

Annual Report 2017/2018

Strategic Report



Link Real Estate Investment Trust
Stock code: 823

We **Link** People to
a Brighter Future

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About Link

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

About this Report

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

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

Materiality

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



Access our corporate website
for further information

Complete 2017/2018 Reports and Presentations

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

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

STRATEGIC REPORT

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

GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

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

VALUATION REPORT

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

SUSTAINABILITY WEBSITE

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

COMPLIANCE DOCUMENTATION

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



We **Link** People to a Brighter Future

VISION

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

MISSION

Building relationships with our stakeholders through

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

VALUES

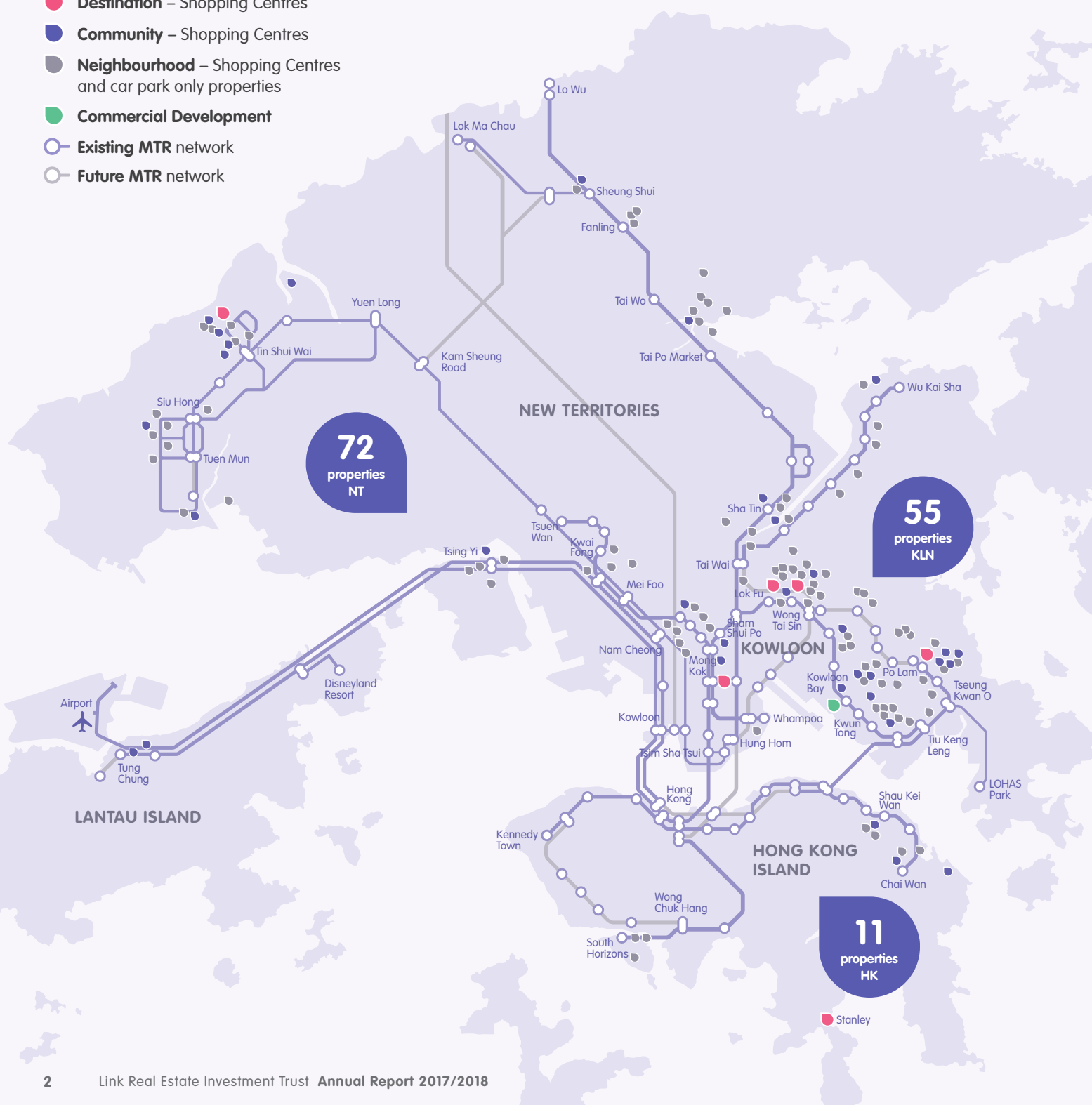
Managing and operating our business with

- Respect
- Excellence
- Integrity
- Teamwork

Our Portfolio

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

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



Portfolio mix (by value)



HONG KONG

138

Properties

~61,000

Car park spaces

~0.9 million sq ft

Under development

~9 million sq ft

Retail space

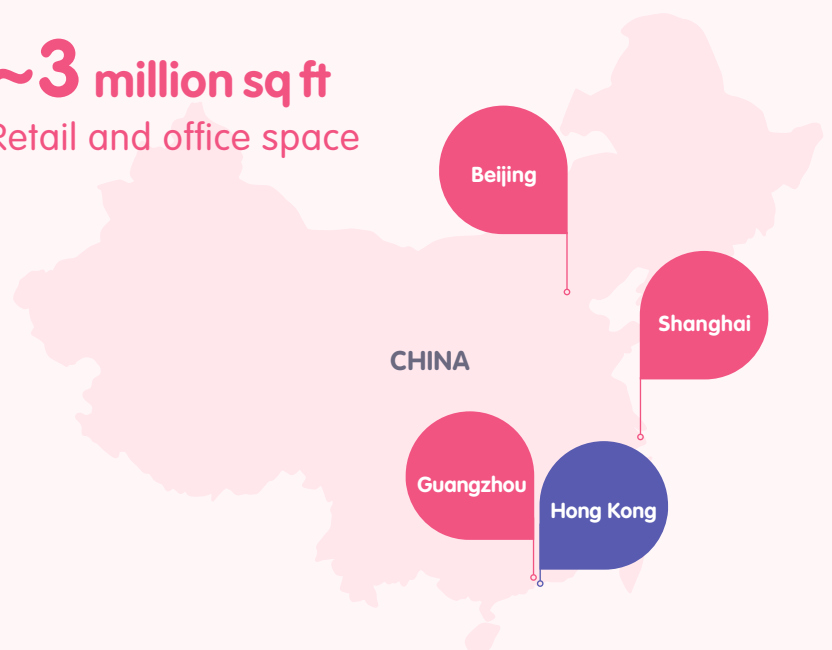
MAINLAND CHINA

3

Properties

~3 million sq ft

Retail and office space



Engaging with Our Stakeholders

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

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

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



OUR COMMUNITIES

People that live in the communities we serve

Why is it important to engage:

Our properties are extensions of the living rooms of those who live around us.

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

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



OUR EMPLOYEES

Nearly 900 direct employees

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

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

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



OUR INVESTORS

Institutional and retail investors of Link

Why is it important to engage: As the

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

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

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

OUR TENANTS

Strategic business partners involving over 9,500 tenancies

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

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

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



OUR BUSINESS PARTNERS

Suppliers and vendors

Service providers that enable us to deliver quality service

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

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

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

Non-Governmental Organisations

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

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

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

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

Media

Media partners that feature Link in different aspects

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

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

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

Government

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

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

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

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

Value Creation Model

VISION

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

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

What we manage

Focusing on strategic priorities



Retail



Car park



Office

How we manage

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

1

Build a productive portfolio

2

Maintain a balanced capital structure

3

Develop a strong team

4

Help our communities flourish

Which creates value

Measured by



Placemaking

A productive portfolio of high quality, sustainable properties

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



Financial

Continuous improvement of financial returns

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



Talent

A talented, engaged and high performing workforce

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



Relationship

Positive relationships with our tenants, shoppers and communities

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



Innovation

A sector leading body of sustainable community development knowledge

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



Environmental

A stable and viable natural environment

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

**We
Link
People
to a
Brighter
Future**

2017/2018 Performance Highlights

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

10,023

Revenue (HK\$'M)

↑ **8.3%** yoy

7,663

Net property income (HK\$'M)

↑ **9.6%** yoy

249.78

Distribution per unit (HK cents)

↑ **9.4%** yoy



Social Contributions that Enhance the Community ⁽¹⁾

HK\$47 million

Earmarked through Link Together Initiatives since 2013

~19,000

Link Tenant Academy participants since 2008

31.3%

Energy consumption reduction in Hong Kong since 2010

Note:

(1) Dates quoted reflect when the initiatives started.

216,404

Total asset value (HK\$'M)

 **23.0%** vs 31/3/2017

97.0%

Occupancy in Hong Kong

99.4%

Occupancy in Mainland China

A Platform for Tenants to Flourish

8.0% yoy

Tenant sales growth in Hong Kong

12.9%

Rent-to-sales ratio in Hong Kong

67

Enhancement projects completed to date

Chairman's Statement



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

Nicholas Charles ALLEN
Chairman



Highlights

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

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

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

Reflection on the Economy and Operating Environment

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

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

A Well Governed Business

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

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

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

The Value We Have Created in the Past Year

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

Our financial capital remains strong, as we delivered another set of robust results in 2017/2018 and ended the year with a healthy balance sheet giving us flexibility to continue investing in different areas of our business. Revenue for the year was up 8.3% to HK\$10,023 million (2017: HK\$9,255 million). Distribution per unit increased by 9.4% year-on-year to HK\$249.78 cents (2017: HK\$228.41 cents)

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

Chairman's Statement

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

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

A Shared Vision to Create Value

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

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

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

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

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

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

Appreciation

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

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

Nicholas Charles ALLEN Chairman

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

Chairman

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

Executive Directors

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

Non-Executive Director

4. Mr Ian Keith GRIFFITHS

Independent Non-Executive Directors

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



Board of Directors

effective from 1 May 2018



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

Chief Executive Officer's Report



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

George Kwok Lung HONGCHOY
Chief Executive Officer



Highlights

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

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

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

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

Delivering Results by Embracing Change

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

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

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

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

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

Chief Executive Officer's Report

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

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

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

Delivering Results by Embracing Sustainability

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

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

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

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

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

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

Delivering Results by Embracing Excellence

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

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

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

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

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

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

Strengthening our Leadership

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

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

Delivering Robust Results

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

Looking Ahead

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

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

George Kwok Lung HONGCHOY Chief Executive Officer

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

Awards and Recognitions



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



Property Design



MIPIM Asia Awards 2017

- Best Futura Project – Gold Winner (The Quayside)

Investor Relations



Institutional Investor 2017 All-Asia Executive Team Ranking

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

Governance



Hong Kong Corporate Governance Excellence Awards 2017

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



Directors of the Year Awards 2017

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

Public Relations



14th Annual International Business Awards

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

Innovation



RICS Awards 2018 Hong Kong

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



Experiential Marketing Brilliance Awards 2017

- Best Shopping Mall App

Sustainability



IFMA Asia Pacific Awards of Excellence 2017

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

Operating Landscape



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

Shopper Preference

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

E-commerce

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

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

Technology

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

KEY MARKET TRENDS IN HONG KONG

Economic Growth Stayed Vibrant

↑ **4.7%**

Source: Hong Kong Census and Statistics Department

Unemployment Rate Stood at a Low Level

2.9%

Note: Seasonally adjusted figure.

Source: Hong Kong Census and Statistics Department

Retail Rents Improved Gradually

↑ **0.1%**

Shopping Centre

Source: Jones Lang LaSalle

Office Rents Rose Steadily

↑ **3.5%**

Grade-A Office

Source: Jones Lang LaSalle

Demand for Parking Spaces was Fast Growing

↑ **2.5%**

Private cars licensed

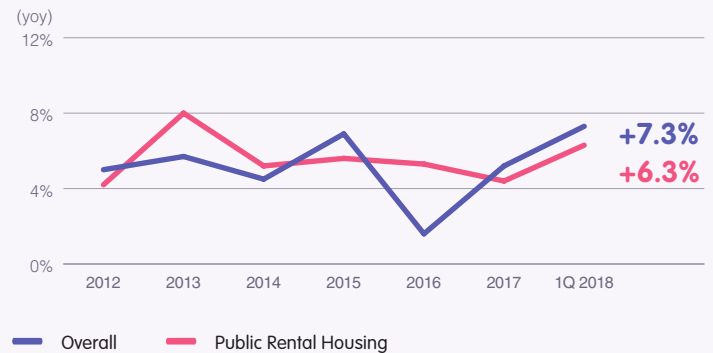
↑ **0.6%**

Private car parking spaces

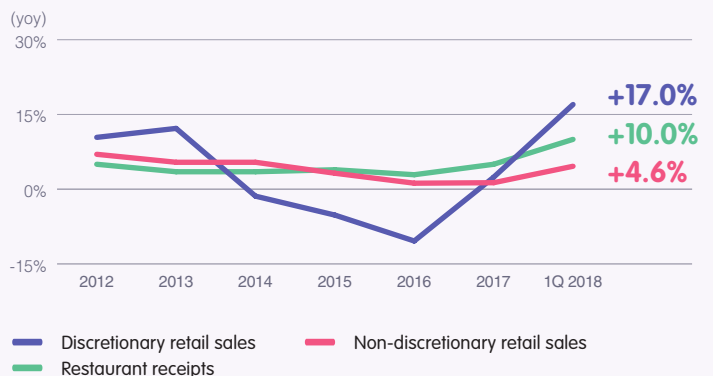
Note: Figures as at 31 March 2018.

Source: Hong Kong Transport Department

Monthly Median Household Income Growth Remained Robust



Consumer Spending Strengthened



KEY MARKET TRENDS IN MAINLAND CHINA

Retail Sales Growth Momentum Sustained

↑ **8.4%**

Guangzhou

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

↑ **4.7%**

Beijing

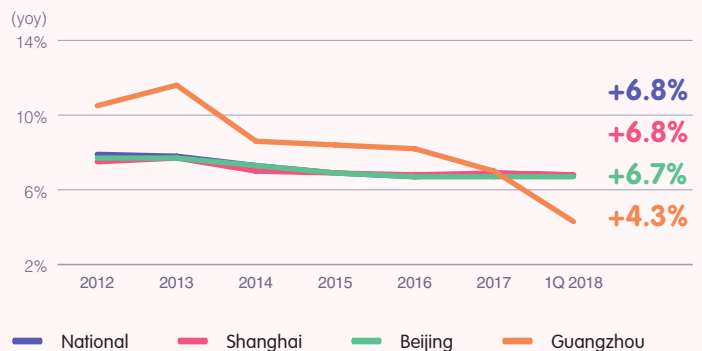
Core CBD Grade-A Office Rents Remained Stable

↓ **1.2%**

Shanghai

Source: Jones Lang LaSalle

Economic Growth Remained Sound



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



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

New Retail

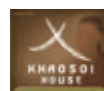
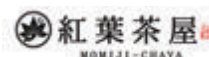
The rise of e-commerce is challenging traditional retailers and changing consumer preferences. To meet with the ever-evolving demands, T.O.P's tenant mix has turned to a seamless omni-channel experience – offering a variety of "New Retail" tenants and pop-up stores of fashion, lifestyle and accessories.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

Shopper Preferences

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

Technology

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



Performance Review: Strategic Priorities



Build a productive portfolio

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



97.0% Occupancy in Hong Kong



99.4% Occupancy in Mainland China



14 Asset enhancement projects completed in 2017/2018



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



31.3% Energy consumption reduction in Hong Kong since 2010



126.2 tonnes Waste diverted from landfill

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

Management

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

Hong Kong Portfolio

Retail

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

Operational statistics of the retail portfolio

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

Note:

(1) Total excluding self-use office.

Retail portfolio breakdown

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

Notes:

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

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

Performance Review: Strategic Priorities

Portfolio lease expiry profile

(as at 31 March 2018)

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

Car Parks

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

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

Key car park performance indicators

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

Mainland China Portfolio

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

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

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

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

Portfolio lease expiry profile

(as at 31 March 2018)

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

Enhancement

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

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

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

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

Performance Review: Strategic Priorities

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

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



TKO Gateway one-stop retail hub with a wider appeal

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



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

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

Notes:

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

(2) Include a fresh market upgrade.

Asset enhancement pipeline

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

Approved asset enhancement projects underway

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

Note:

(1) Include a fresh market upgrade.

Performance Review: Strategic Priorities

Acquisition

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

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

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

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

Divestment

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

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

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

Development

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

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

Environmental Excellence

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

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

Portfolio Management Strategy to Sustain Growth

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

Active portfolio management

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



Acquisitions

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

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



Divestment

- 45 non-core properties

Improved portfolio efficiency

Better resource allocation

Better quality portfolio

Valuation

+17.1%
CAGR⁽¹⁾

Promising return on investment

Unit Price

+15.5%
CAGR⁽¹⁾

Distribution per unit

+12.4%
CAGR⁽¹⁾

Improved market value

Net asset value per unit

+18.9%
CAGR⁽¹⁾

Note:

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

Performance Review: Strategic Priorities



Maintain a balanced capital structure

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

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



11.9%

Gearing ratio



75.8%

Fixed rate debt/
total debt



2.89%

Effective interest rate



HK\$22.7 billion

Total liquidity



A/A2 stable

Credit ratings



64.5 million units

Unit buyback
in 2017/2018

Capital Management

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

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

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

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

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

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

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

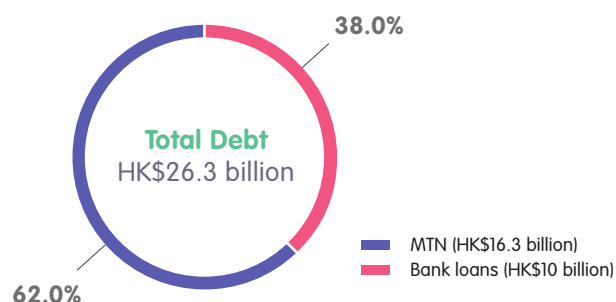
As part of Link's capital management strategy, we used some of the proceeds from divestment to buy back 64.5 million units during the year under review at an average price of HK\$67.43 per unit. We expect to continue with further unit buyback of up to 80 million more units in the coming months to neutralise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

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

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

Funding base

(as at 31 March 2018)



Performance Review: Strategic Priorities

Committed debt facilities ⁽¹⁾

(as at 31 March 2018)

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

Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Facility maturity profile ⁽¹⁾

(as at 31 March 2018)

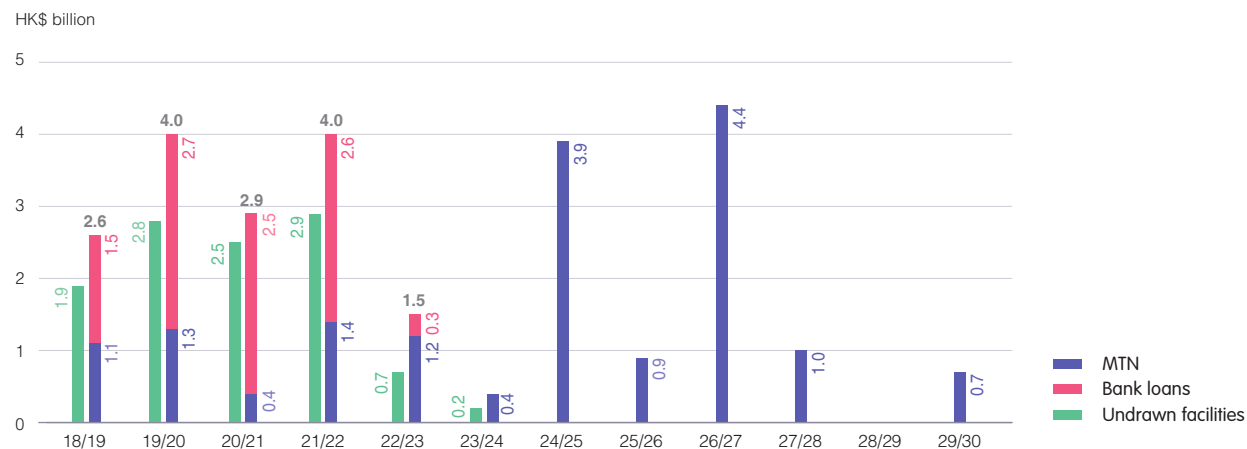
| (HK\$ billion) | Unsecured bank loans | MTN | Undrawn facilities | Total |
|-----------------------------|----------------------|-------------|--------------------|-------------|
| Due in 2018/2019 | 1.5 | 1.1 | 1.9 | 4.5 |
| Due in 2019/2020 | 2.7 | 1.3 | 2.8 | 6.8 |
| Due in 2020/2021 | 2.5 | 0.4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

Note:

(1) All amounts are at face value.

Facility maturity profile ⁽¹⁾

(as at 31 March 2018)



Note:

(1) All amounts are at face value.

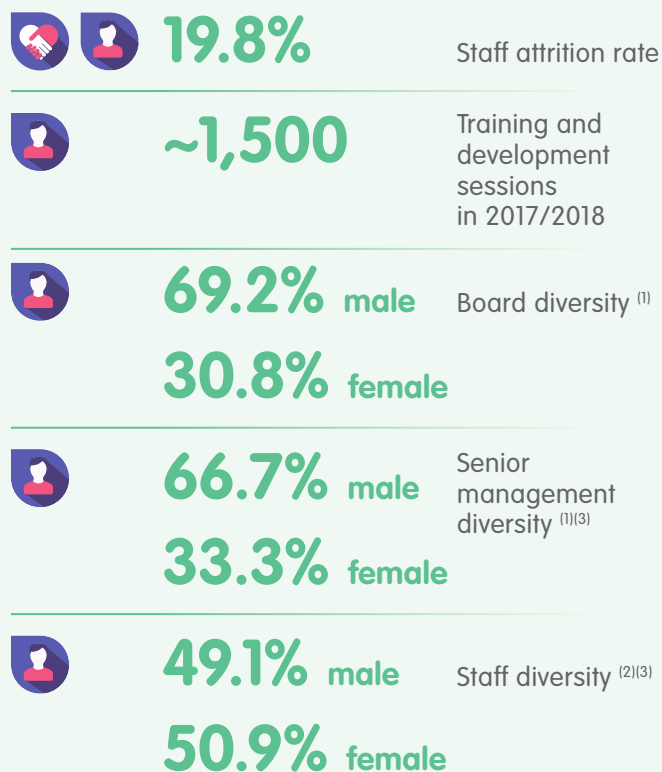


3

Develop a strong team

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

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



Notes:

(1) Figures as at date of this report.

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

(3) Excluding CEO and COO.

Performance Review: Strategic Priorities

Attracting and Retaining Talent

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

Strengthening Leadership Bench

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

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

Building and Developing People Capabilities

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

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

Leadership Development

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

Staff Engagement

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

Property Asset Management Training



62 Participants 1,212 Training Hours

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

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

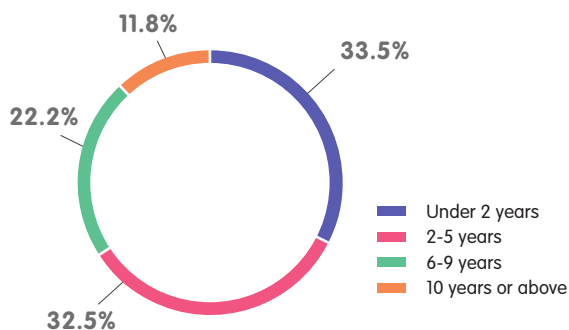
This past year, we continued to support volunteer works. We encouraged our staff to participate in various community works or our Link Together Initiatives. To acknowledge their contribution to society and community, we grant volunteer leave to volunteering staff.

Health, Well-Being and Safety

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

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

Employees' years of service



Diversity and Inclusion

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

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

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

Average hours of training



Performance Review: Strategic Priorities



Help our communities flourish

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

Note:

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



~19,000

Link Tenant Academy Participants since 2008



+8.0%

Tenant Sales Growth in Hong Kong



79/100

Mystery Shopper Programme score



96%

"Neutral" to "Positive" perception ⁽¹⁾



~HK\$9 million

Earmarked to support 2017/2018 Link Together Initiatives



114

Link Community Sentiment Index



Park & Dine App

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



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

Building Better Places and Meeting our Communities Needs

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

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

Tenant Mix

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

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

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

Hong Kong portfolio retail trade mix

(as at 31 March 2018)

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

Note:

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

Performance Review: Strategic Priorities

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

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

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

Link Tenant Academy

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

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

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

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

Link Together Initiatives Updates

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

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

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

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



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

Performance Review: Financial Review

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



249.78

Distribution per unit
(HK cents)



27.6%

Total return for the year

Overall Financial Results

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

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

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

Hong Kong Portfolio

Revenue Analysis

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

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

Revenue breakdown

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

Notes:

(1) Rental from shops included base rent of HK\$5,339 million (2017: HK\$5,015 million) and turnover rent of HK\$121 million (2017: HK\$125 million), respectively.

(2) Property related revenue included other revenue from retail properties of HK\$397 million (2017: HK\$385 million) and car parks of HK\$5 million (2017: HK\$4 million).

Performance Review: Financial Review

Expense Analysis

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

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

Property operating expenses breakdown

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

Mainland China Portfolio

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

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

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

Valuation Review

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

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

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

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

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

Valuation approach

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

High Quality Investments – Mainland China Footprint



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



EC Mall, Beijing



Link Square, Shanghai



Metropolitan Plaza, Guangzhou

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

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

To extend our best practice in asset management across the Mainland

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

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

Risk Management

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

Three Lines of Defence

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

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



Roles and Responsibilities

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

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

1st Line of Defence – Operational Management

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

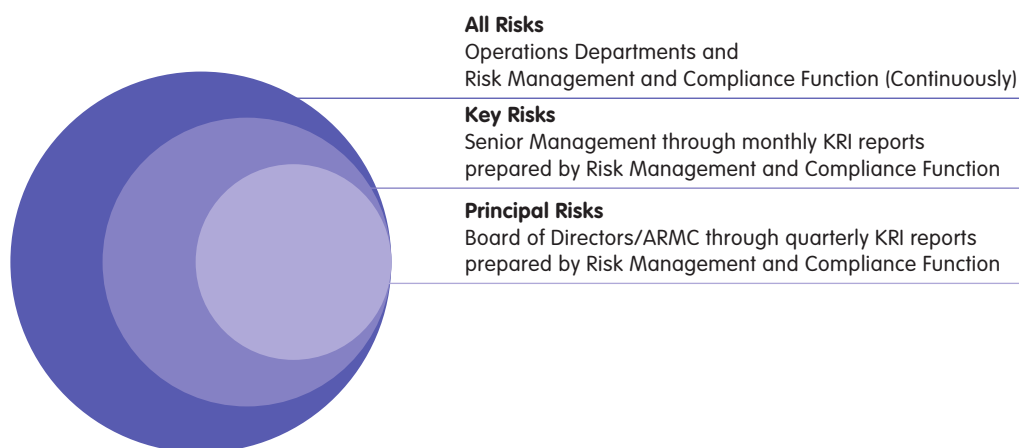
2nd Line of Defence – Risk Management and Compliance Function

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

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

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

Link's risks are monitored by



3rd Line of Defence – Internal Audit

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

Recognised Risk Management and Assessment Framework

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

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

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

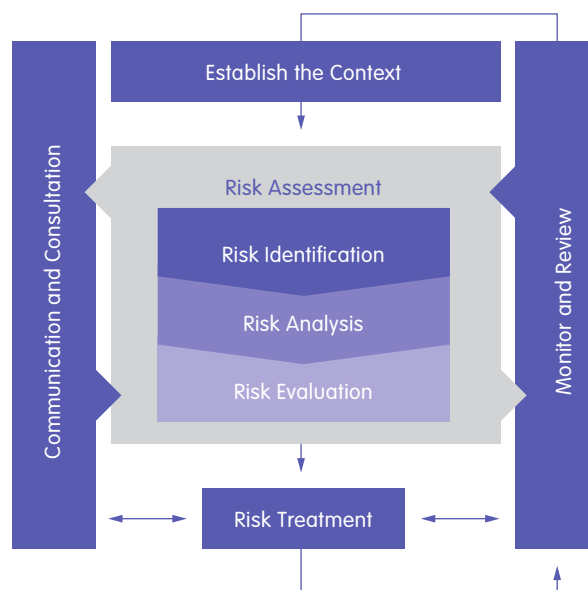
After assessing the inherent risks by possible causes, sources, likelihood and impact of the risk event, we can lower the risk by reducing the likelihood of the risk event occurring or by reducing the significance of the risk impact if it does occur through implementation of effective internal controls.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

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

Risk Management

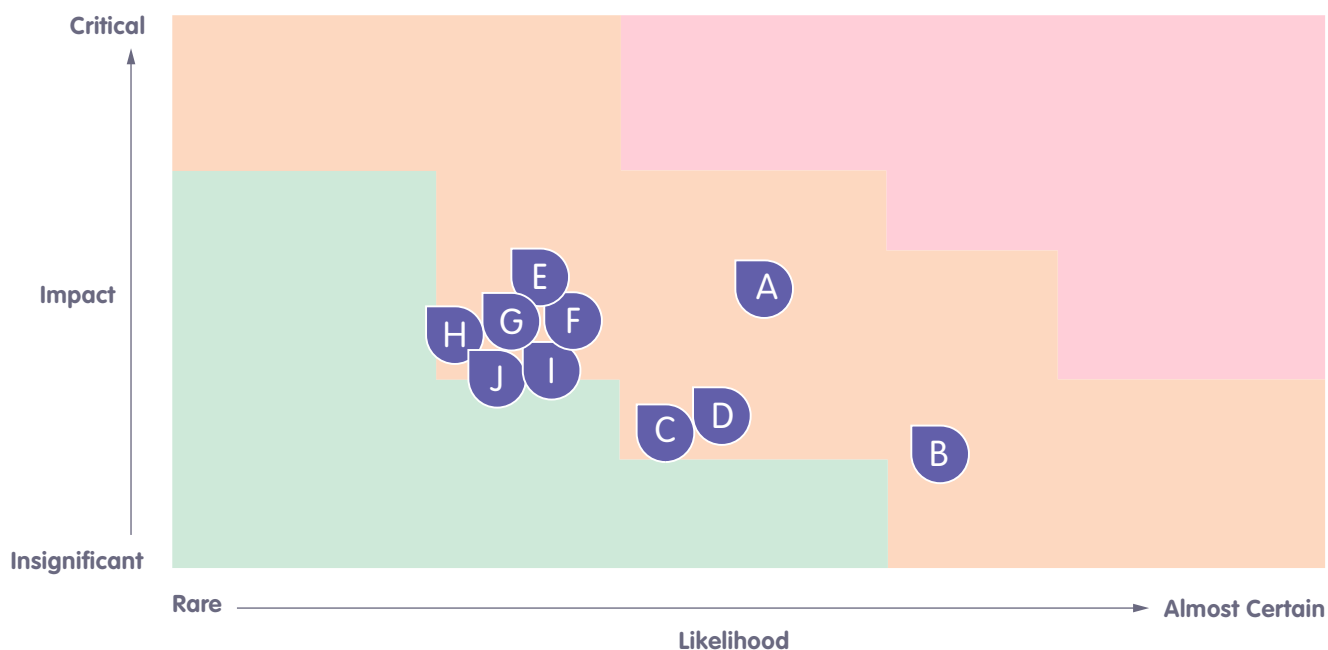
Such risks are discussed and responsibility for them is assigned to individual business unit most suitable to manage the risk. Assigned risk owners are required to continually monitor, evaluate and report on risks which they are responsible for.

Risk management process



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

Residual risk heat map



A – Economic Outlook

B – Brand and Reputation

C – Political

D – Financial Market Volatilities

E – Legal and Regulatory Compliance

F – Information Technology

G – Rental Income Sustainability

H – Management of Asset Enhancement and Property Development Projects

I – Asset Investment

J – Investor Relations

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

Link's Principal Risks



Financial



Placemaking



Talent



Environmental



Relationship



Innovation

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

Corporate Governance

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

Our Board

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

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

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

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

These elements accentuate our high corporate governance standards:

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

Separate & Clearly Defined Roles

The Chairman and the CEO

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

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

The Board and the Board Committees

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



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

Investor Information

Listing of the Units

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

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

Financial Calendar

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

Notes:

- (1) In order to qualify for the final cash distribution of HK128.28 cents per unit for the year ended 31 March 2018, Unitholders should ensure that all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 21 June 2018.
- (2) In order for Unitholders to be eligible to attend and vote at the 2018 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above), for registration not later than 4:30 p.m. on 19 July 2018.

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

Investor Relations Contact

Investor Relations Department

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

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1900

Email: ir@linkreit.com

Corporate Communications Contact

Corporate Communications Department

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

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1938

Email: mediaenquiries@linkreit.com

Customer Service Contact

Hotline: (852) 2122 9000

Websites

Linkreit.com (corporate website)

Linkhk.com (customer website)

Mobile App



Linkhk.com

Park & Dine Mobile App

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index

FTSE All-World Index Series

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

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

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

FTSE RAFI All World 3000

Russell RAFI Index Series

Russell Global Index

GPR⁽³⁾ 250 (World) Index

GPR⁽³⁾ 250 Asia Index

GPR⁽³⁾ 250 Asia Pacific Index

GPR⁽³⁾ 250 Hong Kong Index

GPR⁽³⁾ 250 REIT (World) Index

GPR⁽³⁾ 250 REIT Asia Index

GPR⁽³⁾ 250 REIT Asia Pacific Index

GPR⁽³⁾ 250 REIT Hong Kong Index

GPR⁽³⁾ General (World) Index

GPR⁽³⁾ General Asia Index

GPR⁽³⁾ General Hong Kong Index

GPR⁽³⁾ General Quoted (World) Index

GPR⁽³⁾ General Quoted Asia Index

GPR⁽³⁾ General Quoted Hong Kong Index

GPR⁽³⁾ Global 100 Index

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

Hang Seng Index

Hang Seng REIT Index

Hang Seng Corporate Sustainability Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite Index

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

GPR⁽³⁾/APREA⁽⁷⁾ Composite REIT Index

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

GPR⁽³⁾/APREA⁽⁷⁾ Investable 100 Index

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

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

Notes:

(1) European Public Real Estate Association

(2) National Association of Real Estate Investment Trusts

(3) Global Property Research

(4) Inflection Point Capital Management

(5) La Française Forum Securities

(6) Global Real Estate Securities

(7) Asia Pacific Real Estate Association

Definitions and Glossary

| | |
|---|---|
| 2007 LTI Plan | the long-term incentive plan of Link adopted by Unitholders on 23 July 2007 and expired on 22 July 2017 |
| 2017 LTI Scheme | the long-term incentive scheme of Link adopted by the Board on 10 July 2017 |
| 2017 AGM | the annual general meeting of Unitholders held on 26 July 2017 |
| 2018 AGM | the annual general meeting of Unitholders scheduled to be held on 25 July 2018 |
| Articles of Association | articles of association of the Manager |
| average monthly unit rent | the average base rent plus management fee per month per square foot of leased area |
| base rent | in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements |
| Board or Board of Directors | board of directors of the Manager |
| Board Chairman or Chairman | Chairman of the Board (unless the context requires otherwise) |
| Board Committees | the committees of the Board to discharge the duties set out in their respective terms of reference as approved by the Board which, as at the date of this report, include the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Finance and Investment Committee, and “ Board Committee ” refers to any one of them |
| CBD | central business district |
| CEO | Chief Executive Officer of the Manager |
| CFO | Chief Financial Officer of the Manager |
| Compliance Manual | the compliance manual of the Manager which sets out (among others) the key processes, systems and measures in respect of Link’s operations and the corporate governance policy of Link |
| COO | Chief Operating Officer of the Manager |
| DCF | discounted cash flow |
| Director(s) | director(s) of the Manager |
| DPU | distribution per unit in respect of the total distributable amount of Link for a financial year/period |
| ED(s) | Executive Director(s) of the Manager (unless the context requires otherwise) |
| ESG | environmental, social and governance |
| EUPP | employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing, through an independent third party intermediary, units of Link in the open market in accordance with the rules of the plan |
| GAV Cap | 10% of Link’s gross asset value (and as calculated in the manner set out in the Trust Deed) as a cap to property development activities of Link under the REIT Code |
| Group | Link and its subsidiaries (unless the context requires otherwise) |

| | |
|---|--|
| HK CCI | Hong Kong Consumer Confidence Index, which is developed by The Nielsen Company (Hong Kong) Limited. Target respondents are Hong Kong general consumers who aged 15 and above. Interviews are conducted via online for around 500 samples in each quarter |
| Hong Kong or HKSAR | Hong Kong Special Administrative Region of The People's Republic of China |
| Hong Kong Stock Exchange or Stock Exchange or SEHK | The Stock Exchange of Hong Kong Limited |
| INED(s) | Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise) |
| KPI(s) | Key Performance Indicator(s) |
| KRI | Key Risk Indicators |
| lease | a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant |
| LEED-EBOM | LEED for Existing Buildings: Operations & Maintenance |
| Link or Link REIT | Link Real Estate Investment Trust |
| Link Corporate Governance Policy | the corporate governance policy set out in the Compliance Manual |
| Link CSI | Link Community Sentiment Index, which is developed based on the methodology of HK CCI. The target respondents are shoppers aged 15 and above of Link's shopping centres, across 16 districts in Hong Kong. Face to face interviews are conducted per quarter in 20 selected shopping centres for 720 samples. Interview period of Link CSI may be different from HK CCI within the quarter |
| Link Securities Dealing Code | the code governing dealings in securities of Link by Directors, senior management and other employees of certain senior grades of the Manager |
| Listing Rules | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| Listing Rules Corporate Governance Code | Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules |
| Manager | Link Asset Management Limited, which is the manager of Link |
| market capitalisation | the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Stock Exchange |
| MTN | note(s) issued or to be issued from time to time pursuant to the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009 |
| NED | Non-Executive Director of the Manager (unless the context requires otherwise) |
| NGO(s) | Non-governmental organisation(s) |
| NPI | net property income, being total revenue less direct property related expenses |
| occupancy rate | the aggregated leased area as a percentage of total leasable area |
| PRC | The People's Republic of China and if the context requires, exclude Hong Kong |

Definitions and Glossary

| | |
|---|--|
| Principal Valuer | the Principal Valuer (as defined in the REIT Code) of Link, which is currently Jones Lang LaSalle Limited |
| psf or sq ft | per square foot or square feet |
| REIT(s) | real estate investment trust(s) |
| REIT Code | Code on Real Estate Investment Trusts issued by the SFC |
| return on investment | projected NPI post asset enhancement minus NPI pre asset enhancement divided by the estimated amount of project capital expenditure and loss of rental |
| reversion rate | the percentage change in per square foot average unit rent between old and new leases on the same unit |
| RMB | Renminbi, the lawful currency of The People's Republic of China |
| SFC | Securities and Futures Commission of Hong Kong |
| SFO | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| significant holder or significant Unitholder | has the meaning of "significant holder" under 8.1(d) of Chapter 8 of the REIT Code (i.e. holder of an interest of 10% or more in the units of Link) |
| SPVs | special purpose vehicles (within the meaning of the REIT Code and the Trust Deed) |
| sqm | square metre |
| tenant | a lessee, a tenant or a licensee (as the case may be) under a lease |
| total distributable amount | total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable |
| total distributable income | the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effect of certain non-cash adjustments |
| Trust Deed | the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, as amended and supplemented by 11 supplemental deeds |
| Trustee | trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited |
| turnover rent | rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent |
| unit(s) | unit(s) of Link (unless the context requires otherwise) |
| Unitholder(s) | holder(s) of unit(s) of Link |

Corporate Information

Board of Directors of the Manager

Chairman

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

Executive Directors

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

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE⁽¹⁾
William CHAN Chak Cheung⁽²⁾
Ed CHAN Yiu Cheong
Blair Chilton PICKERELL
Poh Lee TAN
May Siew Boi TAN
Peter TSE Pak Wing
Nancy TSE Sau Ling
David Charles WATT
Elaine Carole YOUNG

Chief Financial Officer of the Manager

NG Kok Siong

Company Secretary of the Manager

Ricky CHAN Ming Tak

Responsible Officers of the Manager⁽³⁾

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

Authorised Representatives⁽⁴⁾

Andy CHEUNG Lee Ming
Ricky CHAN Ming Tak

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Jones Lang LaSalle Limited

Registered Office of the Manager

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

Town Office of the Manager

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

Unit Registrar and Transfer Office

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

(1) Appointed on 1 May 2018

(2) Retired on 9 November 2017

(3) Required by the SFO

(4) Required by the Listing Rules

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

