with the REIT Code on 16 November 2013 and since then, Jones Lang LaSalle Limited ceased to be a connected party of The Link REIT.
- (iii) Jones Lang LaSalle Management Services Limited was an associate of Jones Lang LaSalle Limited, who retired as the Principal Valuer of The Link REIT in accordance with the REIT Code on 16 November 2013 and since then, Jones Lang LaSalle Management Services Limited ceased to be a connected party of The Link REIT.

## 27 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:

	2014 HK\$'M	2013 HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(8)	(6)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities and interest rate swap contracts	(55)	(66)
Rental income from the HSBC Group on leasing of retail units	26	24
Interest income from the HSBC Group on short-term bank deposits	1	1
Valuation fee paid and payable to the Principal Valuer (Note (iv))	(3)	(3)
Charges for provision of fitter services paid and payable to Jones Lang LaSalle Management Services Limited (Note (v))	(12)	(8)
Architectural/renovation consultancy services fees paid and payable to the Aedas Group (Note (iii))	(5)	(3)
Transactions with ICBC (Asia) (Note (iii))		
Rental income from ICBC (Asia) on leasing of retail units	7	6
Interest income from ICBC (Asia) on short-term bank deposits	2	1
Transactions with SCBHK (Note (iii))		
Interest expenses and various financing charges to SCBHK on interest bearing liabilities	(1)	–
Rental income from SCBHK on leasing of retail units	9	1
Interest income from SCBHK on short-term bank deposits	1	1
Transactions with Wing Hang Bank (Note (iii))		
Interest income from Wing Hang Bank on short-term bank deposits	2	3

**Notes:**

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreements governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee's fee (calculated and paid monthly) at a rate of 0.008% 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 The Link REIT 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.

## 27 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

### (b) Transactions with connected/related parties (Continued)

Notes: (Continued)

(iv) CBRE Limited was appointed as the Principal Valuer of The Link REIT with effect from 17 November 2013. The former Principal Valuer, Jones Lang LaSalle Limited, was responsible for the property valuation of The Link REIT up till the period ended 30 September 2013. Valuation fee for the year ended 31 March 2014 of HK\$2 million and HK\$1 million were paid and payable to CBRE Limited and Jones Lang LaSalle Limited respectively while valuation fee of HK\$3 million was paid to Jones Lang LaSalle Limited for the year ended 31 March 2013.

The transactions with the Principal Valuer were entered into at arm's length on normal commercial terms.

(v) Jones Lang LaSalle Management Services Limited was an associate of Jones Lang LaSalle Limited, who retired as the Principal Valuer of The Link REIT in accordance with the REIT Code on 16 November 2013 and since then, Jones Lang LaSalle Management Services Limited ceased to be a connected party of The Link REIT.

The transactions with Jones Lang LaSalle Management Services Limited were entered into at arm's length on normal commercial terms.

### (c) Balances with related parties

Balances with related parties are set out below:

	2014 HK\$'M	2013 HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(650)	(400)
Net interest rate swap contracts with the HSBC Group	18	(17)
Security deposits from the HSBC Group	(2)	(2)
Net interest payable to the HSBC Group	–	(3)
Deposits placed with the HSBC Group	171	24
Deposits placed with Wing Hang Bank	289	80
Interest receivable from Wing Hang Bank	1	–

### (d) Key management compensation

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

	2014 HK\$'M	2013 HK\$'M
Fees	8	7
Basic salaries, allowances and other benefits	53	37
Long-term incentive plan awards	23	68
	84	112



## 28 FUTURE MINIMUM RENTAL RECEIVABLES

As at 31 March 2014, the analysis of the Group's aggregate future minimum rental income receivables under non-cancellable operating leases is as follows:

	2014 HK\$'M	2013 HK\$'M
Within one year	3,761	3,421
Between one and five years	3,790	3,400
Beyond five years	114	76
	<b>7,665</b>	<b>6,897</b>

Most of the operating leases are on fixed terms and for terms of 3 years (2013: 3 years).

## 29 EVENT AFTER THE REPORTING DATE

Subsequent to 31 March 2014, the Manager has put up certain properties of The Link REIT for private tender. On 20 May 2014, The Link Properties Limited, a wholly-owned subsidiary of The Link REIT, has accepted the tender documents submitted by certain independent third parties, which constitute binding agreements in respect of the sale and purchase of four properties with a carrying amount of HK\$896.0 million as at 31 March 2014 for a cash consideration of HK\$1,239.7 million.

## 30 SUBSIDIARIES

The Link REIT held the following wholly-owned subsidiaries as at 31 March 2014:

Name	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital	Interest held
<i>Directly held:</i>				
The Link Holdings Limited	Cayman Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
The Link Management Limited	Hong Kong, limited liability company/Hong Kong	Asset management	HK\$5,000,001	100%
<i>Indirectly held:</i>				
Great Land (HK) Limited	Hong Kong, limited liability company/Hong Kong	Property holding and leasing	HK\$1,000,000	100%
The Link Finance (Cayman) 2006 Limited	Cayman Islands, limited liability company/Hong Kong	Dormant	US\$1	100%
The Link Finance (Cayman) 2009 Limited	Cayman Islands, limited liability company/Hong Kong	Financing	US\$1	100%
The Link Finance Limited	Hong Kong, limited liability company/Hong Kong	Financing	HK\$1	100%
The Link Properties Limited	Cayman Islands, limited liability company/Hong Kong	Property holding and leasing	US\$1	100%

## 31 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorised for issue by the Board and the Trustee on 4 June 2014.

# VALUATION REPORT

## CBRE

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地產代理 (公司) 牌照號碼  
Estate Agent's Licence No: C-004065

21 May 2014

The Board of Directors  
The Link Management Limited  
(For itself as manager of The Link Real Estate Investment Trust  
("The Link REIT"), and for and on behalf of The Link REIT)  
33/F, AXA Tower, Landmark East  
100 How Ming Street  
Kwun Tong, Kowloon  
Hong Kong

Trustee  
HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

Dear Sirs

## THE LINK REIT – ANNUAL VALUATION AS AT 31 MARCH 2014

### Instruction

We refer to the instruction received from The Link Management Limited ("LML"), in its capacity as the manager of The Link Real Estate Investment Trust ("Link REIT") and HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of The Link REIT (as "Trustee") (collectively known as the "Instructing Party") to provide our opinion of market values of 182 Retail and Car Parking Facilities in Hong Kong (the "Properties", with details stated in Schedule of Values) of the Link REIT as at 31 March 2014 for purpose of presentation in its 2013-2014 Annual Report. This valuation report has been prepared in compliance with the relevant requirements set out in the Code on Real Estate Investment Trusts ("REIT Code") issued by the Securities and Futures Commission of Hong Kong ("SFC"), the trust deed of the Link REIT dated 6 September 2005 as supplemented from time to time by the supplemental deeds and, where applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK").

### **Valuer's Interest**

We hereby certify that the valuer(s) is/are suitably qualified and authorised to practise as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Properties (including the parties with whom our client is dealing, including the lender or selling agent, if any); accepts instructions to value the Properties only from the Instructing Party.

### **Valuation Principles**

This valuation is prepared in accordance with the "HKIS Valuation Standards (2012 Edition)" published by the Hong Kong Institute of Surveyors ("HKIS"), the RICS Valuation – Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards ("IVS") published by the International Valuation Standards Councils. In addition to the above, this valuation has been prepared in accordance with the REIT Code issued by the SFC.

We have adopted the Market Value as defined by HKIS and IVS, namely:

*"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".*

### **Valuation Methodologies**

In arriving at our opinion of value, we have considered relevant general and economic factors. We have primarily carried out the valuation of the Properties by using Income Capitalisation Approach and Discounted Cash Flow Analysis. Cross reference has been made to Direct Comparison Approach. From the outcomes of these analyses and calculations, a final value conclusion is reached.

#### **Income Capitalisation Approach**

The income capitalisation approach involves the capitalisation of the current passing income and potential reversionary income to arrive at the capital value. This approach is typically applied through the application of appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and tenancy profile of the Properties together with the current market investment criteria, as supported by the market evidence. The prevailing market rentals have been obtained through our analysis of recent lettings and achievable rentals of the Properties and other similar developments in the locality. Adjustments are made according to date of tenancy, location, size, floor level, grading of the shopping mall, facilities, etc.

The ranges of capitalisation rates adopted are shown as below.

- Retail: 4.4% to 6.6%
- Car Park: 4.8% to 7.6%
- Blended: 4.4% to 7.6%

#### **Discounted Cash Flow Analysis**

Discounted Cash Flow Analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

### **Direct Comparison Approach**

Direct Comparison Method involves an analysis of sales transactions of comparable properties with similar type and characteristics of the Properties. Adjustments are made to reflect the differences in various aspects including date of transaction, location, size, floor level, grading and quality, building age, facilities, tenancy mix and any other relevant factors which are considered to be essential in determining the property values.

### **Valuation Reconciliation**

The results of the three valuation methods will be reconciled and the assessed value will be analysed in terms of initial passing yield, internal rate return and on a dollar per square foot basis.

## **Assumptions, Disclaimers, Limitations & Qualifications**

### **Acknowledgement of Information**

We have relied to a considerable extent on the information provided by LML and have accepted advice given to us on such matters as identification of the Properties, planning approvals, statutory notices, easements, tenure, occupation, floor plans, floor areas, tenancy schedule and all other relevant matters.

In the course of our valuation, we have made reference to inter alia, the following information provided by the Instructing Party:–

- Copy of Tenancy Schedule as at 31 March 2014 and subsequent updates;
- Copy of Retail Actual Income from March 2013 to February 2014;
- Copy of Other Retail and Car Park incomes from March 2013 to February 2014;
- Copy of Operating Expenses from March 2013 to February 2014;
- Copy of CAPEX schedules as at 14 January 2014 and subsequent updates; and
- Copy of Asset Enhancement Initiative Plans & layout plans of the Properties.

Dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations. No on site measurements have been taken. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

### **Property Title**

We have conducted title searches from the Land Registry. We have not perused the original grant documentations. We have assumed that there are no further easements or encumbrances not disclosed by this title search which may affect market values.

### **Our Investigations**

The inspections of the Properties were undertaken in the period between March to May 2014. However, we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that the buildings are free from defect. We have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous and/or contaminated material. Unless otherwise stated in the valuation report, our valuation is based upon the assumption that the buildings do not have any defects requiring any significant expenditure.

We are not engaged to carry out all possible investigations in relation to the Properties. Unless otherwise stated in the valuation report, the valuation assumes that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.

#### **Limitation of Liability**

Our findings and conclusion of values of the Properties in this report is valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. The liability of CBRE and its directors and employees is limited to the Addressee of this report only. No accountability, obligation or liability to any third parties is accepted. Use by, or reliance upon this valuation report by anyone other than the Instructing Party is not authorised by CBRE and CBRE will not be liable for any loss arising from such unauthorised use or reliance.

#### **Summary of Values**

A summary of retail Internal Floor Area ("IFA"), number of car parking spaces, assessed market values, initial yield and indicated IRR of each property is shown in the attached Schedule of Values.

#### **Valuation**

We are of the opinion that the market value of the unencumbered leasehold interests of the Properties, subject to the existing tenancies, as at 31 March 2014, was in the sum of HK\$109,899,400,000 (HONG KONG DOLLARS ONE HUNDRED AND NINE BILLION EIGHT HUNDRED NINETY NINE MILLION FOUR HUNDRED THOUSAND).

- Initial Yield of 5.16%

The notional apportionment of the Retail Facilities and Car Parking Facilities was as follows:–

#### **Retail Facilities**

- Retail value was HK\$91,245,000,000 (Hong Kong Dollars Ninety One Billion Two Hundred Forty Five Million)
- Initial Yield of 4.98%

#### **Car Parking Facilities**

- Car Park value was HK\$18,654,400,000 (Hong Kong Dollars Eighteen Billion Six Hundred Fifty Four Million Four Hundred Thousand)
- Initial Yield of 6.00%

Yours faithfully

For and on behalf of

**CBRE Limited**

**Alex PW Leung** MHKIS MRICS RPS(GP)

Senior Director

Valuation & Advisory Services

Mr Leung is a Registered Professional Surveyor (General Practice), a member of the Hong Kong Institute of Surveyors and a member of Royal Institution of Chartered Surveyors. He has over 18 years' experience in valuation of properties in Hong Kong.

Encl.

## SCHEDULE OF VALUES

This valuation comprises the following properties.

No.	Property	No.	Property
16	Butterfly Plaza	28	Fu Tung Plaza
160	Car Park within Ching Wang Court	48	Fung Tak Shopping Centre
180	Car Park within Chuk Yuen (North) Estate	4	Hau Tak (II) Shopping Centre
174	Car Park within Fung Lai Court	37	Heng On Commercial Centre
171	Car Park within Hong Keung Court	42	Hin Keng Shopping Centre
143	Car Park within Ka Tin Court	134	Hing Man Commercial Centre
173	Car Park within Kam On Court	119	Hing Tin Commercial Centre
115	Car Park within Kin Ming Estate	96	Hing Tung Shopping Centre
172	Car Park within King Lai Court	52	Hing Wah Plaza
178	Car Park within Kwai Hong Court	75	Hiu Lai Shopping Centre
155	Car Park within Lai On Estate	76	Hoi Fu Shopping Centre
181	Car Park within Lower Wong Tai Sin (I) Estate	36	Homantin Plaza
165	Car Park within Ming Nga Court	97	Ka Fuk Shopping Centre
152	Car Park within Ning Fung Court	7	Kai Tin Shopping Centre
179	Car Park within Pang Ching Court	80	Kai Yip Commercial Centre
149	Car Park within Po Pui Court	77	Kam Tai Shopping Centre
167	Car Park within San Wai Court	109	Kam Ying Court Shopping Centre
175	Car Park within Sau Mau Ping (I) Estate	105	Kin Sang Shopping Centre
140	Car Park within Tin King Estate	85	King Lam Shopping Centre
169	Car Park within Tin Yau Court	62	Kwai Fong Plaza
136	Car Park within Tin Yuet Estate	100	Kwai Hing Shopping Centre
142	Car Park within Tsui Ping South Estate	60	Kwai Shing East Shopping Centre
141	Car Park within Tsz Man Estate	66	Kwong Fuk Commercial Centre
159	Car Park within Upper Ngau Tau Kok Estate	102	Kwong Tin Shopping Centre
127	Car Park within Wah Lai Estate	40	Kwong Yuen Shopping Centre
156	Car Park within Wang Fuk Court	99	Lai Kok Shopping Centre
161	Car Park within Yee Kok Court	69	Lee On Shopping Centre
168	Car Park within Yee Nga Court	87	Lei Cheng Uk Shopping Centre
147	Car Park within Ying Ming Court	53	Lei Tung Commercial Centre
153	Car Park within Yue On Court	35	Lek Yuen Plaza
10	Cheung Fat Plaza	12	Leung King Plaza
94	Cheung Hang Shopping Centre	1	Lok Fu Plaza
46	Cheung Hong Commercial Centre	72	Lok Wah Commercial Centre
86	Cheung Wah Shopping Centre	67	Long Ping Commercial Centre
13	Choi Ming Shopping Centre	11	Lung Cheung Plaza
26	Choi Wan Commercial Complex	65	Lung Hang Commercial Centre
8	Choi Yuen Plaza	51	Maritime Bay
19	Chuk Yuen Plaza	45	Mei Lam Commercial Centre
93	Chun Shek Shopping Centre	101	Ming Tak Shopping Centre
2	Chung Fu Plaza	23	Nan Fung Plaza
31	Chung On Shopping Centre	24	Oi Man Plaza
120	Fortune Shopping Centre	50	Oi Tung Shopping Centre
71	Fu Cheong Shopping Centre	33	On Ting Commercial Complex
64	Fu Heng Shopping Centre	103	On Yam Shopping Centre
43	Fu Shin Shopping Centre	112	Ping Tin Shopping Centre

**VALUATION REPORT (Continued)**

<b>No.</b>	<b>Property</b>	<b>No.</b>	<b>Property</b>
57	Fu Tai Shopping Centre	116	Po Hei Court Commercial Centre
47	Po Lam Shopping Centre	6	Sheung Tak Plaza
41	Po Tat Shopping Centre	39	Shun Lee Commercial Centre
106	Po Tin Shopping Centre	122	Shun On Commercial Centre
84	Retail and Car Park within Ap Lei Chau Estate	126	Siu Hei Commercial Centre
117	Retail and Car Park within Cheung On Estate	111	Siu Lun Shopping Centre
113	Retail and Car Park within Cheung Wang Estate	21	Siu Sai Wan Plaza
131	Retail and Car Park within Ching Wah Court	25	Stanley Plaza
170	Retail and Car Park within Choi Fai Estate	88	Sui Wo Court Commercial Centre
138	Retail and Car Park within Choi Ha Estate	55	Sun Chui Shopping Centre
150	Retail and Car Park within Fung Wah Estate	121	Sun Tin Wai Commercial Centre
125	Retail and Car Park within Hong Pak Court	58	Tai Hing Commercial Centre
177	Retail and Car Park within Hong Shui Court	63	Tai Wo Hau Commercial Centre
132	Retail and Car Park within Hong Yat Court	14	Tai Wo Plaza
163	Retail and Car Park within Hung Hom Estate	34	Tai Yuen Commercial Centre
128	Retail and Car Park within Ko Chun Court	27	Tak Tin Plaza
182	Retail and Car Park within Ko Yee Estate	18	Tin Chak Shopping Centre
166	Retail and Car Park within Lok Nga Court	123	Tin Ma Court Commercial Centre
124	Retail and Car Park within Lok Wah (South) Estate	79	Tin Ping Shopping Centre
130	Retail and Car Park within Mei Chung Court	32	Tin Shing Shopping Centre
146	Retail and Car Park within Nam Cheong Estate	30	Tin Shui Shopping Centre
151	Retail and Car Park within Po Nga Court	91	Tin Tsz Shopping Centre
157	Retail and Car Park within Sau Mau Ping (III) Estate	114	Tin Wan Shopping Centre
95	Retail and Car Park within Shun Tin Estate	22	Tin Yiu Plaza
158	Retail and Car Park within Siu On Court	110	Tsing Yi Commercial Complex
162	Retail and Car Park within Tai Ping Estate	74	Tsui Lam Shopping Centre
137	Retail and Car Park within Tin Wah Estate	44	Tsui Ping North Shopping Circuit
176	Retail and Car Park within Tin Wang Court	83	Tsz Ching Shopping Centre (I) & (II)
139	Retail and Car Park within Tin Yat Estate	3	Tsz Wan Shan Shopping Centre
133	Retail and Car Park within Tong Ming Court	70	Un Chau Shopping Centre
135	Retail and Car Park within Tsui Wan Estate	92	Wah Kwai Shopping Centre
154	Retail and Car Park within Tsz Oi Court	59	Wah Ming Shopping Centre
164	Retail and Car Park within Tung Hei Court	98	Wah Sum Shopping Centre
107	Retail and Car Park within Tung Tau Estate	68	Wan Tau Tong Shopping Centre
129	Retail and Car Park within Wo Ming Court	81	Wan Tsui Commercial Complex
145	Retail and Car Park within Yan Ming Court	104	Wang Tau Hom (Wang Fai Centre)
144	Retail and Car Park within Yan Shing Court	15	Wo Che Plaza
148	Retail and Car Park within Ying Fuk Court	5	Wong Tai Sin Plaza
89	Sam Shing Commercial Centre	20	Yat Tung Shopping Centre
9	Sau Mau Ping Shopping Centre	17	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)
29	Sha Kok Commercial Centre	56	Yau Oi Commercial Centre
49	Shan King Commercial Centre	118	Yin Lai Court Shopping Centre
90	Shek Lei Shopping Centre Phase I	61	Yiu On Shopping Centre
54	Shek Lei Shopping Centre Phase II	108	Yiu Tung Shopping Centre
78	Shek Wai Kok Commercial Centre	38	Yu Chui Shopping Centre
73	Shek Yam Shopping Centre	82	Yung Shing Shopping Centre

*The Link Management Limited and  
HSBC Institutional Trust Services (Asia) Limited*

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
1 Lok Fu Plaza											
		390,794	793	222.6	4.42%	4,927.0	7.50%	4,668.0	4,798.0	4.64%	7.82%
Brief Description:	Lok Fu Plaza comprises a 6-storey with basement level retail building (Commercial Centre I), a 4-storey car park building (Car Park I), a 7-storey with basement level retail building (Commercial Centre II) and a 2-storey car park building (Car Park II), some Integrated Commercial/Car Park Accommodation in Wang Shun House, Wang Tat House and Wang Yat House as well as Associated Areas in Lok Fu Estate. The property was completed between 1983 and 1991. A total of 793 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 107,428/335,530 equal and undivided shares of and in New Kowloon Inland Lot No. 6451 and is held under Government Lease for a term of 50 years from 31 December 2007.										
2 Chung Fu Plaza											
		217,507	1,177	159.2	4.67%	3,239.0	7.50%	3,110.0	3,175.0	5.01%	7.91%
Brief Description:	Chung Fu Plaza comprises a 9-storey commercial/car park building (Chung Fu Plaza Phase 1) and a 3-storey commercial building (Chung Fu Plaza Phase 2) linked by a footbridge on the first floor. In addition, the property includes a kindergarten and a day nursery respectively located on the ground and first floors of the Ancillary Facilities Block and open car park spaces in Tin Chung Court. Phase 1 and Phase 2 were completed in 1999 and 2000 respectively. A total of 1,177 parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. Chung Fu Plaza Phase I comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 18 and 2,021/363,535 equal and undivided shares of and in the Remaining Portion of Tin Shui Wai Town Lot No. 18 and is held under Government Lease for a term of 50 years from 8 January 1999. Chung Fu Plaza Phase 2 comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.										
3 Tsz Wan Shan Shopping Centre											
		202,188	940	147.2	5.02%	2,765.0	7.50%	2,730.0	2,748.0	5.36%	8.10%
Brief Description:	Tsz Wan Shan Shopping Centre comprises an 8-storey commercial building and an adjoining Car Park building (Commercial/Car Park Block), a 3-storey car park building (Multi-storey Car Park), a 3-storey car park building (Car Park Block A) and another split-level 4-storey car park building (Car Park Block B), a lift tower, some facilities in Integrated Commercial/Car Park Accommodation in Ancillary Facilities Block, various open car parks and associated areas in Tsz Lok Estate (Open Car Parks). The property was completed in 1997. A total of 940 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 81,055/481,546 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6442 and is held under Government Lease for a term of 50 years from 8 October 2007.										



**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(M)(pa)	Income Capitalisation		DCF Analysis		Value as at 31 March 2014 (HK\$(M))	Analysis	
					Cap. Rate	Value (HK\$(M))	Discount Rate	Value (HK\$(M))		Initial Yield	Indicated IRR
4 Hau Tak (II) Shopping Centre											
		176,798	623	133.8	4.51%	2,808.0	7.50%	2,663.0	2,736.0	4.89%	7.83%
Brief Description:	Hau Tak (II) Shopping Centre, completed in 1993, comprises two 5-storey Commercial/Car Park Blocks (East Wing & West Wing), various open car parks and associated areas in Hau Tak Estate. A total of 623 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 49,962/324,918 equal and undivided shares of and in Tseung Kwan O Town Lot No. 99 and is held under Government Lease for a term of 50 years from 14 October 2005.										
5 Wong Tai Sin Plaza											
		147,318	688	126.6	4.46%	2,744.0	7.50%	2,588.0	2,666.0	4.75%	7.79%
Brief Description:	Wong Tai Sin Plaza comprises, a 4-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation), a 5-storey commercial/car park building (Commercial/Car Park Block), a single-storey car park building (Car Park Block) and various cooked food stalls (Commercial Blocks). In addition, it includes Integrated Commercial/Car Park Accommodations located within the residential blocks of Lung Kwong House, Lung Fai House, Lung Lok House and Lung On House, various open car parks and associated areas in Lower Wong Tai Sin II Estate. The property was built in phases from 1982 to 1983. A total of 688 car parking spaces are provided in Wong Tai Sin Plaza.										
Title Details:	The property is held by The Link Properties Limited. It comprises 51,200/323,235 equal and undivided shares of and in New Kowloon Inland Lot No. 6438 and is held under Government Lease for a term of 50 years from 17 May 2007.										
6 Sheung Tak Plaza											
		131,342	1,280	130.2	4.68%	2,710.0	7.50%	2,598.0	2,654.0	4.91%	7.90%
Brief Description:	Sheung Tak Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), three 5-storey car park buildings (Car Parks A, B and C), Integrated Commercial/Car Park Accommodation on the ground floor of Sheung Mei House, various open car parks and associated areas in Sheung Tak Estate. The property was completed in 1998. A total of 1,280 car parking spaces are provided in the property.										
	Sheung Tak Shopping Centre has been renamed as Sheung Tak Plaza and Car Parks A, B and C of Sheung Tak Estate have also been renamed as Sheung Tak Car Park 1, Sheung Tak Car Park 2 and Sheung Tak Car Park 3 effective from 1 April 2013.										
Title Details:	The property is held by The Link Properties Limited. It comprises 95,092/467,545 equal and undivided shares of and in Tseung Kwan O Town Lot No. 98 and is held under Government Lease for a term of 50 years from 26 March 2007.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(m)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
7 Kai Tin Shopping Centre										
		183,255	461	125.2	4.85%	2,523.0	7.50%	2,452.0	2,488.0	5.03% 7.99%
Brief Description:	Kai Tin Shopping Centre comprises a 7-storey Commercial/Car Park Block, a 5-storey Kai Tin Shopping Centre and various associated areas and car parks in Kai Tin Estate. The property was completed by two phases in 1999 and 2003. A total of 461 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 65,207/256,946 equal and undivided shares of and in New Kowloon Inland Lot No. 6481 and is held under Government Lease for a term of 50 years from 29 September 2009.									
8 Choi Yuen Plaza										
		129,228	536	115.5	4.57%	2,436.0	7.50%	2,322.0	2,379.0	4.85% 7.86%
Brief Description:	Choi Yuen Plaza comprises a 6-storey (including a basement level) commercial/car park building (Commercial/Car Park Block). In addition, the property includes open car parks, associated areas and various shop units located within the residential blocks of Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House (Integrated Commercial/Car Park Accommodation). The property was completed in 1982. A total of 536 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 34,746/286,392 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 230 and is held under Government Lease for a term of 50 years from 17 September 2005.									
9 Sau Mau Ping Shopping Centre										
		158,421	611	110.2	5.00%	2,275.0	7.50%	2,242.0	2,259.0	4.88% 8.09%
Brief Description:	Sau Mau Ping Shopping Centre comprises a 4-storey Commercial/Car Park Block, a 5-storey car park podium of the Ancillary Facilities Building (Multi-Storey Car Park A) and some associated areas in Sau Mau Ping Estate. The property was completed in 2002. A total of 611 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 57,670/833,450 equal and undivided shares of and portion of 10/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.									
10 Cheung Fat Plaza										
		165,914	590	113.8	5.02%	2,179.0	7.50%	2,152.0	2,166.0	5.26% 8.10%
Brief Description:	Cheung Fat Plaza comprises a 7-storey (including a basement) shopping centre and an Electricity Substation in Cheung Fat Estate completed in 1987. A total of 590 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 49,331/171,904 equal and undivided shares of and in Tsing Yi Town Lot No. 172 and is held under Government Lease for a term of 50 years from 22 December 2005.									

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation		DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
11 Lung Cheung Plaza											
		152,785	473	105.2	4.61%	2,097.0	7.50%	2,006.0	2,052.0	5.13%	7.88%
Brief Description:	Lung Cheung Plaza comprises a 5-storey including a basement level Commercial/Car Park Accommodation and some associated areas in Upper Wong Tai Sin Estate. The property was completed in 2001. A total of 473 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 53,974/311,854 equal and undivided shares of and in New Kowloon Inland Lot No. 6439 and is held under Government Lease for a term of 50 years from 23 February 2007.										
12 Leung King Plaza											
		177,440	616	98.6	5.04%	2,033.0	7.50%	2,011.0	2,022.0	4.88%	8.12%
Brief Description:	Leung King Plaza, completed in 1988, comprises a 4-storey commercial/car park building (Commercial/Car Park Block), HA Open Car Parks and HA Road in Leung King Estate. A total of 616 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 54,922/426,295 equal and undivided shares of and in Tuen Mun Town Lot No. 458 and is held under Government Lease for a term of 50 years from 8 February 2001.										
13 Choi Ming Shopping Centre											
		98,564	765	92.1	4.72%	1,993.0	7.50%	1,919.0	1,956.0	4.71%	7.93%
Brief Description:	Choi Ming Shopping Centre comprises a 5-storey (including the basement) commercial/car park building (Commercial/Car Park Block), an 8-storey car park building (Carport Building) and all those covered parking spaces on the ground floor of Choi Ming Court, and the ground floor of a 6-storey commercial/car park building, Kin Ming Estate (known as Extension Block). Choi Ming Shopping Centre was completed in 2001, and the Extension Block was completed in 2003. A total of 765 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 44,614/346,996 equal and undivided shares of Tseung Kwan O Town Lot No. 82 and portion of 39,133/420,644 equal and undivided shares of Tseung Kwan O Town Lot No. 109. It is held under Government Lease for a term of 50 years from 4 May 2001 (Tseung Kwan O Town Lot No. 82) and 15 March 2010 (Tseung Kwan O Town Lot No. 109).										
14 Tai Wo Plaza											
		130,527	454	97.4	4.89%	1,978.0	7.50%	1,932.0	1,955.0	4.98%	8.03%
Brief Description:	Tai Wo Plaza comprises a 3-storey plus a Basement level Commercial/Car Park Block (Phase 1) and a 2-storey plus a Basement level Commercial/Car Park Block (Phase 2) linked by a footbridge across the MTR East Rail Tai Wo Station. In addition, the property includes a single-storey Cooked Food Centre and portions of the Integrated HA Accommodation comprising various shop units, stores, offices and clinics on the ground, second and third floors of Oi Wo House and shops, offices and clinics on the ground, second and third floors of On Wo House and the entrance access on the ground floor of Hei Wo House that leads to the ground floor of Phase 1 Commercial Block in Tai Wo Estate. The property was completed in 1989. A total of 454 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 40,117/414,930 equal and undivided shares of and in Tai Po Town Lot No. 176 and is held under Government Lease for a term of 50 years from 10 February 2000.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
15 Wo Che Plaza											
		190,441	828	87.1	4.60%	1,932.0	7.50%	1,843.0	1,888.0	4.61%	7.87%
Brief Description:	Wo Che Plaza, completed in 1977, comprises a 4-storey Commercial/Car Park Block, various retail units on the ground floors of Tai Wo House, Foo Wo House, Hau Wo House, Chi Wo House and King Wo House (Integrated Commercial/Car Park Accommodation), associated areas and open car parks in Wo Che Estate. A total of 828 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 55,437/474,742 equal and undivided shares of and in Sha Tin Town Lot No. 549 and is held under Government Lease for a term of 50 years from 23 February 2007.										
16 Butterfly Plaza											
		174,443	313	88.1	5.26%	1,777.0	7.50%	1,786.0	1,782.0	4.94%	8.22%
Brief Description:	Butterfly Plaza comprises a 3-storey retail building with market (Commercial Complex), a 4-storey car park building (Multi-storey Car Park) and various cooked food stalls at the Commercial Area near Block 6. In addition, the property includes various shop units located at the ground and first floors within the residential blocks of Tip Ling House and Tip Sum House (Integrated Commercial/Car Park Accommodation), open car parks, open loading and unloading spaces and associated areas in Butterfly Estate. The property was completed in 1983. A total of 313 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 38,316/248,783 equal and undivided shares of and in Tuen Mun Town Lot No. 473 and is held under Government Lease for a term of 50 years from 14 October 2005.										
17 Yau Mei & Ko Cheung (Lei Yue Mun Plaza)											
		100,543	0	97.1	5.00%	1,751.0	7.50%	1,725.0	1,738.0	5.59%	8.09%
Brief Description:	Lei Yue Mun Plaza comprises a 4-storey commercial podium underneath Blocks J, K and L of Yau Mei Court (Commercial Accommodation). The property was completed in 2001.										
Title Details:	The property is held by The Link Properties Limited. It comprises 19,357/392,161 equal and undivided shares of and in New Kowloon Inland Lot No. 6459 and is held under Government Lease for a term of 50 years from 3 June 2005.										
18 Tin Chak Shopping Centre											
		137,224	302	89.2	5.23%	1,658.0	7.50%	1,660.0	1,659.0	5.37%	8.20%
Brief Description:	Tin Chak Shopping Centre comprises a 4-storey commercial building (Commercial Block) and a 4-storey car park building. In addition, it includes kiosk at the entrance of the commercial block and associated areas in Tin Chak Estate. The property was completed in 2001. A total of 302 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 38,810/272,897 equal and undivided shares of and in Tin Shui Wai Town Lot No. 37 and is held under Government Lease for a term of 50 years from 14 October 2005.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
19 Chuk Yuen Plaza										
		137,329	1,103	79.6	5.20%	1,522.0	7.50%	1,527.0	1,525.0	5.22% 8.21%
Brief Description:	Chuk Yuen Plaza comprises a 5-storey commercial building with basement car park (Commercial/Car Park Block), a 4-storey car park podium of Chui Yuen House (Multi-storey Car Park Accommodation) and various free-standing cooked food stalls (Cooked Food Stalls). In addition, the property includes various shop units on the ground and second floors of Sau Yuen House, open car parking spaces (Open Car Parks) and associated areas within Chuk Yuen (South) Estate. The property was completed in 1984. A total of 1,103 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 62,198/354,665 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6452 and is held under Government Lease for a term of 50 years from 16 August 2007.									
20 Yat Tung Shopping Centre										
		193,029	1,900	75.8	5.13%	1,521.0	7.50%	1,511.0	1,516.0	5.00% 8.15%
Brief Description:	Yat Tung Shopping Centre comprises a 3-storey Commercial Centre 1 (Commercial Blocks) and a 4-storey Commercial Centre 2 (Commercial Blocks), two 6-storey car park buildings (Multi-storey Car Park 1 and Car Park 3) and a 6-storey commercial/car park block (Commercial/Car Park Block), various open car parks and associated areas in Yat Tung Estate. The property was built in phases from 2001 to 2003. A total of 1,900 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 107,811/930,819 equal and undivided shares of and in Tung Chung Town Lot No. 30 and is held under Government Lease for a term of 50 years from 5 February 2009.									
21 Siu Sai Wan Plaza										
		100,762	558	79.9	5.11%	1,518.0	7.50%	1,509.0	1,514.0	5.28% 8.14%
Brief Description:	Siu Sai Wan Plaza comprises a 5-storey Shopping Centre interconnected with a 12-level Car Park Block, a 2-storey Car Park Block (Siu Sai Wan Estate Phase 3 Car Park), a post office (the Integrated Commercial Accommodation) on the ground floor of Sui Yick House and various car parking spaces in Siu Sai Wan Estate. The property was completed in 1989. A total of 558 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 34,606/418,894 equal and undivided shares of and in Chai Wan Inland Lot No. 176 and is held under Government Lease for a term of 50 years from 26 March 2007.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
22 Tin Yiu Plaza										
		99,969	480	75.7	5.46%	1,466.0	7.50%	1,483.0	1,475.0	5.13% 8.26%
Brief Description:	Tin Yiu Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), open car parks and associated areas in Tin Yiu Estate. The property was completed in 1992. A total of 480 car parking spaces are provided in the property. Tin Yiu Plaza is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 94,166 sqft.									
Title Details:	The property is held by The Link Properties Limited. It comprises 31,581/574,611 equal and undivided shares of and in Tin Shui Wai Town Lot No. 38 and is held under Government Lease for a term of 50 years from 17 September 2005.									
23 Nan Fung Plaza										
		83,137	0	65.9	4.60%	1,495.0	7.50%	1,428.0	1,462.0	4.51% 7.88%
Brief Description:	Nan Fung Plaza, completed in 1999, comprises various commercial units, a kindergarten on ground floor and podium level 1 and various external wall advertising spaces of the commercial podium in Nan Fung Plaza.									
Title Details:	The property is held by The Link Properties Limited. It comprises 154,634/1,485,995 equal and undivided shares of and in Tseung Kwan O Town Lot No. 23 and is held under New Grant No. 8648 for a term commencing from 21 November 1995 to 30 June 2047.									
24 Oi Man Plaza										
		192,784	808	60.7	5.20%	1,320.0	7.50%	1,317.0	1,319.0	4.60% 8.17%
Brief Description:	Oi Man Plaza comprises a 3-storey commercial building with an adjoining four 3-storey garage buildings namely Garages A to D (Multi-storey Commercial/Car Park Accommodation), a single-storey wet market building (Commercial Block 2) and various cooked food stalls (Commercial Block 1). In addition, the property includes various shop units located on the ground floors within the residential blocks of Chiu Man House, Hong Man House and Chung Man House, various open car parking areas and the associated areas within Oi Man Estate. The property was completed in 1975. A total of 808 car parking spaces in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 54,395/204,983 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 9826 and is held under Government Lease for a term of 75 years commencing from 1 April 1968.									
25 Stanley Plaza										
		97,881	411	54.7	4.93%	1,276.0	7.50%	1,255.0	1,266.0	4.32% 8.07%
Brief Description:	Stanley Plaza, completed in phases from 1999 to 2000, consists of three portions. Portion 1 comprises a 6-storey commercial/car park building (Commercial/Car Park Block), a 3-storey commercial building (Murray House) and three single-storey shop stalls/kiosks at the Village Square together with the open venue thereof. Portion 2 comprises various open car parking spaces near Lung Tak Court with Ma Hang Estate. Portion 3 comprises two shop units on the ground floor of Leung Ma House and the 2-storey basement car park building (Basement Car Park Block) situated adjacent to Leung Ma House of Ma Hang Estate. A total of 411 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 37,045/116,974 equal and undivided shares of and in Stanley Inland Lot No. 98 and is held under Government Lease for a term of 50 years from 11 June 2009.									

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
26 Choi Wan Commercial Complex										
		167,089	859	64.0	5.24%	1,223.0	7.50%	1,224.0	1,224.0	5.23% 8.19%
Brief Description:	Choi Wan Commercial Complex comprises a 5-storey (with split-levels on lower ground, ground and first floors) commercial/car park building standing beside Block 6 (Commercial/Car Park Block 1), a 7-storey commercial/car park building beside Block 15 (Commercial/Car Park Block 2), a 2-storey building (Commercial Block 1), various shops units on the ground and first floors of Fei Fung House and various cooked food stalls (Commercial Block 2). In addition, it includes various open car parks, associated areas and integrated accommodation in Choi Wan Estate. The property was completed in 1980. A total of 859 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 61,003/394,552 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6461 and is held under Government Lease for a term of 50 years from 29 December 2008.									
27 Tak Tin Plaza										
		98,494	754	64.3	5.38%	1,169.0	7.50%	1,186.0	1,178.0	5.46% 8.29%
Brief Description:	Tak Tin Plaza comprises a 4-storey commercial building (Commercial Block), a 7-storey (14 split-levels) car park building (Car Park Block A), a 6-storey (10 split-levels) car park building (Car Park Block B) and a single-storey car park podium (Car Park Block C) located within the residential block of Tak Hong House. In addition, the property includes portions of the Integrated HA Accommodation on the 2nd floor of Tak King House and open car parking spaces near to Tak Shing House. The property was completed in 1991. A total of 754 car parking spaces in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 25,782/308,756 equal and undivided shares of and in New Kowloon Inland Lot No. 6326 and is held under Government Lease for a term of 50 years from 18 March 1999.									
28 Fu Tung Plaza										
		105,203	537	61.7	5.29%	1,157.0	7.50%	1,167.0	1,162.0	5.31% 8.24%
Brief Description:	Fu Tung Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), a 3-storey car park building (Car Park Block) and various open car parks (Open Car Parks) and associated areas in Fu Tung Estate. The property was completed in 1997. A total of 537 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 44,218/209,377 equal and undivided shares of and in Tung Chung Town Lot No. 40 and is held under Government Lease for a term of 50 years from 30 April 2008.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
29 Sha Kok Commercial Centre										
		93,936	662	63.1	5.45%	1,097.0	7.50%	1,105.0	1,101.0	5.73% 8.24%
Brief Description:	Sha Kok Commercial Centre comprises a 4-storey commercial/car park building (Commercial Block) and several isolated cooked food stalls. In addition, the property includes various shop units located on the ground floors within the residential blocks of Osprey House and Sand Martin House (Integrated Commercial/Car Park Accommodation) and open car parks in Sha Kok Estate. The property was completed in 1980. A total of 662 car parking spaces are provided in the property. Sha Kok Commercial Centre is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 92,302 sqft.									
Title Details:	The property is held by The Link Properties Limited. It comprises 32,438/340,309 equal and undivided shares of and in Sha Tin Town Lot No. 552 and is held under Government Lease for a term of 50 years from 3 July 2008.									
30 Tin Shui Shopping Centre										
		73,470	577	55.9	5.43%	1,074.0	7.50%	1,091.0	1,083.0	5.16% 8.30%
Brief Description:	Tin Shui Shopping Centre comprises a 2-storey commercial building and adjoining 4-storey commercial/car park block (connected internally and together known as Commercial/Car Park Block), various open car parks and associated areas in Tin Shui Estate. The property was completed in 1992. A total of 577 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 34,646/599,404 equal and undivided shares of and in Tin Shui Wai Town Lot No. 39 and is held under Government Lease for a term of 50 years from 5 September 2007.									
31 Chung On Shopping Centre										
		82,776	995	61.4	5.56%	1,044.0	7.50%	1,075.0	1,060.0	5.79% 8.39%
Brief Description:	Chung On Shopping Centre comprises a 5-storey commercial/car park building with roof (Commercial/Car Park Block), associated areas, covered car parking spaces on the ground floor of Chung Ping House (Integrated Commercial/Car Park Accommodation) and all the open car parks in Chung On Estate. The property was completed in 1996. A total of 995 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 41,385/223,886 equal and undivided shares of and in Sha Tin Town Lot No. 544 and is held under Government Lease for a term of 50 years from 14 October 2005.									
32 Tin Shing Shopping Centre										
		80,257	1,458	57.7	5.71%	978.0	7.50%	1,013.0	996.0	5.79% 8.43%
Brief Description:	Tin Shing Shopping Centre comprises an 8-storey commercial/car park building (Tin Shing Commercial Centre), a 3-storey kindergarten and play area and a nursery (Ancillary Facilities Block) in Tin Shing Court. The property was completed in 2000. A total of 1,458 car parking spaces are provided with the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises whole share of Section A of Tin Shui Wai Town Lot No. 17 and 1,480/357,800 equal and undivided shares of the Remaining Portion of Tin Shui Wai Town Lot No. 17 and is held under Government Lease for a term of 50 years from 28 November 1997.									



**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
33 On Ting Commercial Complex										
		108,797	546	61.6	5.44%	964.0	7.50%	967.0	966.0	6.38% 8.18%
Brief Description:	On Ting Commercial Complex comprises a 5-storey (including a Mezzanine Floor) car park and market building (Car Park and Market Building), another 3-storey retail building (New Annex Block) and a Restaurant Block. In addition, the property includes 6-storey Commercial Accommodation located within the residential block of Ting Cheung House, various open car parks and associated areas in On Ting Estate. The property was completed in 1980. A total of 546 car parking spaces are provided in the property. On Ting Commercial Complex is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 100,205 sqft.									
Title Details:	The property is held by The Link Properties Limited. It comprises 41,242/323,574 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 476 and is held under Government Lease for a term of 50 years from 29 September 2009.									
34 Tai Yuen Commercial Centre										
		139,180	594	49.4	5.11%	942.0	7.50%	938.0	940.0	5.26% 8.16%
Brief Description:	Tai Yuen Commercial Centre comprises a 4-storey commercial building (Commercial Block B), a 3-storey (including a basement) retail building (Commercial Block A) as well as a stand-alone 4-storey car park building (Car Park Block). In addition, it includes various shop units located within the residential blocks of Tai Man House, Tai Tak House and Tai Wing House, various associated areas, a pump room and various open car parks in Tai Yuen Estate. The property was completed in 1980. A total of 594 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 38,718/353,530 equal and undivided shares of and in Tai Po Town Lot No. 192 and is held under Government Lease for a term of 50 years from 29 June 2007.									
35 Lek Yuen Plaza										
		106,080	438	47.8	5.12%	909.0	7.50%	904.0	907.0	5.27% 8.15%
Brief Description:	Lek Yuen Plaza comprises a 3-storey commercial/car park building (Commercial/Car Park Block), various shop units located on the ground to second floor within the residential blocks of Wing Shui House, Wah Fung House, Fu Yu House, Fook Hoi House and Kwai Wo House (Integrated Commercial/Car Park Accommodation) as well as open car parks and associated areas in Lek Yuen Estate. The property was completed in 1976. A total of 438 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 28,600/199,774 equal and undivided shares of and in Sha Tin Town Lot No. 550 and is held under Government Lease for a term of 50 years from 7 May 2007.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
36 Homantin Plaza											
		101,826	299	48.1	5.35%	897.0	7.50%	913.0	905.0	5.32%	8.32%
Brief Description:	Homantin Plaza comprises a 4-storey commercial/car park building and an adjoining 3-storey car park building in Ho Man Tin Estate. The property was completed in 2001. A total of 299 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 3,411/57,202 equal and undivided shares of Section A of Kowloon Inland Lot No. 11119 and 20,327/214,270 equal and undivided shares of the Remaining Portion of Kowloon Inland Lot No. 11119 and is held under Government Lease for a term of 50 years from 20 November 1998.										
37 Heng On Commercial Centre											
		115,804	585	51.4	5.63%	881.0	7.50%	910.0	896.0	5.73%	8.41%
Brief Description:	Heng On Commercial Centre comprises a 5-storey commercial/car park building (Commercial/Car Park Block) completed in 1987. In addition, it includes associated areas and lorry parking spaces along the Estate Road in Heng On Estate. A total of 585 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 39,206/40,831 equal and undivided shares of and in Section C of Sha Town Lot No. 500 and 812/247,314 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 500, and is held under Government Lease for a term of 50 years from 8 April 1998.										
38 Yu Chui Shopping Centre											
		105,873	1,175	46.4	5.38%	879.0	7.50%	890.0	885.0	5.25%	8.27%
Brief Description:	Yu Chui Commercial Centre comprises a 7-storey commercial building including mezzanine floor (Commercial Complex) and a free-standing 4-storey ancillary facilities building (Car Park and Ancillary Facilities Block) and various open loading and unloading spaces in Yu Chui Court. The property was completed in 2001. A total of 1,175 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 48,967/361,200 equal and undivided shares of and in Sha Tin Town Lot No. 462 and is held under Government Lease for a term of 50 years from 18 May 2001.										
39 Shun Lee Commercial Centre											
		214,665	731	49.1	5.46%	875.0	7.50%	892.0	884.0	5.55%	8.31%
Brief Description:	Shun Lee Commercial Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II), two 3-storey car park buildings (Car Park Blocks A and C) and a single-storey car park building (Car Park Block B). In addition, the property includes various shops units located within the residential blocks of Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House, as well as open car parks in Shun Lee Estate. The property was completed in 1978. A total of 731 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 56,354/295,872 equal and undivided shares of and in New Kowloon Inland Lot No. 6465 and is held under Government Lease for a term of 50 years from 31 March 2010.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
40 Kwong Yuen Shopping Centre											
		80,678	736	50.3	5.69%	864.0	7.50%	895.0	880.0	5.72%	8.43%
Brief Description:	Kwong Yuen Shopping Centre comprises five 2-storey to 3-storey commercial buildings (Commercial Complex-Commercial Block Nos. 1 to 5) with associated area, a 5-storey car park building with a wet market on Floor 5 (Car Park Block No. 1) and a 6-storey car park building (Car Park Block No. 2) and open car parks in Kwong Yuen Estate. The property was completed in 1991. A total of 736 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 29,929/279,026 equal and undivided shares of and in Sha Tin Town Lot No. 506 and is held under Government Lease for a term of 50 years from 8 February 2001.										
41 Po Tat Shopping Centre											
		83,133	1,083	45.3	5.46%	840.0	7.50%	856.0	848.0	5.34%	8.32%
Brief Description:	Po Tat Shopping Centre comprises a 7-storey commercial and car park building (Commercial Centre) and two 3-storey car park podiums underneath Blocks A to C (Car Park Podium I) and Blocks D to F (Car Park Podium II), Integrated Commercial/Car Park Accommodation in Tat Cheung House and various associated areas in Po Tat Estate. The property was completed in 2002. A total of 1,083 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 75,195/546,029 equal and undivided shares of and in New Kowloon Inland Lot No. 6470 and is held under Government Lease for a term of 50 years from 9 April 2009.										
42 Hin Keng Shopping Centre											
		95,699	636	45.3	5.64%	833.0	7.50%	860.0	847.0	5.35%	8.41%
Brief Description:	Hin Keng Shopping Centre comprises a 6-storey commercial/car parking building with basement floor (Commercial/Car Park Complex), several isolated cooked food stalls, open car parks and HA roads in Hin Keng Estate. The property was completed in 1987. A total of 636 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 37,320/396,392 equal and undivided shares of and in Sha Tin Town Lot No. 503 and is held under Government Lease for a term of 50 years from 10 February 2000.										
43 Fu Shin Shopping Centre											
		98,330	525	43.3	5.75%	791.0	7.50%	823.0	807.0	5.37%	8.47%
Brief Description:	Fu Shin Shopping Centre comprises a 8-storey Commercial/Car Park Building, a single-storey Cooked Food Stalls, various associated areas and open car parking spaces in Fu Shin Estate. It was completed in 1986. A total of 525 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 33,761/330,620 equal and undivided shares of and in Tai Po Town Lot No. 189 and is held under Government Lease for a term of 50 years from 14 October 2005.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at	Analysis		
				HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	31 March 2014 (HK\$M)	Initial Yield	Indicated IRR
44 Tsui Ping North Shopping Circuit											
		109,067	421	38.6	5.71%	744.0	7.50%	771.0	758.0	5.10%	8.42%
Brief Description:	Tsui Ping North Shopping Circuit comprises a 2-storey commercial podium located within various interlinked residential blocks (Commercial Complex), a 4-storey car park building with associated areas and external walls (Car Park Block), portions of the Integrated HA Accommodation in Tsui Tsz House, Tsui Lau House, Tsui Pak House, Tsui On House, Tsui Yue House and Tsui To House as well as various open car parks in Tsui Ping (North) Estate. The property was completed in 1990. A total of 421 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 31,542/345,220 equal and undivided shares of and in Kwun Tong Inland Lot No. 754 and is held under Government Lease for a term of 50 years from 24 January 2002.										
45 Mei Lam Commercial Centre											
		86,738	375	22.4	5.33%	746.0	7.50%	756.0	751.0	2.99%	8.26%
Brief Description:	Mei Lam Commercial Centre comprises a 3-storey commercial building (Commercial Complex), an adjoining 4-storey car park building with a wet market on the ground floor (Multi-storey Car Park) and various cooked food stalls (Commercial Block). In addition, the property includes a shop unit located within the residential block of Mei Fung House (Portions of the Integrated HA Accommodation). The property was completed in 1981. A total of 375 car parking spaces are provided in the property. Mei Lam Commercial Centre is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 49,956 sqft.										
Title Details:	The property is held by The Link Properties Limited. It comprises 29,125/273,313 equal and undivided shares of and in Sha Tin Town Lot No. 558 and is held under Government Lease for a term of 50 years from 22 March 2010.										
46 Cheung Hong Commercial Centre											
		134,726	709	38.3	6.00%	727.0	7.50%	772.0	750.0	5.10%	8.59%
Brief Description:	Cheung Hong Commercial Centre comprises a 5-storey commercial/car park building including lower ground floor (Commercial Centre No. 1) in Phase I, a 4-storey retail building (Commercial Centre No. 2), a 3-storey car park building known as Car Park Block No. 1, a 3-storey car park/market/games area complex known as Car Park Block No. 2 and a 2-storey restaurant block. In addition, the property includes various isolated cooked food stalls and various shop units located within the residential blocks of Hong Kwai House, Hong Tai House, Hong Fu House, Hong Shun House and Hong Mei House, various shops stalls and welfare units located on the ground floor and first floor within the residential block of Hong Wo House, open car parks and associated areas within Cheung Hong Estate. The property was completed in 1980. A total of 709 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 48,055/467,365 equal and undivided shares of and in Tsing Yi Town Lot No. 175 and is held under Government Lease for a term of 50 years from 10 September 2009.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
47 Po Lam Shopping Centre										
		94,694	398	43.6	5.74%	734.0	7.50%	763.0	749.0	5.82% 8.45%
Brief Description:	Po Lam Shopping Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II) and a 3-storey car park building (Car Park Block). In addition, the property includes various shop units located within the residential block of Po Ning House and Po Kan House (Integrated HA Accommodation), various open car parks as well as the electricity sub-station in Po Lam Estate. The property was completed in 1989. A total of 398 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 25,495/341,494 equal and undivided shares of and in Tseung Kwan O Town Lot No. 88 and is held under Government Lease for a term of 50 years from 19 October 2004.									
48 Fung Tak Shopping Centre										
		72,319	487	32.8	5.48%	739.0	7.50%	752.0	746.0	4.39% 8.30%
Brief Description:	Fung Tak Shopping Centre comprises a 4-storey commercial building (Commercial Centre) and an adjoining 6-storey car park building. It also includes various shop units at Ban Fung House and Ngan Fung House. The property was completed in 1991. A total of 487 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises whole of Sections A and C of New Kowloon Inland Lot No. 6318 and 1,070/202,138 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6318 and is held under Government Lease for a term of 50 years from 8 April 1998.									
49 Shan King Commercial Centre										
		128,189	638	36.9	5.63%	734.0	7.50%	758.0	746.0	4.94% 8.41%
Brief Description:	Shan King Commercial Centre comprises 5-storey commercial/car park building (Car Park/Commercial Complex), a 4-storey car park building (Car Park/Community Block), portions of the integrated HA accommodation on the ground floor and second floor of King Wah House, various cooked food stalls on ground floor and open car parks in Shan King Estate. The property was completed in 1983. A total of 638 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 41,369/477,867 equal and undivided shares of and in Tuen Mun Town Lot No. 469 and is held under Government Lease for a term of 50 years from 20 August 2004.									
50 Oi Tung Shopping Centre										
		81,184	634	41.7	5.53%	726.0	7.50%	745.0	736.0	5.66% 8.37%
Brief Description:	Oi Tung Shopping Centre comprises a 3-storey commercial building (Commercial Centre) and a 6-storey car park podium accommodating various welfare units and car parking spaces located within the residential block of Oi Sin House (Multi-storey Commercial/Car Park Accommodation and the Integrated Commercial/Car Park Accommodation) and various associated areas in Oi Tung Estate. The property was completed in 2000. A total of 634 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 34,910/194,191 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 849 and is held under Government Lease for a term of 50 years from 17 September 2005.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
51 Maritime Bay											
		41,017	0	34.3	4.60%	738.0	7.50%	706.0	722.0	4.76%	7.88%
Brief Description:	Maritime Bay, completed in 1998, comprises various commercial units on ground floor and upper ground floor of the commercial accommodation of Maritime Bay.										
Title Details:	The property is held by Great Land (HK) Limited. It comprises 573/5,411 equal and undivided shares of and in Tseung Kwan O Town Lot No. 49 and is held under New Grant No. SK 8530 for a term commencing from 27 March 1995 and expiring on 30 June 2047.										
52 Hing Wah Plaza											
		82,011	268	38.6	5.28%	718.0	7.50%	723.0	721.0	5.36%	8.24%
Brief Description:	Hing Wah Plaza comprises a 2-storey commercial building (Commercial Centre), a 9-storey car park building (Car Park Block), the Integrated Commercial/Car Park Accommodation on the ground floor of May Wah House and associated areas in Hing Wah Estate. The property was completed in 2000. A total of 268 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 27,675/160,197 equal and undivided shares of and in Chai Wan Inland Lot No. 177 and is held under Government Lease for a term of 50 years from 28 February 2007.										
53 Lei Tung Commercial Centre											
		90,868	687	29.9	5.97%	697.0	7.50%	735.0	716.0	4.18%	8.56%
Brief Description:	Lei Tung Commercial Centre comprises a 4-storey commercial building (Commercial Complex 1) and a 7-storey (including 3 basement levels) commercial/car park building (Commercial Complex 2), which are linked by 2 footbridges across the Lei Tung Estate Bus Terminus. In addition, it includes a 4 level car park/market building (Car Park/Market Block), a 3-storey car park/community hall building (Car Park/Community Hall Block), various ancillary units and car parking spaces on ground, second & third floors of Tung Hing House, ground floor of Tung Mau House, basement, ground & second floors of Tung Sing House, second to fourth floors of Tung On House (Portions of the Integrated HA Accommodation) and various associated areas within Commercial Complex 1, Car Park/Market Block and Car Park/Community Hall (Associated Areas to the Detached HA Accommodation) within Lei Tung Estate. The property was completed in 1988. A total of 687 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 45,424/451,716 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 133 and is held under Government Lease for a term of 50 years from 20 December 2004.										
54 Shek Lei Shopping Centre Phase II											
		84,461	179	36.4	5.49%	694.0	7.50%	709.0	702.0	5.19%	8.33%
Brief Description:	Shek Lei Shopping Centre Phase II comprises a 6-storey commercial/car park building (Commercial/Car Park Block). The property was completed in 1999. A total of 179 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 28,398/655,826 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 505 and is held under Government Lease for a term of 50 years from 31 March 2010.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
				HK\$M(pa)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
55 Sun Chui Shopping Centre											
		76,016	620	35.7	5.49%	678.0	7.50%	692.0	685.0	5.21%	8.32%
Brief Description:	Sun Chui Shopping Centre comprises a 2-storey commercial building (Commercial Centre) linked with a single-storey wet market building (Market), a 3-storey car park building (Car Park 1), two single-storey car park buildings (Car Parks 2 & 3) and several isolated cooked food stalls. In addition, the property includes the premises on the ground floor and second floor of Sun Yee House (Portions of Integrated HA Accommodation) and open car parks in Sun Chui Estate. The property was completed in 1983. A total of 620 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 27,934/395,903 equal and undivided shares of and in Sha Tin Town Lot No. 554 and is held under Government Lease for a term of 50 years from 25 May 2009.										
56 Yau Oi Commercial Centre											
		86,556	780	26.0	5.45%	674.0	7.50%	691.0	683.0	3.80%	8.24%
Brief Description:	Yau Oi Commercial Centre comprises a 3-storey commercial complex composing the Restaurant Block and portions of Oi Yung House, an adjoining single-storey commercial podium, a 6-storey car park building with market including mezzanine floor, another 4-storey car park building, various cooked food stalls and open car parks in Yau Oi Estate. The property was completed in 1980. A total of 780 car parking spaces are provided in the property. Yau Oi Commercial Centre is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 41,058 sqft.										
Title Details:	The property is held by The Link Properties Limited. It comprises 41,037/551,040 equal and undivided shares of and in Tuen Mun Town Lot No. 479 and is held under Government Lease for a term of 50 years from 14 July 2010.										
57 Fu Tai Shopping Centre											
		62,076	635	35.6	5.47%	651.0	7.50%	665.0	658.0	5.41%	8.33%
Brief Description:	Fu Tai Shopping Centre comprises a 6-storey commercial/car park building (Commercial/Car Park Accommodation), various open car parks and associated areas in Fu Tai Estate. The property was completed in 2000. A total of 635 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 38,769/382,833 equal and undivided shares of and in Tuen Mun Town Lot No. 418 and is held under Government Lease for a term of 50 years from 12 March 2001.										
58 Tai Hing Commercial Centre											
		103,398	672	30.5	5.71%	613.0	7.50%	634.0	624.0	4.89%	8.41%
Brief Description:	Tai Hing Commercial Centre comprises two 2-storey retail buildings (Commercial Blocks 1 & 2) were completed in 1977. It also includes various open car parks and associated areas in Tai Hing Estate. Commercial Block 1 is intersected by Tai Fong Street into two parts and connected via a footbridge on the first floor. A total of 672 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 27,288/474,882 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 484 and is held under Government Lease for a term of 50 years from 18 March 2009.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at	Analysis		
				HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	31 March 2014 (HK\$M)	Initial Yield	Indicated IRR
59 Wah Ming Shopping Centre											
		66,528	295	34.3	5.75%	605.0	7.50%	629.0	617.0	5.56%	8.46%
Brief Description:	Wah Ming Shopping Centre comprises a 3-storey commercial building and an adjoining 3-storey commercial/car park building (Commercial/Car Park Blocks) are linked by a footbridge on second floor. It also includes portions of the parking areas within Wah Ming Estate. The property was completed in 1990. A total of 295 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 22,726/324,858 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 204 and is held under Government Lease for a term of 50 years from 18 March 1999.										
60 Kwai Shing East Shopping Centre											
		111,161	583	31.3	5.54%	601.0	7.50%	618.0	610.0	5.14%	8.38%
Brief Description:	Kwai Shing East Shopping Centre comprises a 5-storey commercial building (Commercial/Car Park Block), another 5-storey commercial block (Multi-storey Commercial/Car Park Accommodation), a standalone single-storey retail building (Commercial Block) and a single-storey car park podium under Shing Ka House. The property was completed in 1999.										
Title Details:	The property is held by The Link Properties Limited. It comprises 50,672/426,967 equal and undivided shares of and in Kwai Chung Town Lot No. 498 and is held under Government Lease for a term of 50 years from 13 October 2009.										
61 Yiu On Shopping Centre											
		47,820	547	34.9	5.63%	593.0	7.50%	608.0	601.0	5.80%	8.37%
Brief Description:	Yiu On Shopping Centre comprises a 7-storey multi-purpose complex with retail shops, market and parking spaces completed in 1989. It also comprises open car parks within Yiu On Estate. A total of 547 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,616/306,501 equal and undivided shares of and in Sha Tin Town Lot No. 505 and is held under Government Lease for a term of 50 years from 18 March 1999.										
62 Kwai Fong Plaza											
		57,304	483	32.1	5.75%	586.0	7.50%	610.0	598.0	5.37%	8.46%
Brief Description:	Kwai Fong Plaza comprises a 6-storey car park building (Car Park Block 1), the roof and upper roof of Car Park Block 2, a 2-storey commercial/car park building (Commercial/Car Park Block), the Integrated Commercial/Car Park Accommodation in Kwai Oi House and Kwai Kin House, the Multi-storey Commercial/Car Park Accommodation, open car parks and associated areas in Kwai Fong Estate. The property was built in phases from 1995 to 2000. A total of 483 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 24,107/408,730 equal and undivided shares of and in Kwai Chung Town Lot No. 500 and is held under Government Lease for a term of 50 years from 27 March 2009.										



**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
63 Tai Wo Hau Commercial Centre											
		76,511	609	31.0	6.00%	580.0	7.50%	613.0	597.0	5.19%	8.57%
Brief Description:	Tai Wo Hau Commercial Centre comprises a 4-storey commercial/car park block (Commercial/Car Park Block), a single-storey retail building (Commercial Block), a 4-storey car park (Car Park Block), car parks on Levels 1 and 2 of the Multi-storey Car Park (Multi-storey Car Park Accommodation). In addition, the property includes various floors located within the residential blocks of Fu Pik House, Fu Man House, Fu Pong House, Fu Tak House, Fu On House and the Indoor Recreation Centre (Integrated Commercial/Car Park Accommodation), various open car parks and associated areas in Tai Wo Hau Estate. The property was built in phases in 1984 and 1993. A total of 609 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 32,793/475,099 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 503 and is held under Government Lease for a term of 50 years from 29 December 2008.										
64 Fu Heng Shopping Centre											
		55,225	517	35.5	6.16%	567.0	7.50%	606.0	587.0	6.04%	8.64%
Brief Description:	Fu Heng Shopping Centre comprises a 3-storey (including semi-basement level) Commercial/Car Park Building with a 2-storey Car Park/Indoor Recreational Centre annexed thereto (Multi-purpose Complex), a 3-storey Car Park Block and various open car parks in Fu Heng Estate. The Indoor Recreational Centre does not form part of Fu Heng Shopping Centre. The property was completed in 1990. A total of 517 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 22,900/358,013 equal and undivided shares of and in Tai Po Town Lot No. 178 and is held under Government Lease for a term of 50 years from 10 February 2000.										
65 Lung Hang Commercial Centre											
		68,253	440	30.3	5.68%	577.0	7.50%	597.0	587.0	5.17%	8.44%
Brief Description:	Lung Hang Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex), a single-storey market building (Market), a separate single-storey car park building (Car Park Block), three cooked food stalls and open car parks in Lung Hang Estate. The property was completed in 1983. A total of 440 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 23,047/289,255 equal and undivided shares of and in Sha Tin Town Lot No. 557 and is held under Government Lease for a term of 50 years from 31 March 2010.										
66 Kwong Fuk Commercial Centre											
		69,081	461	30.7	5.67%	571.0	7.50%	592.0	582.0	5.28%	8.43%
Brief Description:	Kwong Fuk Commercial Centre comprises a 3-storey Commercial Complex erected over a 2-storey Car Park and Market Complex, various shop units located within the residential block of Kwong Yan House and various cooked food stalls. It also includes associated areas and open car parks within Kwong Fuk Estate. The property was completed in 1983. A total of 461 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 23,946/351,384 equal and undivided shares of and in Tai Po Town Lot No. 196 and is held under Government Lease for a term of 50 years from 17 March 2010.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(M)(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
67 Long Ping Commercial Centre											
		93,787	564	27.4	5.63%	532.0	7.50%	547.0	540.0	5.07%	8.38%
Brief Description:	Long Ping Commercial Centre, completed in 1987, comprises a 6-storey (including mezzanine floor) commercial/car park block and a 2-storey car park/community centre block. In addition, it includes various shop units located within the residential blocks of Yuk Ping House, Shek Ping House and Kang Ping House as well as some areas in Blocks 4, 5 & 6 and open car parks in Long Ping Estate. A total of 564 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 32,958/498,969 equal and undivided shares of and in Yuen Long Town Lot No. 521 and is held under Government Lease for a term of 50 years from 15 March 2006.										
68 Wan Tau Tong Shopping Centre											
		54,464	438	29.4	5.43%	528.0	7.50%	537.0	533.0	5.52%	8.31%
Brief Description:	Wan Tau Tong Shopping Centre, completed in 1991, comprises a 2-storey Commercial Centre, a 4-storey Car Park Building, a shop unit located at the ground floor of Wan Loi House and various open car parks in Wan Tau Tong Estate. A total of 438 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Sections A, E and F of Tai Po Town Lot No. 172 and 135/104,741 equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No. 172, and is held under Government Lease for a term of 50 years from 8 April 1998.										
69 Lee On Shopping Centre											
		49,497	390	28.2	5.72%	519.0	7.50%	540.0	530.0	5.33%	8.46%
Brief Description:	Lee On Shopping Centre, completed in 1993, comprises a 4-storey commercial centre with retail, market and car parking spaces therein. In addition, it includes various associated areas and open car parks scattered over Lee On Estate. A total of 390 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 21,025/258,612 equal and undivided shares of and in Sha Tin Town Lot No. 553 and is held under Government Lease for a term of 50 years from 26 February 2008.										
70 Un Chau Shopping Centre											
		44,426	213	11.2	4.97%	533.0	7.50%	521.0	527.0	2.13%	7.98%
Brief Description:	Un Chau Shopping Centre comprises a 2-storey commercial building (Commercial Podium), a 2-storey car park building, a single-storey car park podium under Un Hong House (Car Park Podium) in Un Chau Estate. The property was completed in 1999. A total of 213 car parking spaces are provided in the property. Un Chau Shopping Centre is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 18,974 sqft.										
Title Details:	The property is held by The Link Properties Limited. It comprises 17,388/355,830 equal and undivided shares of and in New Kowloon Inland Lot No. 6478 and is held under Government Lease for a term of 50 years from 11 March 2010.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at	Analysis		
				HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	31 March 2014 (HK\$M)	Initial Yield	Indicated IRR
71 Fu Cheong Shopping Centre											
		61,217	547	29.5	5.56%	516.0	7.50%	531.0	524.0	5.62%	8.37%
Brief Description:	Fu Cheong Shopping Centre comprises a 3-storey commercial building (Multi-storey Commercial Accommodation and Integrated Commercial/Car Park Accommodation, Fu Yun House (Ancillary Facilities Block)) and a 4-storey car park building (Multi-storey Car Park Accommodation) beneath Fu Hoi House and Fu Yee House. The property was completed in 2002. A total of 547 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 31,469/355,467 equal and undivided shares of and in New Kowloon Inland Lot No. 6437 and is held under Government Lease for a term of 50 years from 17 September 2005.										
72 Lok Wah Commercial Centre											
		108,510	650	27.4	5.65%	505.0	7.50%	522.0	514.0	5.32%	8.41%
Brief Description:	Lok Wah Commercial Centre comprises a 4-storey Commercial/Car Park Complex. In addition, the property includes various Integrated Commercial/Car Park Accommodations located within the residential block of Po Wah House, Kan Wah House, Lap Wah House, Tat Wah House, Ning Wah House and Shun Wah House, open car parks and associated areas within Lok Wah (North) Estate. The property was completed in 1985. A total of 650 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 38,134/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.										
73 Shek Yam Shopping Centre											
		75,270	424	28.0	5.70%	500.0	7.50%	521.0	511.0	5.47%	8.47%
Brief Description:	Shek Yam Shopping Centre comprises a 7-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation), integrated commercial accommodation at Yan Shuk House and Chi Shek House and associated areas in Shek Yam Estate. The property was completed in 2000. A total of 424 car parking spaces are provided in Shek Yam Estate.										
Title Details:	The property is held by The Link Properties Limited. It comprises 45,184/191,130 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 506 and is held under Government Lease for a term of 50 years from 11 January 2010.										
74 Tsui Lam Shopping Centre											
		87,723	711	31.2	6.20%	492.0	7.50%	528.0	510.0	6.11%	8.69%
Brief Description:	The property comprises a 6-storey commercial/car park building excluding the canteen and bus regulator on the ground floor (Portions of the Detached HA Accommodation), 2 cooked food stalls adjacent to the retail building, an oil tank, a 2-storey car park building and all those portions of the integrated HA Accommodation on the ground floor, second floor and third floor of Pik Lam House and Sau Lam House (Portions of Integrated HA Accommodation) in Tsui Lam Estate. The property was completed in 1989. A total of 711 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 35,166/319,299 equal and undivided shares of and in Tseung Kwan O Town Lot No. 96 and is held under Government Lease for a term of 50 years from 15 February 2006.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
75 Hiu Lai Shopping Centre											
		36,412	637	30.3	6.20%	487.0	7.50%	523.0	505.0	5.99%	8.68%
Brief Description:	Hiu Lai Shopping Centre comprises a 9-storey (split-level from levels 2 to 8) Commercial/Car Park Block together with two kindergarten units on the ground floor of Hiu Tin House and Hiu On House respectively completed in 1996. A total of 637 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises whole of Section A of New Kowloon Inland Lot No. 6205 and 1,000/249,375 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6205 and is held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047.										
76 Hoi Fu Shopping Centre											
		41,237	225	26.3	5.60%	498.0	7.50%	511.0	505.0	5.22%	8.34%
Brief Description:	Hoi Fu Shopping Centre comprises portions of a 2-storey commercial building (Block E) and portions of a 6-storey car parking/elderly housing/care attention home building (Block D) in Hoi Fu Court completed in 1999. A total of 225 car parking spaces are provided in the property. Hoi Fu Shopping Centre is currently under asset enhancement. The IFA as at 31 March 2014 was approximately 37,267 sqft.										
Title Details:	The property is held by The Link Properties Limited. It comprises 9,413/204,120 equal and undivided shares of and in New Kowloon Inland Lot No. 11141 and is held under Government Lease for a term of 50 years from 16 July 1999.										
77 Kam Tai Shopping Centre											
		45,709	758	27.5	5.77%	477.0	7.50%	498.0	488.0	5.64%	8.48%
Brief Description:	Kam Tai Shopping Centre comprises a 7-storey commercial/car park building completed in 2000. A total of 758 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 31,347/32,708 equal and undivided shares of and in Section A of Sha Tin Town Lot No. 447 and is held under Government Lease for a term of 50 years from 29 June 1998.										
78 Shek Wai Kok Commercial Centre											
		128,993	578	20.5	6.05%	439.0	7.50%	467.0	453.0	4.53%	8.61%
Brief Description:	Shek Wai Kok Commercial Centre comprises a 4-storey commercial building (Shopping Centre 1), with an adjoining 3-storey car park building (including podium) (Car Park Building A) and a 5-storey car park building (Car Park Building B). In addition, the property includes various shop units on the ground, first and second floors located within the residential blocks of Shek Fong House and Shek Ho House, as well as various open car parks and associated areas in Shek Wai Kok Estate completed in 1980. A total of 578 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 33,098/393,762 equal and undivided shares of and in Tsuen Wan Town Lot No. 411 and is held under Government Lease for a term of 50 years from 29 April 2009.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
79 Tin Ping Shopping Centre										
		61,722	471	26.6	6.16%	430.0	7.50%	461.0	446.0	5.98% 8.66%
Brief Description:	Tin Ping Shopping Centre comprises a 6-storey commercial building (including a lower ground floor) (Commercial/Car Park Block) and a single-storey cooked food centre. In addition, the property includes various shop units/storerooms on ground floor located within the residential block of Tin Ming House, Tin Hor House and Tin Mei House (Portions of the Integrated HA Accommodation) and various open car parks in Tin Ping Estate. The property was completed in 1989. A total of 471 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 23,852/353,579 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 208 and is held under Government Lease for a term of 50 years from 10 February 2000.									
80 Kai Yip Commercial Centre										
		76,139	383	22.0	5.54%	428.0	7.50%	440.0	434.0	5.06% 8.37%
Brief Description:	Kai Yip Commercial Centre comprises a 4-storey commercial/car park building (Commercial Centre) and various cooked food stalls (Commercial Blocks) and shop units in Kai Yip Community Hall. In addition, the property includes various shop units on ground floor located within residential block of Kai Yin House and Kai Lok House, open car parks and associated areas in Kai Yip Estate. The property was completed in 1981. A total of 383 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 26,955/211,867 equal and undivided shares of and in New Kowloon Inland Lot No. 6466 and is held under Government Lease for a term of 50 years from 3 July 2008.									
81 Wan Tsui Commercial Complex										
		82,450	359	24.2	6.03%	420.0	7.50%	448.0	434.0	5.57% 8.64%
Brief Description:	Wan Tsui Commercial Complex comprises a 5-storey commercial building (Commercial Block), another 2-storey (including a basement) commercial building (Market/Car Park Block), a single-storey car park building adjacent to Hei Tsui House (Car Park Block) and a 2-storey car park podium located within the residential blocks of Chak Tsui House (Car Park Podium). The property includes various shop units located within the residential blocks of Yee Tsui House and Shing Tsui House, a Government clinic on the ground floor of Lee Tsui House, associated area and various open car parking spaces along the estate roads (Open Car Parks) in Wan Tsui Estate. The property was completed in 1979. A total of 359 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 26,208/222,534 equal and undivided shares of and in the Remaining Portion of Chai Wan Inland Lot No. 180 and is held under Government Lease for a term of 50 years from 31 March 2010.									
82 Yung Shing Shopping Centre										
		58,230	283	23.7	5.71%	423.0	7.50%	439.0	431.0	5.50% 8.44%
Brief Description:	Yung Shing Shopping Centre comprises a 3-storey commercial building and the car park podium of an adjoining 7-storey ancillary facilities block (Portions of the Composite Block) completed in 1999. A total of 283 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 12,641/161,475 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 207 and is held under Government Lease for a term of 50 years from 16 July 1999.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
				Income HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
83 Tsz Ching Shopping Centre (I) & (II)											
		18,125	882	23.8	5.64%	415.0	7.50%	428.0	422.0	5.65%	8.38%
Brief Description:	Tsz Ching Shopping Centre (I) & (II) comprises a 3-storey commercial/car park building (Commercial/Car Park I Block), a 4-storey commercial/car park building including basement commercial/car park building (Multi-storey Commercial/Car Park II Accommodation) and a stand-alone 5-storey plus a mezzanine floor car park building (Car Park III Block). In addition, it includes various shop units on the ground floor of Ching Wo House (Integrated Commercial/Car Park Accommodation of Ching Wo House), open commercial loading/unloading space and associated areas in Tsz Ching Estate. The property was built in phases from 1996 to 2001. A total of 882 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 32,549/507,335 equal and undivided shares of and in New Kowloon Inland Lot No. 6444 and is held under Government Lease for a term of 50 years from 28 February 2007.										
84 Retail and Car Park within Ap Lei Chau Estate											
		46,779	325	25.6	6.34%	403.0	7.50%	436.0	420.0	6.08%	8.72%
Brief Description:	Retail and Car Park within Ap Lei Chau Estate comprises a 2-storey market/office building (Market/Office Block) and a 6-storey commercial/car park building (Commercial/Car Park Block). The property also includes various shop units located on the ground floor within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House as well as associated areas and open car parking spaces scattered within Ap Lei Chau Estate. The property was completed in 1980. A total of 325 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 18,111/246,593 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 134 and is held under Government Lease for a term of 50 years from 4 May 2010.										
85 King Lam Shopping Centre											
		58,442	418	24.1	6.18%	392.0	7.50%	420.0	406.0	5.95%	8.67%
Brief Description:	King Lam Shopping Centre comprises a 4-storey commercial/car park building, various shop units on the ground floors located within the residential block of King Chung House and King Lui House and various open car parks in King Lam Estate. The property was completed in 1990. A total of 418 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 18,412/278,433 equal and undivided shares of and in Tseung Kwan O Town Lot No. 83 and is held under Government Lease for a term of 50 years from 8 February 2001.										
86 Cheung Wah Shopping Centre											
		65,581	353	20.8	5.81%	393.0	7.50%	411.0	402.0	5.17%	8.52%
Brief Description:	Cheung Wah Shopping Centre comprises a 4-storey commercial building (Commercial Centre), a 4-storey car park building (Car Park 1), a 2-storey car park building (Car Park 2) with cooked food stalls on the roof, an adjoining 3-storey market building (Market). In addition, it includes various shop units located within the residential blocks of Cheung Lai House and Cheung Chung House and open car parking spaces in Cheung Wah Estate. The property was completed in 1984. A total of 353 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 26,310/299,811 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 226 and is held under Government Lease for a term of 50 years from 16 June 2004.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing	Income	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
				Income HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
87 Lei Cheng Uk Shopping Centre										
		73,919	461	21.5	5.69%	373.0	7.50%	384.0	379.0	5.68% 8.38%
Brief Description:	Lei Cheng Uk Shopping Centre comprises a 4-storey commercial/car parking podium (Commercial/Car Park Areas), a single-storey car park building near Lai Yeung House (Car Park Block). In addition, it includes various shop units and portions in Yan Oi House, Chung Hou House, Wo Ping House and Shun Yee House (Portions of the Integrated HA Accommodation) and open car parks (Open Car Parks) in Lei Cheng Uk Estate. The property was completed in 1984. A total of 461 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 21,862/264,258 equal and undivided shares of and in New Kowloon Inland Lot No. 6416 and is held under Government Lease for a term of 50 years from 24 January 2002.									
88 Sui Wo Court Commercial Centre										
		61,782	980	18.8	5.88%	362.0	7.50%	382.0	372.0	5.06% 8.56%
Brief Description:	Sui Wo Court Commercial Centre comprises a 2-storey commercial/car park building with basement floor (Commercial/Car Park Block), two separate 3 storey car park buildings (Multi-Storey Car Parks A and C) and another 6-storey car park building (Multi-storey Car Park B). In addition, it includes associated areas, open car parks. The property was completed in 1980. A total of 980 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 26,994/32,808 equal and undivided shares of and in Section A of Sha Tin Town Lot No. 43 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been extended until 30 June 2047.									
89 Sam Shing Commercial Centre										
		75,258	176	20.9	5.77%	362.0	7.50%	377.0	370.0	5.65% 8.44%
Brief Description:	Sam Shing Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex) an adjoining single-storey market building (Market), various cooked food stalls and shop stalls. In addition, the property includes integrated commercial/car park accommodation located within the residential blocks of Chun Yu House (Block 1), Moon Yu House (Block 2) and Fung Yu House (Block 3) in Sam Shing Estate. The property was completed in 1980. A total of 176 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 14,434/15,271 equal and undivided shares of and in Tuen Mun Town Lot No. 481 and is held under Government Lease for a term of 50 years from 22 March 2010.									
90 Shek Lei Shopping Centre Phase I										
		39,076	459	19.8	6.05%	358.0	7.50%	381.0	370.0	5.34% 8.62%
Brief Description:	Shek Lei Shopping Centre Phase I comprises a 4-storey commercial/car park building (Commercial/Car Park Block) and a 2-storey car park building with retail shop on the ground floor. In addition, the property includes various shop units located within the residential blocks of Shek Ning House and Shek Sau House as well as open car park spaces in Shek Lei Estate. The property was completed in 1993. A total of 459 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 23,677/655,826 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 505 and is held under Government Lease for a term of 50 years from 31 March 2010.									



Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Indicated IRR
91 Tin Tsz Shopping Centre											
		36,880	289	16.8	5.50%	364.0	7.50%	373.0	369.0	4.57%	8.34%
Brief Description:	Tin Tsz Shopping Centre comprises 2-storey commercial building (Commercial/Car Park Block), an adjoining 4-storey car park building (Car Park Block) and various shop units located within the residential blocks of Tsz Ping House completed in 1997. In addition, it includes associated areas and open car park in Tin Tsz Estate. A total of 289 parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 17,511/202,482 equal and undivided shares of and in Tin Shui Wai Town Lot No. 40 and is held under Government Lease for a term of 50 years from 29 June 2007.										
92 Wah Kwai Shopping Centre											
		41,878	413	20.9	5.91%	357.0	7.50%	375.0	366.0	5.70%	8.55%
Brief Description:	Wah Kwai Shopping Centre comprises a 4-storey (including 2 basement levels) commercial/car park building (Commercial/Car Park Block with Associated Areas therein) and Integrated Commercial/Car Park Accommodation, Clinics 1 and 2 on the ground floor of Wah Oi House (Block 6), portion of Store Room (For Commercial Use) on the ground floor of Wah Lim House (Block 3), associated areas and open car parks in Wah Kwai Estate. The property was completed in 1991. A total of 413 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 15,518/23,148 equal and undivided shares of and in Section A of Aberdeen Inland Lot No. 443 and the Extension thereto and 681/144,409 equal and undivided shares of and in the Remaining Portion of Aberdeen Inland Lot No. 443, and is held under Government Lease for a term of 50 years from 8 April 1998.										
93 Chun Shek Shopping Centre											
		61,273	583	19.2	5.70%	356.0	7.50%	370.0	363.0	5.28%	8.46%
Brief Description:	Chun Shek Shopping Centre comprises a 4-storey commercial building (Commercial Complex), an adjoining 4-storey car park building (Car Park Block 1), a separate 2-storey car park building (Car Park Block 2). In addition, the property includes various shop units located within the Shek Jing House (Portions of the Integrated HA Accommodation) as well as open car parks and associated areas in Chun Shek Estate. The property was completed in 1984. A total of 583 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 26,567/155,467 equal and undivided shares of and in Sha Tin Town Lot No. 555 and is held under Government Lease for a term of 50 years from 30 September 2009.										
94 Cheung Hang Shopping Centre											
		60,580	327	18.8	5.91%	351.0	7.50%	370.0	361.0	5.20%	8.55%
Brief Description:	Cheung Hang Shopping Centre comprises a 5-storey commercial centre and a 5-storey car park building. In addition, it includes associated areas in Cheung Hang Estate. The property was completed in 1990. A total of 327 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 26,593/289,056 equal and undivided shares of and in Tsing Yi Town Lot No. 177 and is held under Government Lease for a term of 50 years from 29 December 2008.										



Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
95 Retail and Car Park within Shun Tin Estate											
		68,608	581	20.3	6.29%	331.0	7.50%	357.0	344.0	5.89%	8.73%
Brief Description:	Retail and Car Park within Shun Tin Estate comprises a 4-storey car park building (Car Park A), another 3-storey car park building (Car Park B), Commercial Blocks A, B and C. In addition, the property includes Integrated Commercial/Car Park Accommodations located within the residential blocks of Tin Kam House, Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House. The property was completed in 1981. A total of 581 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 24,566/378,187 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6474 and is held under Government Lease for a term of 50 years from 9 February 2009.										
96 Hing Tung Shopping Centre											
		55,982	420	16.8	5.62%	334.0	7.50%	345.0	340.0	4.95%	8.38%
Brief Description:	Hing Tung Shopping Centre comprises a 7-storey commercial/car park building (Commercial/Car Park Block) as well as associated areas and a shop unit at the 2-storey stand-alone lift tower (i.e. Lift Tower No. 1 that is linked to the Commercial/Car Park Block by a footbridge across Yiu Hing Road) in Hing Tung Estate. The property was completed in 1995. A total of 420 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 23,786/155,258 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 851 and is held under Government Lease for a term of 50 years from 8 February 2010.										
97 Ka Fuk Shopping Centre											
		59,053	312	19.3	6.12%	325.0	7.50%	348.0	337.0	5.72%	8.64%
Brief Description:	Ka Fuk Shopping Centre comprises a 5-storey commercial/car park building and a 2-storey retail building linked by a footbridge on first floor (Commercial Centre) as well as open car parks in Ka Fuk Estate. The property was completed in 1995. A total of 312 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 21,652/153,283 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 234 and is held under Government Lease for a term of 50 years from 30 April 2008.										
98 Wah Sum Shopping Centre											
		24,934	356	19.9	6.35%	304.0	7.50%	332.0	318.0	6.25%	8.80%
Brief Description:	Wah Sum Shopping Centre comprises a 2-storey commercial building (Commercial Centre) and an adjoining 4-storey car park building (Car Park Block) interconnected with the Commercial Centre on the first floor as well as associated areas and open car parks in Wah Sum Estate completed in 1995. A total of 356 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 16,753/109,515 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 236 and is held under Government Lease for a term of 50 years from 16 January 2009.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
				HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
99 Lai Kok Shopping Centre											
		81,133	140	13.9	5.40%	305.0	7.50%	311.0	308.0	4.53%	8.31%
Brief Description:	Lai Kok Shopping Centre comprises a 3-storey commercial building, a 3-storey car park building and a single-storey wet market. In addition, the property includes various ground level shop units opposite to Lai Ho House, and various shop units on the ground floors Lai Lan House, Lai Huen House & Lai Mei House as well as associated area, open car parks and generator room in Lai Kok Estate. The property was completed in 1981. A total of 140 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 17,339/164,134 equal and undivided shares of and in New Kowloon Inland Lot No. 6475 and is held under Government Lease for a term of 50 years from 30 October 2009.										
100 Kwai Hing Shopping Centre											
		28,786	277	19.0	6.28%	288.0	7.50%	309.0	299.0	6.34%	8.62%
Brief Description:	Kwai Hing Shopping Centre comprises a 2-storey commercial building (Commercial Block) and a 3-storey car park building (Car Park Block). In addition, it includes portions of the ground and second floors of Hing Kok House (Integrated HA Accommodation) and various open car parks in Kwai Hing Estate. The property was completed in 1991. A total of 277 car parking spaces are provided in the property. The IFA as at 31 March 2014 was approximately 28,511 sqft. The Retail IFA above includes 275 sqft is undergoing renovation and will be available in September 2014.										
Title Details:	The property is held by The Link Properties Limited. It comprises 9,824/102,732 equal and undivided shares of and in Kwai Chung Town Lot No. 489 and is held under Government Lease for a term of 50 years from 24 January 2002.										
101 Ming Tak Shopping Centre											
		38,643	383	17.2	5.82%	292.0	7.50%	306.0	299.0	5.75%	8.52%
Brief Description:	Ming Tak Shopping Centre, completed in 1999, comprises a 4-storey commercial/car park building (Commercial/Car Park Block) as well as associated areas, open car parks and guard kiosks in Ming Tak Estate. A total of 383 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 20,354/108,489 equal and undivided shares of and in Tseung Kwan O Town Lot No. 108 and is held under Government Lease for a term of 50 years from 28 July 2008.										
102 Kwong Tin Shopping Centre											
		57,868	53	15.7	5.62%	293.0	7.50%	302.0	298.0	5.26%	8.38%
Brief Description:	Kwong Tin Shopping Centre, completed in 1993, comprises a 3-storey commercial/car park building (Commercial/Car Park Block) as well as associated areas in Kwong Tin Estate. A total of 53 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,957/162,870 equal and undivided shares of and in New Kowloon Inland Lot No. 6445. and is held under Government Lease for a term of 50 years from 14 October 2005.										

**VALUATION REPORT (Continued)**

Property No.	Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
103 On Yam Shopping Centre											
		40,781	347	16.1	5.86%	282.0	7.50%	296.0	289.0	5.58%	8.51%
Brief Description:	On Yam Shopping Centre, completed in 1994, comprises a 7-storey (excluding cockloft) commercial/car park building (Commercial/Car Park Block) as well as open car parks and associated areas in On Yam Estate. A total of 347 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 17,323/369,270 equal and undivided shares of and in Kwai Chung Town Lot No. 497 and is held under Government Lease for a term of 50 years from 14 October 2005.										
104 Wang Tau Hom (Wang Fai Centre)											
		25,547	290	15.3	6.16%	272.0	7.50%	292.0	282.0	5.43%	8.67%
Brief Description:	Wang Tau Hom (Wang Fai Centre), completed in 1982, comprises a 3-storey commercial building (Wang Fai Centre), a single-storey wet market (Fu Mou Street Market) and a 5-storey split-level car park building (Car Park Block). In addition, it includes associated areas and open car parks in Wang Tau Hom Estate. A total of 290 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,507/373,309 equal and undivided shares of and in New Kowloon Inland Lot No. 6462 and is held under Government Lease for a term of 50 years from 16 July 2008.										
105 Kin Sang Shopping Centre											
		36,558	273	15.3	5.54%	277.0	7.50%	283.0	280.0	5.48%	8.36%
Brief Description:	Kin Sang Shopping Centre, completed in 1990, comprises a 3-storey commercial building (Commercial Block) and a 4-storey car park building (Car Park Block) as well as associated areas in Kin Sang Estate. A total of 273 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 14,100/28,621 equal and undivided shares of and in Section A of Tuen Mun Town Lot No. 441 and is held under Government Lease for a term of 50 years from 8 April 1998.										
106 Po Tin Shopping Centre											
		63,505	62	15.6	6.00%	260.0	7.50%	276.0	268.0	5.82%	8.60%
Brief Description:	Po Tin Shopping Centre, completed in 2000, comprises a 4-storey commercial building, associated areas and open car parks. A total of 62 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,479/240,980 equal and undivided shares of and in Tuen Mun Town Lot No. 485 and is held under Government Lease for a term of 50 years from 17 February 2010.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Indicated IRR
107 Retail and Car Park within Tung Tau Estate											
		38,653	493	13.1	5.50%	259.0	7.50%	264.0	262.0	4.99%	8.31%
Brief Description:	Retail and Car Park within Tung Tau Estate comprises a split level single-storey commercial building with car park at basement level (Commercial Complex) and a 3-storey car park building (Car Park Block). In addition, it includes shop units on the ground floor in front of the Commercial Complex, various shop units within the residential blocks on the ground floor of Cheung Tung House, Hong Tung House, On Tung House, Yue Tung House and Wong Tung House as well as open car parks in Tung Tau (II) Estate. The property was completed in 1982. A total of 493 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 16,942/349,186 equal and undivided shares of and in New Kowloon Inland Lot No. 6413 and is held under Government Lease for a term of 50 years from 24 January 2002.										
108 Yiu Tung Shopping Centre											
		65,499	685	12.3	6.47%	242.0	7.50%	267.0	255.0	4.84%	8.83%
Brief Description:	Yiu Tung Shopping Centre, completed in 1994, comprises a 3-storey commercial building (Commercial Centre), a 2-storey car park building (Car Park Block No. 1) and an 8-storey car park building (Car Park Block No. 2) and a ground floor unit in Yiu Tung Estate. Escalators and footbridges in Yiu Tung Estate provide direct access to the bottom of Yiu Hing Road and Nam Hong Street. A total of 685 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 35,548/381,831 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 852 and is held under Government Lease for a term of 50 years from 29 March 2010.										
109 Kam Ying Court Shopping Centre											
		37,260	492	14.5	6.38%	240.0	7.50%	262.0	251.0	5.78%	8.78%
Brief Description:	Kam Ying Court Shopping Centre, completed in 1991, comprises a 3-storey commercial/car park building (Commercial/Car Park Block) as well as associated areas in Kam Ying Court. A total of 492 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 17,433/22,627 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 305 and is held under Government Lease for a term of Commencing from 16 May 1990 to 30 June 2047.										
110 Tsing Yi Commercial Complex											
		49,359	344	12.3	6.20%	241.0	7.50%	258.0	250.0	4.92%	8.64%
Brief Description:	Tsing Yi Commercial Complex, completed in 1986, comprises 4-storey commercial complex including various cooked food stalls on the first floor (Commercial Complex), a 4-storey car park building (Car Park Block 1) and a 3-storey car park building (Car Park Block 2). In addition, it includes HA parking area, various open car parks and associated areas in Tsing Yi Estate. A total of 344 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 20,014/222,251 equal and undivided shares of and in Tsing Yi Town Lot No. 167 and is held under Government Lease for a term of 50 years from 8 February 2001.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
111 Siu Lun Shopping Centre											
		32,022	463	14.8	6.01%	242.0	7.50%	256.0	249.0	5.94%	8.58%
Brief Description:	Siu Lun Shopping Centre, completed in 1993, comprises a single-storey kindergarten, a 2-storey commercial centre and two 4-storey car park buildings (Phase 1 and 2 Carports) in Siu Lun Court. A total of 463 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Sections A, B and C of Tuen Mun Town Lot No. 357 and is held under Government Lease for a term commencing from 6 September 1991 to 30 June 2047.										
112 Ping Tin Shopping Centre											
		24,400	406	15.3	6.21%	234.0	7.50%	259.0	247.0	6.17%	8.83%
Brief Description:	Ping Tin Shopping Centre comprises a 3-storey commercial building (Commercial Centre), a split-level 4-storey annexed car park building (Car Park Block) and the ground floor and first floor of a 4-storey ancillary facilities building (Ancillary Facilities Block) as well as open car parks near to the ingress of the car park building in Ping Tin Estate. The property was completed in 1997. A total of 406 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 16,966/362,174 equal and undivided shares of and in New Kowloon Inland Lot No. 6446 and is held under Government Lease for a term of 50 years from 30 March 2009.										
113 Retail and Car Park within Cheung Wang Estate											
		11,532	333	13.2	6.25%	220.0	7.50%	237.0	229.0	5.78%	8.71%
Brief Description:	Retail and Car Park within Cheung Wang Estate, completed in 2001, comprises a 2-storey multi-storey Car Park Accommodation and a single-storey commercial/car park block (Commercial/Car Park Block). In addition, it includes associated areas and open car parks in Cheung Wang Estate. A total of 333 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 13,010/259,640 equal and undivided shares of and in Tsing Yi Town Lot No. 178 and is held under Government Lease for a term of 50 years from 25 March 2009.										
114 Tin Wan Shopping Centre											
		34,854	417	10.8	6.20%	216.0	7.50%	233.0	225.0	4.80%	8.67%
Brief Description:	Tin Wan Shopping Centre comprises a 6-storey commercial building (Commercial Block), the LG/F and four levels of car parks in the adjoining 6-storey car park building (Car Park Block) and the ground floor of the Tin Wan Estate Housing for Senior Citizens as well as associated areas in Tin Wan Estate. The property was completed in 1997. A total of 417 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 23,010/32,144 equal and undivided shares of and in the Remaining Portion of Aberdeen Inland Lot No. 455 and is held under Government Lease for a term of 50 years from, 24 July 2009.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
115 Car Park within Kin Ming Estate										
		0	763	13.8	7.00%	189.0	7.50%	214.0	201.5	6.86% 9.06%
Brief Description:	Car Park within Kin Ming Estate comprises a 6-storey commercial/car park building. In addition, it includes various car parking spaces within Kin Ming Estate. The property was completed in 2003. A total of 763 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises portion of 39,133/420,644 equal and undivided shares of and in Tseung Kwan O Town Lot No. 109 and is held under Government Lease for a term of 50 years from 15 March 2010.									
116 Po Hei Court Commercial Centre										
		13,686	0	6.4	4.40%	204.0	7.50%	191.0	198.0	3.25% 7.74%
Brief Description:	Po Hei Court Commercial Centre comprises retail units on the ground floor of Block A and Block B in Po Hei Court completed in 1993.									
Title Details:	The property is held by The Link Properties Limited. It comprises 1,354/20,256 equal and undivided shares of and in New Kowloon Inland Lot No. 6117 and is held under Government Lease for a term of commencing from 17 July 1992 to 30 June 2047.									
117 Retail and Car Park within Cheung On Estate										
		3,915	484	11.9	6.41%	187.0	7.50%	204.0	196.0	6.09% 8.75%
Brief Description:	Retail and Car Park within Cheung On Estate comprises a 4-storey car park building (Car Park 1), a 2-storey split-level car park building (Car Park 2) and various shop units and medical centre on the ground floor of On Tao House in Cheung On Estate. The property was completed in 1988. A total of 484 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Sections D & F of Tsing Yi Town Lot No. 160 and 403/293,522 equal and undivided shares of and in the Remaining Portion of Tsing Yi Town Lot No. 160, and is held under Government Lease for a term of 50 years from 8 April 1998.									
118 Yin Lai Court Shopping Centre										
		16,300	150	10.0	5.85%	188.0	7.50%	197.0	193.0	5.20% 8.48%
Brief Description:	Yin Lai Court Shopping Centre comprises a 4-storey commercial/car park building completed in 1991. There is direct access to Lai King Station at LG2. A total of 150 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwai Chung Town Lot No. 389 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.									

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$)	Analysis	
					Cap. Rate	Value (HK\$)	Discount Rate		Value (HK\$)	Initial Yield
119 Hing Tin Commercial Centre										
		28,313	387	9.8	6.22%	181.0	7.50%	195.0	188.0	5.23% 8.68%
Brief Description:	Hing Tin Commercial Centre comprises a 2-storey commercial block (including a market) (Commercial Complex), a 4-storey car park building (Car Park C), a 2-storey car park building (Car Park B) and various cooked food stalls near to Mei Tin House and Choi Tin House. In addition, the property includes various shop units on the ground floor located within the residential blocks of Mei Tin House and Yan Tin House. The property was completed in 1988. A total of 387 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 15,570/149,828 equal and undivided shares of and in New Kowloon Inland Lot No. 6377 and is held under Government Lease for a term of 50 years from 8 February 2001.									
120 Fortune Shopping Centre										
		24,298	153	10.2	5.61%	183.0	7.50%	191.0	187.0	5.46% 8.45%
Brief Description:	Fortune Shopping Centre comprises a 2-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation) and a 5-storey car park building (Car Park Block). In addition, it includes associated areas, covered areas, guard kiosk and portion of Multi-purpose HA Accommodation (the Integrated Commercial/Car Park Accommodation on 2/F of Fook Ming House). The property was completed in 2000. A total of 153 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 11,807/115,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6484 and is held under Government Lease for a term of 50 years from 27 April 2009.									
121 Sun Tin Wai Commercial Centre										
		54,625	320	7.8	6.40%	169.0	7.50%	186.0	178.0	4.40% 8.81%
Brief Description:	Sun Tin Wai Commercial Centre comprises a 6-storey commercial/car park building (Sun Tin Wai Commercial Centre) as well as open car parks and various isolated cooked food stalls in Sun Tin Wai Estate. The property was completed in 1981. A total of 320 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 22,891/213,346 equal and undivided shares of and in Sha Tin Town Lot No. 551 and is held under Government Lease for a term of 50 years from 26 February 2008.									
122 Shun On Commercial Centre										
		82,286	459	8.5	6.12%	160.0	7.50%	172.0	166.0	5.15% 8.65%
Brief Description:	Shun On Commercial Centre comprises portions of the two Commercial Blocks 1 & 2, a 2-storey retail building with an adjoined 4-storey car park building (Commercial/Car Park Block), the Integrated Commercial/Car Park Accommodations in On Kwan House, On Chung House and On Yat House, various Commercial Facilities, associated areas and open car parks in Shun On Estate. The property was completed in 1978. A total of 459 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 20,130/179,429 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6472 and is held under Government Lease for a term of 50 years from 28 July 2008.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
123 Tin Ma Court Commercial Centre											
		37,984	585	9.1	6.00%	160.0	7.50%	171.0	166.0	5.46%	8.57%
Brief Description:	Tin Ma Court Commercial Centre comprises a 3-storey commercial centre (Commercial Centre) and an adjoining 5-storey car park building (Car Park Block) in Tin Ma Court. The property was completed in 1986. A total of 585 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5994 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
124 Retail and Car Park within Lok Wah (South) Estate											
		16,239	226	6.7	6.68%	149.0	7.50%	164.0	157.0	4.26%	8.85%
Brief Description:	Retail and Car Park within Lok Wah (South) Estate comprises market stalls at Chin Wah House, a 4-storey car park building (Car Park Block), three free-standing cooked food stalls near On Wah House and various shop units located on the ground floor of the residential block of On Wah House as well as associated areas and open car parks in Lok Wah Estate. The property was completed in 1982. A total of 226 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 13,231/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.										
125 Retail and Car Park within Hong Pak Court											
		17,956	549	8.7	6.78%	139.0	7.50%	155.0	147.0	5.89%	8.95%
Brief Description:	Retail and Car Park within Hong Pak Court, completed in 1993, comprises a 7-storey car park building with two kindergarten units located on the Level 7. A total of 549 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6095 and is held under Government Lease for a term commencing from 25 September 1991 to 30 June 2047.										
126 Siu Hei Commercial Centre											
		23,439	560	7.7	6.24%	126.0	7.50%	137.0	132.0	5.86%	8.72%
Brief Description:	Siu Hei Commercial Centre, completed in 1986, comprises a 3-storey commercial centre (including mezzanine floor) with retail, market, and welfare facilities therein and a 4-storey spilt level car park building. A total of 560 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 255 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										



**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(m pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
127 Car Park within Wah Lai Estate										
		0	411	7.3	6.00%	117.0	7.50%	124.0	120.5	6.06% 8.62%
Brief Description:	Car Park within Wah Lai Estate comprises a 5-storey car park building completed in 2001. A total of 411 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 21,700/102,614 equal and undivided shares of and in the Remaining Portion of Section A of Kwai Chung Town Lot No. 445 and is held under Government Lease for a term of 50 years from 25 May 2001.									
128 Retail and Car Park within Ko Chun Court										
		7,332	323	7.4	6.61%	111.0	7.50%	122.0	117.0	6.29% 8.85%
Brief Description:	Retail and Car Park within Ko Chun Court, completed in 1993, comprises a 6-storey with 12 split levels commercial/car park building and a kindergarten unit on the ground floor located within Chun Moon House (Block C) of Ko Chun Court. A total of 323 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6189 and 530/81,791 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6189, and is held under Government Lease for a term commencing from 3 June 1993 and expiring on 30 June 2047.									
129 Retail and Car Park within Wo Ming Court										
		7,342	379	6.4	6.00%	109.0	7.50%	115.0	112.0	5.71% 8.54%
Brief Description:	Retail and Car Park within Wo Ming Court, completed in 1999, comprises a 6-storey car park building and a kindergarten unit located on the ground floor within the residential block of Wo Yat House (Block A). A total of 379 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 52 and 728/82,796 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 52, and is held under Government Lease for a term of 50 years from 28 November 1997.									
130 Retail and Car Park within Mei Chung Court										
		1,077	385	6.8	6.91%	102.0	7.50%	115.0	109.0	6.25% 9.01%
Brief Description:	Retail and Car Park within Mei Chung Court comprises a 5-storey car park building with a retail shop on Level 2 completed in 1996. A total of 385 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 396 and is held under Government Lease for a term commencing from 11 November 1994 and expiring on 30 June 2047.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation		DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
131 Retail and Car Park within Ching Wah Court											
		11,863	348	6.2	6.66%	96.0	7.50%	106.0	101.0	6.13%	8.92%
Brief Description:	Retail and Car Park within Ching Wah Court comprises a 3-storey commercial/car park building. The property was completed in 1984. A total of 348 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tsing Yi Town Lot No. 100 and is held under Government Lease for a term of 99 years less 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
132 Retail and Car Park within Hong Yat Court											
		7,040	355	6.3	6.59%	92.0	7.50%	102.0	97.0	6.50%	8.87%
Brief Description:	Retail and Car Park within Hong Yat Court, completed in 1993, comprises a 7-storey car park building with a kindergarten on the Level 13 (6th floor) in Hong Yat Court. A total of 355 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 4,582/99,200 equal and undivided shares of and in New Kowloon Inland Lot No. 6329 and is held under Government Lease for a term of 50 years from 5 February 2001.										
133 Retail and Car Park within Tong Ming Court											
		21,283	291	5.8	6.43%	92.0	7.50%	101.0	97.0	5.99%	8.75%
Brief Description:	Retail and Car Park within Tong Ming Court comprises a 5-storey car park building with various retail shop units and a children & youth centre on the ground floor, and a day nursery on the ground floor of Tong Wong House and a kindergarten on the ground floor of Tong Fu House completed in 1999. A total of 291 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 54 and 1,153/98,512 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 54, and is held under Government Lease for a term commencing from 26 June 1987 to 30 June 2047.										
134 Hing Man Commercial Centre											
		33,915	226	4.6	6.45%	90.0	7.50%	98.0	94.0	4.85%	8.82%
Brief Description:	Hing Man Commercial Centre comprises a 6-storey commercial/car park building (including roof but excluding the access lift tower at Chai Wan Road) (Commercial/Car Park Block) and open car parks in Hing Man Estate. The property was completed in 1982. A total of 226 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,404/126,748 equal and undivided shares of and in Chai Wan Inland Lot No. 179 and is held under Government Lease for a term of 50 years from 29 March 2010.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
135 Retail and Car Park within Tsui Wan Estate											
		8,561	182	4.9	6.09%	90.0	7.50%	96.0	93.0	5.25%	8.71%
Brief Description:	Retail and Car Park within Tsui Wan Estate, completed in 1993, comprises various self-standing single-storey retail units and a 3-storey retail/office building (Commercial Accommodation) and a single-storey car park building (Car Park Block) as well as open car parks in Tsui Wan Estate. A total of 182 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 3,254/123,068 equal and undivided shares of and in Chai Wan Inland Lot No. 166 and is held under Government Lease for a term of 50 years from 18 March 1999.										
136 Car Park within Tin Yuet Estate											
		0	560	5.9	7.00%	87.0	7.50%	98.0	92.5	6.40%	9.07%
Brief Description:	Car Park within Tin Yuet Estate comprises a 4-storey (including a mezzanine floor) car park building completed in 2000. A total of 560 parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.										
137 Retail and Car Park within Tin Wah Estate											
		1,476	287	5.5	5.97%	89.0	7.50%	94.0	92.0	5.97%	8.48%
Brief Description:	Retail and Car Park within Tin Wah Estate, completed in 1999, comprises two retail shops on the ground floor and the car parking spaces on the ground to second floors of a 7-storey Ancillary Facilities Block in Tin Wah Estate. A total of 287 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 11,225/236,423 equal and undivided shares of and in Tin Shui Wai Town Lot No. 43 and is held under Government Lease for a term of 50 years from 12 May 2010.										
138 Retail and Car Park within Choi Ha Estate											
		21,438	205	4.1	6.73%	86.0	7.50%	96.0	91.0	4.49%	8.95%
Brief Description:	Retail and Car Park within Choi Ha Estate comprises a 5-storey Car Park Block. In addition, the property includes various shop units on the ground floor located within the residential blocks of Choi Sing House and Choi Yuet House as well as various open car parks in Choi Ha Estate. The property was completed in 1989. A total of 205 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 12,255/129,695 equal and undivided shares of and in New Kowloon Inland Lot No. 6348 and is held under Government Lease for a term of 50 years from 10 February 2000.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Analysis Indicated IRR
139 Retail and Car Park within Tin Yat Estate											
		8,784	446	4.8	6.04%	80.0	7.50%	85.0	83.0	5.82%	8.58%
Brief Description:	Retail and Car Park within Tin Yat Estate, completed in 2001, comprises a 7-storey car park building with a kindergarten on the ground floor as well as open car parks in Tin Yat Estate. A total of 446 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 15,485/226,221 equal and undivided shares of and in Tin Shui Wai Town Lot No. 42 and is held under Government Lease for a term of 50 years from 28 October 2008.										
140 Car Park within Tin King Estate											
		0	380	5.2	6.80%	75.0	7.50%	84.0	79.5	6.56%	9.01%
Brief Description:	Car Park within Tin King Estate comprises the ground floor, second floor, third floor, portions of fourth floor and fifth floor, roof and upper roof of a 5-storey Car Park Block as well as open car parks in Tin King Estate completed in 1989. A total of 380 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 4,036/197,161 equal and undivided shares of and in Tuen Mun Town Lot No. 444 and is held under Government Lease for a term of 50 years from 18 March 1999.										
141 Car Park within Tsz Man Estate											
		0	364	5.2	6.80%	75.0	7.50%	84.0	79.5	6.52%	9.02%
Brief Description:	Car Park within Tsz Man Estate comprises a 4-storey car park building as well as associated areas in Tsz Man Estate completed in 1994. A total of 364 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 9,121/139,291 equal and undivided shares of and in New Kowloon Inland Lot No. 6441 and is held under Government Lease for a term of 50 years from 28 February 2008.										
142 Car Park within Tsui Ping South Estate											
		5,275	229	4.6	6.58%	75.0	7.50%	83.0	79.0	5.79%	8.83%
Brief Description:	Car Park within Tsui Ping South Estate comprises a 3-storey car park building (Car Park Block) with estate management office on second floor as well as open car park within Tsui Ping (South) Estate completed in 1990. A total of 229 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 6,785/291,576 equal and undivided shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 755 and is held under Government Lease for a term of 50 years from 27 November 2009.										
143 Car Park within Ka Tin Court											
		0	348	4.9	6.80%	72.0	7.50%	80.0	76.0	6.50%	8.94%
Brief Description:	Car Park within Ka Tin Court comprises a 3-storey car park building in Ka Tin Court completed in 1988. A total of 348 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 290 and is held under Government Lease for a term of 99 years less 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
144 Retail and Car Park within Yan Shing Court										
		11,810	252	4.6	6.81%	70.0	7.50%	78.0	74.0	6.15% 9.05%
Brief Description:	Retail and Car Park within Yan Shing Court, completed in 1993, comprises a 6-storey car park building (Car Park Block) with a shop unit, estate office and kindergarten on the ground floor in Yan Shing Court. A total of 252 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Fanling Sheung Shui Town Lot No. 39 and is held under Government Lease for a term commencing from 10 September 1992 and expiring on 30 June 2047.									
145 Retail and Car Park within Yan Ming Court										
		7,019	262	4.3	6.69%	68.0	7.50%	78.0	73.0	5.95% 9.15%
Brief Description:	Retail and Car Park within Yan Ming Court comprises a 3-storey commercial/car park centre completed in 1990. A total of 262 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 9 and is held under Government Lease for a term commencing from 22 January 1987 to 30 June 2047.									
146 Retail and Car Park within Nam Cheong Estate										
		8,112	156	3.9	6.09%	69.0	7.50%	74.0	72.0	5.39% 8.59%
Brief Description:	Retail and Car Park within Nam Cheong Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units located on the ground floor within the residential blocks of Cheong Shun House, Cheong Yat House, Cheong On House and Cheong Yin House and various open car parks in Nam Cheong Estate. The property was completed in 1989. A total of 156 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises 3,670/109,764 equal and undivided shares of and in New Kowloon Inland Lot No. 6427 and is held under Government Lease for a term of 50 years from 17 August 2005.									
147 Car Park within Ying Ming Court										
		0	274	4.4	6.80%	65.0	7.50%	72.0	68.5	6.45% 8.96%
Brief Description:	Car Park within Ying Ming Court comprises a 2-storey carport building completed in 1989. A total of 274 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 4 and is held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.									
148 Retail and Car Park within Ying Fuk Court										
		786	163	4.0	6.55%	63.0	7.50%	70.0	67.0	5.96% 8.74%
Brief Description:	Retail and Car Park within Ying Fuk Court comprises a 4-storey split-level car park building with a shop unit located on the ground floor (Car Park Block) completed in 2001. A total of 163 car parking spaces are provided in the property.									
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6266 and is held under Government Lease for a term of 50 years from 7 May 1999.									

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Indicated IRR
149 Car Park within Po Pui Court											
		0	277	4.3	6.80%	63.0	7.50%	70.0	66.5	6.53%	8.96%
Brief Description:	Car Park within Po Pui Court comprises a 3-storey car park building completed in 1995. A total of 277 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwun Tong Inland Lot No. 728 and is held under Government Lease for a term commencing from 8 February 1994 to 30 June 2047.										
150 Retail and Car Park within Fung Wah Estate											
		9,821	161	3.0	6.22%	63.0	7.50%	68.0	66.0	4.55%	8.53%
Brief Description:	Retail and Car Park within Fung Wah Estate, completed in 1993, comprises a 2-storey car park building (Car Park Block) and various shop units (Integrated HA Accommodation) located within the residential blocks of Hiu Fung House and Sau Fung House and open car park in Fung Wah Estate. A total of 161 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 5,638/76,232 equal and undivided shares of and in Chai Wan Inland Lot No. 169 and is held under Government Lease for a term of 50 years from 10 February 2000.										
151 Retail and Car Park within Po Nga Court											
		13,951	246	3.9	6.74%	62.0	7.50%	69.0	66.0	5.94%	8.91%
Brief Description:	Retail and Car Park within Po Nga Court, completed in 1989, comprises a 3-storey car park building as well as a kindergarten on the ground floor of Ka Wo House and a nursery on the ground floor of Hing Wo House. A total of 246 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 73 and 2/59,187 equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No. 73, and is held under Government Lease for a term commencing from 29 March 1988 to 30 June 2047.										
152 Car Park within Ning Fung Court											
		0	299	3.9	6.40%	62.0	7.50%	68.0	65.0	5.96%	8.78%
Brief Description:	Car Park within Ning Fung Court comprises a 3-storey car park building completed in 2001. A total of 299 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 3,072/78,707 equal and undivided shares of and in Kwai Chung Town Lot No. 477 and is held under Government Lease for a term of 50 years from 15 October 1999.										
153 Car Park within Yue On Court											
		1,323	296	4.0	6.78%	60.0	7.50%	67.0	64.0	6.22%	8.87%
Brief Description:	Car Park within Yue On Court comprises a 5-storey car park building with an office on the ground floor completed in 1988. A total of 296 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Ap Lei Chau Inland Lot No. 117 and is held under Government Lease for a term of 75 years commencing from 1 February 1982 and renewable for further 75 years.										

Property No.	Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
154 Retail and Car Park within Tsz Oi Court											
		13,306	199	3.5	6.21%	61.0	7.50%	66.0	64.0	5.49%	8.59%
Brief Description:	Retail and Car Park within Tsz Oi Court comprises a 6-storey car park building with a kindergarten on the sixth floor and another free standing kindergarten in Phase III of Tsz Oi Court. The property was built in phases from 1997 to 2000. A total of 199 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6211 that is held under a Government lease for a term from 9 June 1995 to 30 June 2047. It also comprises 699/113,761 equal and undivided shares of and in New Kowloon Inland Lot No. 6265, and is held under Government Lease for a term of 50 years from 7 May 1999.										
155 Car Park within Lai On Estate											
		0	181	3.5	6.60%	57.0	7.50%	62.0	59.5	5.89%	8.89%
Brief Description:	Car Park within Lai On Estate comprises a 3-storey car park building and open car parks in Lai On Estate completed in 1993. A total of 181 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 5,099/90,111 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6482 and is held under Government Lease for a term of 50 years from 6 March 2009.										
156 Car Park within Wang Fuk Court											
		0	408	3.9	7.00%	56.0	7.50%	63.0	59.5	6.55%	9.02%
Brief Description:	Car Park within Wang Fuk Court comprises a 5-storey with basement level car park completed in 1983. A total of 408 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 27 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
157 Retail and Car Park within Sau Mau Ping (III) Estate											
		1,507	205	2.9	5.80%	53.0	7.50%	56.0	55.0	5.36%	8.36%
Brief Description:	Retail and Car Park within Sau Mau Ping (III) Estate, completed in 1996, comprises a 4-storey car park (Car Park Block) with a retail unit located on the ground floor of Sau Mau Ping (III) Estate. A total of 205 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 7,222/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Indicated IRR
158 Retail and Car Park within Siu On Court											
		17,084	273	3.1	6.67%	49.0	7.50%	54.0	52.0	5.89%	8.71%
Brief Description:	Retail and Car Park within Siu On Court comprises a 4-storey split level car park building, a kindergarten spreads across the ground floor of Ting Yin House and Ting Chi House and a Youth & Children Centre across the ground floor of Ting Kay House, Ting On House and Ting Hoi House in Siu On Court. The property was completed in 1981. A total of 273 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 216 and 2/26,863 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 216, and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
159 Car Park within Upper Ngau Tau Kok Estate											
		0	228	3.2	6.60%	49.0	7.50%	54.0	51.5	6.24%	8.91%
Brief Description:	Car Park within Upper Ngau Tau Kok Estate comprises a 3-storey car park building as well as associated areas in Upper Ngau Tau Kok Estate completed in 2002. A total of 228 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 9,334/126,664 equal and undivided shares of and in New Kowloon Inland Lot No. 6471 and is held under Government Lease for a term of 50 years from 6 May 2008.										
160 Car Park within Ching Wang Court											
		0	179	3.3	7.00%	48.0	7.50%	54.0	51.0	6.50%	9.17%
Brief Description:	Car Park within Ching Wang Court comprises a 2-storey car park building in Ching Wang Court completed in 2001. A total of 179 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 2,516/36,665 equal and undivided shares of and in Tsing Yi Town Lot No. 137 and is held under Government Lease for a term of 50 years from 20 April 1999.										
161 Car Park within Yee Kok Court											
		0	240	3.2	7.20%	46.0	7.50%	53.0	49.5	6.49%	9.09%
Brief Description:	Car Park within Yee Kok Court comprises a 5-storey with basement level car park building completed in 1981. A total of 240 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5911 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										



**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
162 Retail and Car Park within Tai Ping Estate											
		3,339	101	2.4	5.53%	45.0	7.50%	46.0	46.0	5.15%	8.20%
Brief Description:	Retail and Car Park within Tai Ping Estate, completed in 1989, comprises a 2-storey car park building (Car Park Block) with retail shops on the ground floor of Ping Hay House (Portions of the Integrated HA Accommodation). In addition, it includes open car parks in Tai Ping Estate. A total of 101 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 2,787/86,121 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 223 and is held under Government Lease for a term of 50 years from 24 January 2002.										
163 Retail and Car Park within Hung Hom Estate											
		3,994	45	1.5	5.37%	42.0	7.50%	43.0	43.0	3.42%	8.08%
Brief Description:	Retail and Car Park within Hung Hom Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units on the lower ground floor of Hung Fai House as well as open car parks in Hung Hom Estate. The property was completed in 1999. A total of 45 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 1,573/51,548 equal and undivided shares of and in Hung Hom Inland Lot No. 554 and is held under Government Lease for a term of 50 years from 29 August 2008.										
164 Retail and Car Park within Tung Hei Court											
		6,340	146	2.9	7.50%	40.0	7.50%	46.0	43.0	6.66%	9.32%
Brief Description:	Retail and Car Park within Tung Hei Court, completed in 1995, comprises a 2-storey car park building and a kindergarten on the ground floors of Block A and Block B (King Hei House and Yat Hei House). A total of 146 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Shau Kei Wan Inland Lot No. 834 and 690/122,407 equal and undivided shares of and in the Remaining Portion of Shau Kei Wan Inland Lot No. 834, and is held under Government Lease for a term commencing from 20 June 1989 to 30 June 2047.										
165 Car Park within Ming Nga Court											
		0	345	2.7	7.00%	39.0	7.50%	44.0	41.5	6.54%	9.00%
Brief Description:	Car Park within Ming Nga Court comprises a 3-storey (including basement level) car park building completed in 1985. A total of 345 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 36 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been extended until 30 June 2047.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation Cap. Rate	Value (HK\$M)	DCF Analysis Discount Rate	Value (HK\$M)	Value as at 31 March 2014 (HK\$M)	Analysis Initial Yield	Indicated IRR
166 Retail and Car Park within Lok Nga Court											
		12,616	265	2.6	7.33%	36.0	7.50%	41.0	39.0	6.62%	9.11%
Brief Description:	Retail and Car Park within Lok Nga Court comprises a 5-storey Car Park Block with an indoor sports hall on Level 6 as well as open car parks located at the centre of Lok Nga Court completed in 1984. A total of 265 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5969 and 1/28,952 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 5969, and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been extended until 30 June 2047.										
167 Car Park within San Wai Court											
		0	185	2.7	7.20%	35.0	7.50%	41.0	38.0	6.99%	9.17%
Brief Description:	Car Park within San Wai Court comprises a 3-storey car park building (Multi-Storey Car Park) completed in 1990. A total of 185 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 326 and is held under Government Lease for a term commencing from 3 January 1989 to 30 June 2047.										
168 Car Park within Yee Nga Court											
		0	159	2.3	7.00%	35.0	7.50%	40.0	37.5	6.26%	9.08%
Brief Description:	Car Park within Yee Nga Court comprises a total of 159 car parking spaces on the ground floor of Yee Nga Court completed in 1993.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 120 and is held under Government Lease for a term commencing from 22 May 1991 and expiring on 30 June 2047.										
169 Car Park within Tin Yau Court											
		0	192	2.3	7.60%	32.0	7.50%	37.0	34.5	6.61%	9.34%
Brief Description:	Car Park within Tin Yau Court comprises a 3-storey car park building (Carport) completed in 1992. A total of 192 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 10 and is held under Government Lease for a term commencing from 23 January 1992 to 30 June 2047.										
170 Retail and Car Park within Choi Fai Estate											
		1,045	93	2.0	7.10%	31.0	7.50%	35.0	33.0	6.09%	9.04%
Brief Description:	Retail and Car Park within Choi Fai Estate comprises a 3-storey car park building (Car Park Block), a shop unit on the ground floor within Choi Yip House (Integrated Commercial/Car Park Accommodation) and open car parks in Choi Fai Estate. The property was completed in 1995. A total of 93 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 3,391/89,760 equal and undivided shares of and in New Kowloon Inland Lot No. 6483 and is held under Government Lease for a term of 50 years from 15 June 2009.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at	Analysis		
				HK\$(m pa)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	31 March 2014 (HK\$M)	Initial Yield	Indicated IRR
171 Car Park within Hong Keung Court											
		0	93	1.9	7.00%	30.0	7.50%	34.0	32.0	6.08%	9.23%
Brief Description:	Car Park within Hong Keung Court comprises a 2-storey Car Park Block and a self-use office in Hong Keung Court completed in 1999. A total of 93 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises the Remaining Portion of New Kowloon Inland Lot No. 6239 and is held under Government Lease for a term of 50 years from 8 January 1999.										
172 Car Park within King Lai Court											
		0	158	1.9	7.00%	30.0	7.50%	34.0	32.0	5.96%	9.01%
Brief Description:	Car Park within King Lai Court comprises a 3-storey car park block and open car parks in King Lai Court completed in 1989. A total of 158 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5943 and is held under Government Lease for a term commencing from 4 March 1985 to 30 June 2047.										
173 Car Park within Kam On Court											
		0	238	1.9	6.80%	29.0	7.50%	33.0	31.0	6.28%	8.95%
Brief Description:	Car Park within Kam On Court comprises a 3-storey car park building completed in 1987. A total of 238 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 283 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been extended until 30 June 2047.										
174 Car Park within Fung Lai Court											
		0	134	1.7	6.80%	28.0	7.50%	31.0	29.5	5.75%	8.81%
Brief Description:	Car Park within Fung Lai Court comprises a 3-storey car park building and various open car parks in Fung Lai Court completed in 1997. A total of 134 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 1,512/33,911 equal and undivided shares of and in New Kowloon Inland Lot No. 6240 and is held under Government Lease for a term of commencing from 7 June 1996 to 30 June 2047.										
175 Car Park within Sau Mau Ping (I) Estate											
		0	395	1.4	6.00%	29.0	7.50%	30.0	29.5	4.83%	8.50%
Brief Description:	Car Park within Sau Mau Ping (I) Estate comprises a 3-storey car park (Multi-storey Car Park B) within the residential block of Sau Ming House as well as the Integrated Commercial/Car Park Accommodation on the ground floor and the roof of Sau Ming House and associated areas in Sau Mau Ping (I) Estate completed in 2002. A total of 395 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 14,364/833,450 and portion of 10/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income	Income Capitalisation	DCF Analysis		Value as at	Analysis		
				HK\$(pa)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	31 March 2014 (HK\$M)	Initial Yield	Indicated IRR
176 Retail and Car Park within Tin Wang Court											
		9,946	79	1.8	6.82%	27.0	7.50%	31.0	29.0	6.33%	8.93%
Brief Description:	Retail and Car Park within Tin Wang Court comprises a 3-storey Car Park Block with a kindergarten located on the second floor completed in 1992. A total of 79 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6131 and is held under Government Lease for a term commencing from 21 May 1991 to 30 June 2047.										
177 Retail and Car Park within Hong Shui Court											
		345	102	1.9	7.12%	26.0	7.50%	29.0	28.0	6.72%	8.86%
Brief Description:	Retail and Car Park within Hong Shui Court comprises a 2-storey Car Park Block with a commercial unit located on the Level 2 completed in 1999. A total of 102 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6227 and is held under Government Lease for a term of 50 years from 14 May 1998.										
178 Car Park within Kwai Hong Court											
		0	88	1.6	7.00%	25.0	7.50%	29.0	27.0	5.89%	9.17%
Brief Description:	Car Park within Kwai Hong Court comprises a 3-storey car park building completed in 1993. A total of 88 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 1,100/35,351 equal and undivided shares of and in Kwai Chung Town Lot No. 420 and is held under Government Lease for a term of commencing from 1 March 1990 to 30 June 2047.										
179 Car Park within Pang Ching Court											
		0	67	1.0	6.80%	16.0	7.50%	18.0	17.0	6.03%	8.91%
Brief Description:	Car Park within Pang Ching Court comprises various open car parking areas in Pang Ching Court completed in 1991. A total of 67 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6121 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.										
180 Car Park within Chuk Yuen (North) Estate											
		0	61	0.9	6.40%	14.0	7.50%	15.0	14.5	5.93%	8.66%
Brief Description:	Car Park within Chuk Yuen (North) Estate comprises two open car parking areas in Chuk Yuen (North) Estate completed in 1987. A total of 61 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 687/364,071 equal and undivided shares of and in New Kowloon Inland Lot No. 6327 and is held under Government Lease for a term of 50 years from 18 March 1999.										

**VALUATION REPORT (Continued)**

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Net Passing Income HK\$(pa)	Income Capitalisation	DCF Analysis		Value as at 31 March 2014 (HK\$M)	Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
181 Car Park within Lower Wong Tai Sin (I) Estate											
		0	70	0.8	5.20%	14.0	7.50%	14.0	14.0	5.76%	8.03%
Brief Description:	Car Park within Lower Wong Tai Sin (I) Estate comprises two open car parking areas (Open Car Parks) next to Lung Wah House and Lung Chak House were completed in 1982. A total of 70 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 674/240,107 equal and undivided shares of and in New Kowloon Inland Lot No. 6373 and is held under Government Lease for a term of 50 years from 8 February 2001.										
182 Retail and Car Park within Ko Yee Estate											
		0	38	0.5	6.45%	5.6	7.50%	6.2	5.9	7.74%	8.71%
Brief Description:	Retail and Car Park within Ko Chun Estate comprises a single-storey car park building (Car Park Block) and a single-storey commercial building (Commercial Block) as well as open car parks in Ko Yee Estate completed in 1994. A total of 38 car parking spaces are provided in the property.										
Title Details:	The property is held by The Link Properties Limited. It comprises 1,518/80,343 equal and undivided shares of and in New Kowloon Inland Lot No. 6480 and is held under Government Lease for a term of 50 years from 8 January 2010.										

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

# HKQAA ASSURANCE STATEMENT



香港品質保證局

## VERIFICATION STATEMENT

### Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) has been commissioned by The Link Real Estate Investment Trust ("The Link REIT") to conduct an independent verification of its Annual Report 2013/2014 (herein referred to as "the Report") as those financial data covered are not included. The Report stated The Link REIT's sustainability performance and efforts towards sustainable development for the period from 1 April 2013 to 31 March 2014.

The aim of this verification was to provide assurance on the completeness and accuracy of the information stated in the Report and the conformity of the Report to the International <IR> Framework. The Report's coverage of the standard disclosures defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (G4) was also assessed to confirm if the Core option was achieved.

### Methodology

The process used in this verification was based on current best practices. The Report was reviewed against the following criteria:

- The principles of completeness, accuracy, neutrality, comparability and responsiveness, as set out in the Institute of Social and Ethical AccountAbility standard AA1000
- The Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Disclosures
- The International <IR> Framework

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information consolidated in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

### Conclusion

Based on the outcome of the verification process, it is opined that the Report is "in accordance" with the GRI G4 Guidelines – Core option and also follows the International <IR> Framework as issued by the International Integrated Reporting Council.

The information presented in the Report provided a structured, balanced and consistent representation of The Link REIT's sustainability performance in the context of sustainable development. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of The Link REIT's initiatives, targets, progress and performance on its sustainable development achievements.

### Signed on behalf of Hong Kong Quality Assurance Agency

**Jorine Tam**

Assistant Director, Strategic Business Branch

June 2014

# GRI CONTENT INDEX

## General Standard Disclosures

Section	General Standard Disclosures	Description	Page/Statement
Strategy and Analysis	G4-1	Statement from the most senior decision-maker	P. 8 – 11 (Chairman’s Statement), P. 18 – 23 (Report of the Chief Executive Officer)
	G4-2	Description of key impacts, risks, and opportunities	P. 19 – 22
Organizational Profile	G4-3	Name of the organization	inside front cover page
	G4-4	Primary brands, products, and services	inside front cover page
	G4-5	Location of the organization’s headquarters	inside front cover page
	G4-6	Number of countries where the organization operates	inside front cover page
	G4-7	Nature of ownership and legal form	P. 52
	G4-8	Markets served	inside front cover page, P. 4
	G4-9	Scale of the organization	P. 4
	G4-10	Workforce	P. 39. Total number of temporary staff is 24. Total number of contractors’ staff is over 3,400
	G4-11	Percentage of total employees covered by collective bargaining agreements	Employees are not covered by collective bargaining agreements
	G4-12	Supply chain	P. 16 – 17
	G4-13	Significant changes during the reporting period	Adopted Integrated Reporting model, changed from GRI 3.1 to GRI 4
	G4-14	Precautionary approach	P. 18 – 23
	G4-15	External charters, principles, or other initiatives	P. 45
	G4-16	Memberships of associations	P. 45

Section	General Standard Disclosures	Description	Page/Statement
Identified Material Aspects and Boundaries	G4-17	Entities included in the organization's consolidated performance	P. 4
	G4-18	Process for defining the report content and the Aspect boundaries, how the organization has implemented the Reporting Principles for Defining Report Content	P. 6 – 7
	G4-19	Material Aspects	P. 6 – 7, 16 – 17
	G4-20	Aspect boundary within the organization	P. 16 – 17
	G4-21	Aspect boundary outside the organization	P. 16 – 17
	G4-22	Effect of any restatements	No restatements
	G4-23	Significant changes from previous reporting period	No significant changes from previous reporting period
Stakeholder Engagement	G4-24	Stakeholder groups engaged by the organization	P. 42 – 43
	G4-25	Basis for identification and selection of stakeholders with whom to engage	P. 42 – 43
	G4-26	Approach to stakeholder engagement	P. 42 – 43
	G4-27	Key topics and concerns raised by stakeholders	P. 42 – 43
Report Profile	G4-28	Reporting period	inside front cover page
	G4-29	Date of most recent previous report	June 2013
	G4-30	Reporting cycle	1 April 2013 – 31 March 2014
	G4-31	Contact point for questions regarding the report	P. 236 (Corporate Communications Contact)
	G4-32	'In accordance' option chosen	Core, This index, P. 220 – 226
	G4-33	Assurance	P. 219
Governance	G4-34	Governance structure of the organization	P. 51
Ethics and Integrity	G4-56	Organization's values, principles, standards and norms of behavior	inside front cover page, P. 17



### Specific Standard Disclosures for Construction and Real Estate Sector

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Page/Statement
Economic	Economic Performance	G4-DMA		P. 34 – 38
		G4-EC1	Direct economic value generated and distributed	P. 2, 34 – 38
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	P. 10, 21 – 23, 46 – 47
	Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	P. 45, 54 – 56
	Indirect Economic Impacts	G4-DMA		P. 8 – 9
		G4-EC7	Development and impact of infrastructure investments and services supported	P. 8 – 9
		G4-EC8	Significant indirect economic impacts, including the extent of impacts	P. 8 – 9
Environmental	Materials	G4-DMA		P. 46
		G4-EN1	Materials used by weight or volume	We procured HK\$417,114 of paper products
		G4-EN2	Percentage of materials used that are recycled input materials	3.5% of materials used that are recycled and reused input materials
	Energy	G4-DMA		P. 46
		G4-EN3	Energy consumption within the organization	P. 46
		G4-EN6	Reduction of energy consumption	P. 46
		G4-EN7	Reductions in energy requirements of products and services	P. 46
		CRE1	Building energy intensity	P. 46
	Water	G4-DMA		P. 46
		G4-EN8	Total water withdrawal by source	P. 46
		G4-EN9	Water sources significantly affected by withdrawal of water	P. 46

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Page/Statement
		G4-EN10	Percentage and total volume of water recycled and reused	Treated recycled water from cooling towers is for non-potable purposes. Currently no water meters are installed to record the total volume of water recycled and reused
		CRE2	Building water intensity	Building water intensity is 0.15 m <sup>3</sup> /sqft (water consumption/sqft)
	Biodiversity	G4-DMA		P. 46 – 47
		G4-EN12	Significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Our operations do not involve protected habitats in protected areas and areas of high biodiversity value outside protected areas
	Emissions	G4-DMA		P. 46 – 47
		G4-EN15	Direct Greenhouse Gas (GHG) emissions (Scope 1)	P. 46
		G4-EN16	Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)	P. 46
		G4-EN17	Other indirect Greenhouse Gas (GHG) emissions (Scope 3)	P. 46
		G4-EN19	Reduction of Greenhouse Gas (GHG) emissions	P. 46
		CRE3	Greenhouse Gas emissions intensity from buildings	Greenhouse gas emissions intensity of buildings is 11.87 kg CO <sub>2</sub> e/sqft (greenhouse gas emissions/sqft)
		CRE4	Greenhouse Gas emissions intensity from new construction and redevelopment activity	There is no new construction and redevelopment activity
	Effluents and Waste	G4-DMA		P. 46
		G4-EN22	Total water discharge by quality and destination	P. 46
		G4-EN23	Total weight of waste by type and disposal method	The total weight of waste paper collected from offices is 6,959 kg, disposal and recycling of commercial food waste are handled by tenants
	Products and Services	G4-DMA		P. 1, 4

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Page/Statement
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services	P. 46 – 47
	Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	P. 46
	Land Degradation, Contamination and Remediation	G4-DMA		Not applicable
		CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	There is no land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designation
Social	Employment	G4-DMA		P. 39 – 41
Labour Practices and Decent Work		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	P. 39 – 41
	Occupational Health and Safety	G4-DMA		P. 39 – 41
		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	P. 39 – 41
		G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	P. 39 – 41
		CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	There is health and safety management system in place but yet to be verified with internationally recognized standard
	Training and Education	G4-DMA		P. 39 – 41
		G4-LA9	Average hours of training per year per employee by gender, and by employee category	P. 39 – 41

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Page/Statement
	Diversity and Equal Opportunity	G4-DMA		P. 39 – 41
		G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	P. 39, 49 – 56
	Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	We provide equal opportunities and fair treatment for all employees when it comes to remuneration, benefits, promotion and compensation. We consider this ratio not relevant
Human Rights	Non-discrimination	G4-DMA		P. 39 – 41
		G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken
	Child Labour	G4-DMA		Not applicable
		G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	No incidents of child labour identified
	Forced or Compulsory Labour	G4-DMA		P. 39 – 41
	Security Practices	G4-DMA		P. 39 – 41
	Supplier Human Rights Assessment	G4-DMA		P. 39 – 41
Society	Local Communities	G4-DMA		P. 42 – 45
		G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	P. 42 – 45
		G4-SO2	Operations with significant actual and potential negative impacts on local communities	We do not have operations with significant actual and potential negative impacts on local communities

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Page/Statement
		CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	No incidents of voluntarily and involuntarily displacement or resettlement by development
	Anti-corruption	G4-DMA		P. 50 – 117
	Public Policy	G4-DMA		P. 50 – 117
	Anti-competitive Behaviour	G4-DMA		P. 50 – 117
Product Responsibility	Customer Health and Safety	G4-DMA		P. 42 – 47
		G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	P. 42 – 47
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents of non-compliance
	Product and Service Labeling	G4-DMA		P. 11, 30
		G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	P. 11, 30
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents of non-compliance
		G4-PR5	Results of surveys measuring customer satisfaction	P. 3, 32
		CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	P. 45

# HKEx ESG REPORTING GUIDE INDEX

## APPENDIX 27 COMPLIANCE LIST

		Section/Statement
<b>Aspect A1: Workplace Quality</b>		
General Disclosure	Disclosure statement	Human Capital
KPI A1.1	Total workforce by employment	Human Capital
KPI A1.2	Employee turnover	Human Capital
<b>Aspect A2: Health and Safety</b>		
General Disclosure	Disclosure statement	Human Capital
KPI A2.1	Number and rate of work related injuries	Human Capital
KPI A2.2	Lost days due to work injury	Human Capital
KPI A2.3	Description of occupational health and safety measures adopted	Human Capital
<b>Aspect A3: Development &amp; Training</b>		
General Disclosure	Disclosure statement	Human Capital
KPI A3.1	Percentage of employees trained by category	Human Capital
KPI A3.2	Average training hours per employee	Human Capital
<b>Aspect A4: Labour Standards</b>		
General Disclosure	Disclosure statement	Human Capital
KPI A4.1	Description of measures to review employment practices	Human Capital, Corporate Governance
KPI A4.2	Description of steps taken to eliminate such practices when discovered	Human Capital
<b>Aspect B1: Emissions</b>		
General Disclosure	Disclosure statement	Natural Capital
KPI B1.1	Type of emissions and data	Natural Capital
KPI B1.2	GHG emissions in total tonnes	Natural Capital
KPI B1.3	Hazardous waste produced	Our business operation does not produce hazardous waste
KPI B1.4	Total non-hazardous waste produced	GRI Content Index
KPI B1.5	Measures to mitigate emissions	Natural Capital
KPI B1.6	Handling of waste and reduction initiatives	Natural Capital

		Section/Statement
<b>Aspect B2: Resources</b>		
General disclosure	Disclosure statement	Natural Capital
KPI B2.1	Direct/Indirect Energy consumption	Natural Capital
KPI B2.2	Water consumption (total)	Natural Capital
KPI B2.3	Energy efficiency measures	Natural Capital
KPI B2.4	Issues in sourcing water	Natural Capital
KPI B2.5	Total packaging material	We do not manufacture any products
<b>Aspect B3: Environment</b>		
General Disclosure	Disclosure statement	Natural Capital
KPI B3.1	Description of significant impacts of activities	Natural Capital
<b>Aspect C1: Supply Chain</b>		
General Disclosure	Disclosure statement	Social and Relationship Capital
KPI C1.1	Number of suppliers	Social and Relationship Capital
KPI C1.2	Description of practices related to engaging suppliers	Social and Relationship Capital
<b>Aspect C2: Product Responsibility</b>		
General Disclosure	Disclosure statement	This section is not applicable to The Link REIT as we do not produce products
KPI C2.1	Percentage of total products sold or shipped	Not applicable
KPI C2.2	Number of products and service related complaints received	Not applicable
KPI C2.3	Practices related to intellectual property rights	Not applicable
KPI C2.4	Quality assurance process	Not applicable
KPI C2.5	Consumer data protection and privacy	Not applicable
<b>Aspect C3: Anti Corruption</b>		
General Disclosure	Disclosure statement	Corporate Governance
KPI C3.1	Number of legal cases regarding corrupt practices	In 2013/14 we had no legal cases regarding corrupt practices
KPI C3.2	Description of preventative measures and whistle blowing	Corporate Governance
<b>Aspect D1: Community Investment</b>		
General Disclosure	Disclosure statement	Social and Relationship Capital
KPI D1.1	Focus areas of contribution	Social and Relationship Capital
KPI D1.2	Resources contributed	Social and Relationship Capital

# UNITED NATIONS GLOBAL COMPACT INDEX

The United Nations Global Compact (UNGC) is an international initiative outlining ten principles for responsible business in the areas of human rights, labour, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In September 2012, we signed up to the UNGC to reaffirm our commitment to respect labour standards and human rights, to operate in an environmentally responsible manner and to maintain zero tolerance towards corruption. Here we provide an index to our performance demonstrating the Global Compact's ten principles in our work.

<b>Human Rights</b>		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Chairman's Statement, Report of the Chief Executive Officer
Principle 2	make sure they are not complicit in human rights abuses.	Human Capital
<b>Labour</b>		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Not applicable
Principle 4	the elimination of all forms of forced and compulsory labour;	Human Capital
Principle 5	the effective abolition of child labour; and	Not applicable
Principle 6	eliminate discrimination in respect of employment and occupation.	Human Capital
<b>Environment</b>		
Principle 7	Business should support a precautionary approach to environmental challenges;	Natural Capital
Principle 8	undertake initiatives to promote greater environmental responsibility; and	Social and Relationship Capital, Natural Capital
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	Natural Capital
<b>Anti-Corruption</b>		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance



## DEFINITIONS AND GLOSSARY TERMS

<b>average monthly unit rent</b>	the average base rent plus management fee per month per square foot of leased IFA
<b>base rent</b>	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
<b>Board</b> or <b>Board of Directors</b>	board of directors of the Manager
<b>car park utilisation rate</b>	the number of tickets sold to monthly users as a percentage of the number of monthly parking spaces available
<b>composite reversion rate</b>	the percentage change in per square foot average unit rent between old and new leases on the same store
<b>Director(s)</b>	director(s) of the Manager
<b>DPU</b>	distribution per unit in respect of the total distributable income of The Link REIT for a financial year/period
<b>EUPP</b>	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing through an independent third party intermediary the units of The Link REIT in the open market in accordance with the EUPP rules
<b>Group</b>	The Link REIT and its subsidiaries
<b>HKSAR</b>	Hong Kong Special Administrative Region of The People's Republic of China
<b>Hong Kong Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>IFA</b>	internal floor area, the internal area within the enclosure and available for the exclusive use of the occupier(s) of a building excluding common area and the thickness of all enclosing walls
<b>internally managed REIT</b>	the manager who manages the REIT is beneficially owned by the REIT itself rather than being owned by an external party
<b>lease</b>	a lease or a tenancy agreement (both of which grant a possessory interest) or a license (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
<b>leased IFA</b>	the IFA being let out under a lease
<b>Listing Rules</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>Manager</b>	The Link Management Limited, which is the manager of The Link REIT
<b>market capitalisation</b>	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Hong Kong Stock Exchange

<b>MTN Programme</b>	Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (wholly-owned subsidiary of The Link REIT), and “ <b>MTN</b> ” refers to note(s) issued pursuant to the programme
<b>NPI</b>	net property income, being total revenue less direct property related expenses
<b>occupancy rate</b>	the aggregated leased IFA as a percentage of total leasable IFA
<b>psf or sq ft</b>	per square foot
<b>REIT(s)</b>	real estate investment trust(s)
<b>REIT Code</b>	Code on Real Estate Investment Trusts issued by the SFC
<b>retail operations</b>	the operations within the shopping centres, including shop units, market stalls, cooked food stalls, education and welfare, office, ancillary and mall merchandising
<b>retention rate</b>	the percentage of tenants being retained in the same shopping centre upon the expiry of leases
<b>return on investment</b>	projected NPI post-project minus NPI pre-project divided by the estimated amount of project capital expenditure and loss of rental
<b>SFC</b>	Securities and Futures Commission of Hong Kong
<b>SFO</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>tenant</b>	a lessee, tenant or licensee (as the case may be) under a lease
<b>The Link REIT</b>	The Link Real Estate Investment Trust
<b>total distributable income</b>	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
<b>Trust Deed</b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting The Link REIT as amended and supplemented by ten supplemental deeds
<b>Trustee</b>	trustee of The Link REIT
<b>turnover rent</b>	rent calculated and charged by reference to a pre-determined percentage of a tenant’s gross sales turnover in excess of the base rent
<b>Unitholder(s)</b>	holder(s) of unit of The Link REIT
<b>vacancy rate</b>	the aggregated vacant IFA as a percentage of total leasable IFA

# FIVE YEAR PERFORMANCE SUMMARY

## FINANCIAL DATA

	Year ended 31 March 2014 HK\$'M	Year ended 31 March 2013 HK\$'M	Year ended 31 March 2012 HK\$'M	Year ended 31 March 2011 HK\$'M	Year ended 31 March 2010 HK\$'M
<b>Consolidated income statement</b>					
Revenues	7,155	6,506	5,932	5,353	4,990
Property operating expenses	(1,953)	(1,890)	(1,747)	(1,709)	(1,662)
Net property income	5,202	4,616	4,185	3,644	3,328
General and administrative expenses	(222)	(223)	(269)	(176)	(120)
Change in fair values of investment properties	13,445	17,705	6,680	12,812	9,809
Operating profit	18,425	22,098	10,596	16,280	13,017
Interest income	28	39	33	4	6
Finance costs on interest bearing liabilities	(393)	(441)	(431)	(501)	(583)
Profit before taxation and transactions with Unitholders	18,060	21,696	10,198	15,783	12,440
Taxation	(755)	(634)	(596)	(503)	(458)
Profit for the year, before transactions with Unitholders	17,305	21,062	9,602	15,280	11,982
Distributions paid to Unitholders	(3,579)	(3,126)	(2,706)	(2,251)	(1,990)
	13,726	17,936	6,896	13,029	9,992
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units	13,851	18,065	6,943	13,169	10,219
Amount arising from cash flow hedging reserve movement	(125)	(129)	(47)	(140)	(227)
	13,726	17,936	6,896	13,029	9,992
<b>Consolidated statement of distributions</b>					
Profit for the year	17,305	21,062	9,602	15,280	11,982
Adjustments:					
– Change in fair values of investment properties	(13,445)	(17,705)	(6,680)	(12,812)	(9,809)
– Other non-cash income	(30)	(8)	–	(10)	(39)
Total distributable income	3,830	3,349	2,922	2,458	2,134
<b>Distribution per unit (HK cents)</b>					
Interim DPU	80.22	71.08	63.11	52.86	48.35
Final DPU	85.52	75.38	66.41	57.59	49.02
Total DPU	165.74	146.46	129.52	110.45	97.37

		As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
<b>Assets and liabilities</b>						
Investment properties	HK\$'M	<b>109,899</b>	95,366	76,672	67,318	53,781
Other non-current assets	HK\$'M	<b>470</b>	572	598	391	367
Current assets	HK\$'M	<b>3,097</b>	3,485	1,955	1,045	1,076
Total assets	HK\$'M	<b>113,466</b>	99,423	79,225	68,754	55,224
Current liabilities	HK\$'M	<b>5,532</b>	4,198	2,245	4,577	1,807
Non-current liabilities	HK\$'M	<b>11,583</b>	13,583	14,245	9,202	12,272
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	<b>17,115</b>	17,781	16,490	13,779	14,079
Net assets attributable to Unitholders	HK\$'M	<b>96,351</b>	81,642	62,735	54,975	41,145
Interest bearing liabilities to total assets		%	13.6	15.9	15.1	19.7
Total liabilities to total assets		%	17.9	20.8	20.0	25.5
Valuation of investment properties	HK\$'M	<b>109,899</b>	95,366	76,672	67,318	53,781
Valuation weighted average capitalisation rate	%	<b>5.27</b>	5.39	6.11	6.16	6.73
Net assets per unit attributable to Unitholders	HK\$	<b>41.69</b>	35.68	27.73	24.63	18.68
Closing price per unit	HK\$	<b>38.15</b>	42.30	28.90	24.35	19.14
Market capitalisation	HK\$'M	<b>88,160</b>	96,785	65,383	54,356	42,147
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	<b>(8.5)</b>	18.6	4.2	(1.1)	2.5
Units in issue		<b>2,310,889,561</b>	2,288,061,440	2,262,372,930	2,232,284,540	2,202,043,479

## PORTFOLIO DATA

		Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
<b>Operational Data</b>						
Average monthly unit rent at year end	HK\$ psf	<b>42.1</b>	38.4	35.8	32.8	30.6
Average monthly unit rent excluding Self use office, Education/Welfare, Office and Ancillary at year end	HK\$ psf	<b>45.3</b>	41.3	38.5	35.3	33.0
Composite reversion rate						
– Shops	%	<b>25.8</b>	24.7	23.4	20.9	23.7
– Overall	%	<b>25.7</b>	24.6	21.7	21.4	20.5
Occupancy rate at year end	%	<b>94.4</b>	94.1	92.9	91.5	90.6
Net property income margin	%	<b>72.7</b>	70.9	70.5	68.1	66.7
Retention rate	%	<b>76.7</b>	82.7	79.2	74.1	71.4
Number of turnover rent leases (excluding ancillary) at year end		<b>5,193</b>	5,006	4,806	4,258	3,206
Car park income per space per month	HK\$	<b>1,566</b>	1,378	1,222	1,095	1,054
Car park utilisation rate at year end	%	<b>88.1</b>	83.5	79.6	75.0	71.8
<b>Performance Data</b>						
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	<b>4.71</b>	7.72	2.07	1.22	1.67
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	<b>(8.39)</b>	(7.13)	(4.68)	(6.09)	(4.60)
Net yield per unit (Note (ii))	%	<b>4.3</b>	3.5	4.5	4.5	5.1
Net yield per unit on listing price of HK\$10.30 per unit	%	<b>16.1</b>	14.2	12.6	10.7	9.5

## Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$46.40 (2013: HK\$43.40) and HK\$33.30 (2013: HK\$28.55) respectively on The Stock Exchange of Hong Kong Limited during the year.
- (ii) Net yield per unit is calculated based on distribution per unit for the year ended 31 March 2014 of HK165.74 cents (2013: HK146.46 cents) over the closing price as at 31 March 2014 of HK\$38.15 (2013: HK\$42.30).

# INVESTOR INFORMATION

## LISTING OF THE UNITS

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

There were 2,310,889,561 units in issue as at 31 March 2014. Further details of such units in issue are set out in Note 23 to the consolidated financial statements.

## FINANCIAL CALENDAR

Final results announcement for the financial year ended 31 March 2014	4 June 2014
Ex-final distribution date	17 June 2014
Closure of register of Unitholders (for final cash distribution) <sup>(1)</sup>	19 June to 23 June 2014 (both days inclusive)
Record date for final cash distribution	23 June 2014
Final cash distribution payment date	3 July 2014
Closure of register of Unitholders (for 2014 annual general meeting of Unitholders) <sup>(2)</sup>	21 July to 23 July 2014 (both days inclusive)
2014 annual general meeting of Unitholders	23 July 2014
Interim results announcement for the six months ending 30 September 2014	November 2014

### Notes:

- (1) In order to qualify for the final cash distribution, Unitholders should ensure that all transfer documents accompanied by the relevant unit certificates must be lodged with The Link REIT's unit registrar, Computershare Hong Kong Investor Services Limited (the "Unit Registrar") at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 18 June 2014.
- (2) In order for Unitholders to be eligible to attend and vote at the 2014 annual general meeting of Unitholders of The Link REIT, all transfer documents accompanied by the relevant unit certificates must be lodged with the Unit Registrar (at the address above) for registration not later than 4:30 pm on 18 July 2014.

Financial reports, announcements, circulars, notices, corporate communications, press releases and other investor information of The Link REIT are available online at The Link REIT's corporate website at [www.thelinkreit.com](http://www.thelinkreit.com).

## INVESTOR RELATIONS CONTACT

### Investor Relations Department

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

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1900

Email: [ir@thelinkreit.com](mailto:ir@thelinkreit.com)

## CORPORATE COMMUNICATIONS CONTACT

### Corporate Communications Department

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

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1938

Email: [mediaenquiries@thelinkreit.com](mailto:mediaenquiries@thelinkreit.com)

### Customer Service Contact

Hotline: (852) 3168 0080

## WEBSITES

[www.thelinkreit.com](http://www.thelinkreit.com) (corporate website)

[www.thelink.com.hk](http://www.thelink.com.hk) (customer and tenant website)

[www.lokfuplaza.com](http://www.lokfuplaza.com) (Lok Fu Plaza website)

[www.stanleyplaza.com](http://www.stanleyplaza.com) (Stanley Plaza website)

[www.taiyuenmarket.com](http://www.taiyuenmarket.com) (Tai Yuen Market website)

## INDEX INCLUSION

The Link REIT is a component of the following selected indices:

Dow Jones Global Index  
Dow Jones Asia Pacific Index  
Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index  
FTSE Asian Property Index  
FTSE All World Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Global Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Asia Pacific Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Asia Index  
FTSE Hong Kong Index

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

Hang Seng REIT Index

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

S&P<sup>(5)</sup> Global REIT Index  
S&P<sup>(5)</sup> Developed Property Index  
S&P<sup>(5)</sup> Asia Property 40 Index

TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite Hong Kong Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite REIT Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite REIT Hong Kong Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Investable 100 Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Investable REIT 100 Index

### Notes:

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

# CORPORATE INFORMATION

## BOARD OF DIRECTORS OF THE MANAGER

### Chairman

*(also an Independent Non-Executive Director)*

Nicholas Robert SALLNOW-SMITH

### Executive Directors

George Kwok Lung HONGCHOY

*(Chief Executive Officer)*

Andy CHEUNG Lee Ming

*(Chief Financial Officer)*

### Non-Executive Director

Ian Keith GRIFFITHS

### Independent Non-Executive Directors

William CHAN Chak Cheung

Eva CHENG LI Kam Fun

Anthony CHOW Wing Kin

Patrick FUNG Yuk Bun

Stanley KO Kam Chuen

May Siew Boi TAN

David Charles WATT

Richard WONG Yue Chim

Elaine Carole YOUNG

## RESPONSIBLE OFFICERS OF THE MANAGER<sup>(1)</sup>

George Kwok Lung HONGCHOY

Andy CHEUNG Lee Ming

Hubert CHAK

Christine CHAN Suk Han

Eric YAU Siu Kei

## COMPANY SECRETARY OF THE MANAGER

Ricky CHAN Ming Tak

## AUTHORISED REPRESENTATIVES<sup>(2)</sup>

Andy CHEUNG Lee Ming

Ricky CHAN Ming Tak

## TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

## AUDITOR

PricewaterhouseCoopers

## PRINCIPAL VALUER

CBRE Limited

## PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited,  
Hong Kong Branch

Bank of China (Hong Kong) Limited

DBS Bank Ltd, Hong Kong Branch

Hang Seng Bank Limited

Scotiabank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

The Bank of East Asia, Limited

The Bank of Tokyo-Mitsubishi UFJ, Ltd,

Hong Kong Branch

The Hongkong and Shanghai Banking Corporation 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

<sup>(1)</sup> Required by the SFO

<sup>(2)</sup> Required by the Listing Rules



**The Link Real Estate Investment Trust**  
**[www.thelinkreit.com](http://www.thelinkreit.com)**

