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## **Link Real Estate Investment Trust**

*(a collective investment scheme authorised under section 104  
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(stock code: 823)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

The board of directors (the **Board**) of Link Asset Management Limited (the **Manager**), as manager of Link Real Estate Investment Trust (**Link**), is pleased to report to unitholders of Link (the **Unitholders**) the unaudited interim results of Link and its subsidiaries (the **Group**) for the six months ended 30 September 2021.

The interim results and the condensed consolidated interim financial information of the Group for the six months ended 30 September 2021, after review by the audit and risk management committee of the Manager (the **Audit and Risk Management Committee**), were approved by the Board on 10 November 2021.

#### **OVERALL FINANCIAL RESULTS**

During the six months under review, revenue and net property income increased by 10.4% and 8.8% year-on-year to HK\$5,778 million (six months ended 30 September 2020: HK\$5,233 million) and HK\$4,391 million (six months ended 30 September 2020: HK\$4,037 million), respectively.

Valuation of the investment property portfolio increased by 3.8% to HK\$206,551 million (31 March 2021: HK\$199,074 million) due to acquisition of asset and fair value gain. Net asset value per unit increased by 2.3% to HK\$77.99 (31 March 2021: HK\$76.24).

Total distributable amount, after adjustments and a discretionary distribution of HK\$146 million (six months ended 30 September 2020: HK\$144 million), amounted to HK\$3,336 million (six months ended 30 September 2020: HK\$2,921 million). Interim distribution per unit for the period increased by 12.7% to HK159.59 cents (six months ended 30 September 2020: HK141.65 cents).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Highlights – China

#### *Hong Kong Portfolio*

Our Hong Kong portfolio primarily comprises retail and car park facilities which are predominately located in densely populated residential areas across the city. Our non-discretionary focused retail assets primarily offer food-related trades, whereas our car park mainly serve the shoppers visiting our malls and residents of the surrounding estates. We also own 60% of an office development – The Quayside – in Kowloon East, providing 20 storeys of grade-A office space.

Hong Kong operations have largely resumed to normal as COVID-19 situation has been contained. Against this backdrop, our focus has shifted from offering monetary tenant support to bolstering business recovery through marketing initiatives. Our tenants have demonstrated resilience and the rental collection rate remained high at 98%. Positive signs of recovery can also be seen as total retail revenue improved by 6.2% while total car park revenue improved by 12.2% year-on-year.

#### **Retail**

- We saw good growth in our retail rental operations in 1H 2021/2022. Leasing progress has been healthy and occupancy further improved to 97.5%, reaching a record high.
- Hong Kong average reversion rate edged up to 3.4%. Average unit rent stayed flat at HK\$62.4 per square foot (*psf*).
- With the COVID-19 situation stabilised, we better utilised the areas and organised more thematic fairs and bazaars during the period. As a result, retail rental from mall merchandising grew by 28.9% year-on-year.
- The 48.1% year-on-year increase in expenses recovery and other miscellaneous revenue was due to the waiver of management fee and air-conditioning service fee granted in the last financial period as part of the Tenant Support Scheme.
- Link's overall tenant gross sales psf remained resilient. Footfall and consumption sentiment improved with support from the Hong Kong Government's HK\$5,000 Consumption Voucher Scheme. An 8.9% year-on-year growth in tenant gross sales psf was recorded nearing the pre-COVID levels in 2019. Overall rent-to-sales ratio further normalised to 13.0% with improvements in F&B and general retail segments.
- In Hong Kong, there is pent-up demand for local spending as travel restrictions and quarantine requirements persist. Together with the second tranche of the Consumption Voucher Scheme which was disbursed from 1 October 2021, we expect leasing sentiment and overall tenant sales will continue to improve in the second half of 2021/2022. Going forward, the pace of economic recovery will depend on border reopening and unemployment trends.

## Revenue Breakdown<sup>(1)</sup>

	Six months ended 30 September 2021 HK\$'M	Six months ended 30 September 2020 HK\$'M	Year-on-year change %
<b>Retail rental:</b>			
Shops <sup>(2)</sup>	2,457	2,440	0.7
Markets/Cooked Food Stalls	486	473	2.7
Education/Welfare and Ancillary	71	70	1.4
Mall Merchandising	107	83	28.9
<b>Expenses recovery and other miscellaneous revenue<sup>(3)</sup></b>	<b>480</b>	<b>324</b>	<b>48.1</b>
<b>Total retail revenue</b>	<b>3,601</b>	<b>3,390</b>	<b>6.2</b>

### Notes:

- (1) Management fees have been reclassified from rental to other miscellaneous revenue. Comparative figures have been restated.
- (2) Rental from shops included base rent of HK\$2,419 million (six months ended 30 September 2020: HK\$2,414 million) and turnover rent of HK\$38 million (six months ended 30 September 2020: HK\$26 million).
- (3) Other miscellaneous revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue.

## Operational Statistics

	Occupancy rate		Reversion rate <sup>(1)</sup>		% of total area <sup>(2)</sup>
	As at 30 September 2021 %	As at 31 March 2021 %	Six months ended 30 September 2021 %	Six months ended 30 September 2020 %	As at 30 September 2021 %
Shops	97.6	97.0	2.3	(9.5)	84.0
Markets/Cooked Food Stalls	95.8	94.4	14.2	23.2	9.2
Education/Welfare and Ancillary	98.4	98.4	4.3	4.7	6.8
<b>Total</b>	<b>97.5</b>	<b>96.8</b>	<b>3.4</b>	<b>(4.0)</b>	<b>100.0</b>

### Notes:

- (1) Reversion rate was calculated based on base rent (excluding management fee). Comparative figures have been restated.
- (2) Total excluding self-use office.

## Tenant Retail Gross Sales Growth and Rent-to-sales Ratio

(Six months ended 30 September 2021)

Trade	Tenant retail gross sales growth psf %	Rent-to-sales ratio <sup>(1)</sup> %
Food and Beverage	25.7	13.8
Supermarket and Foodstuff	(8.6)	11.0
General Retail <sup>(2)</sup>	13.4	14.6
<b>Overall</b>	<b>8.9</b>	<b>13.0</b>

### Notes:

<sup>(1)</sup> A ratio of base rent (excluding management fee) to tenant retail gross sales psf.

<sup>(2)</sup> Including clothing, department stores, electrical and household products, personal care/medicine, optical, books and stationery, newspaper, valuable goods, services, leisure and entertainment, and retail others.

## Portfolio Breakdown

Properties	No. of properties	Retail property valuation	Retail rentals	Average monthly unit rent <sup>(1)</sup>		Occupancy rate	
	As at 30 September 2021	As at 30 September 2021 HK\$'M	Six months ended 30 September 2021 HK\$'M	As at 30 September 2021 HK\$ psf	As at 31 March 2021 HK\$ psf	As at 30 September 2021 %	As at 31 March 2021 %
Destination	6	27,292	613	76.9	79.3	97.0	94.0
Community	35	69,210	1,766	69.2	69.2	98.0	97.6
Neighbourhood	57	29,666	742	45.2	44.6	97.0	97.2
<b>Total</b>	<b>98</b>	<b>126,168</b>	<b>3,121</b>	<b>62.4</b>	<b>62.4</b>	<b>97.5</b>	<b>96.8</b>

### Note:

<sup>(1)</sup> Average monthly unit rent represents the average base rent (excluding management fee) per month psf of leased area.

## Trade Mix

(As at 30 September 2021)

Trade	By monthly rent <sup>(1)</sup> %	By leased area %
Food and Beverage	27.9	29.4
Supermarket and Foodstuff	22.0	17.5
Markets/Cooked Food Stalls	16.7	9.0
Services	10.6	10.6
Personal Care/Medicine	5.4	3.8
Education/Welfare and Ancillary	1.0	6.8
Valuable Goods (Jewellery, watches and clocks)	0.7	0.4
Others <sup>(2)</sup>	15.7	22.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Notes:

<sup>(1)</sup> Refers to base rent (excluding management fee).

<sup>(2)</sup> Others include clothing, department stores, electrical and household products, optical, books and stationery, newspaper, leisure and entertainment.

## Lease Expiry Profile

(As at 30 September 2021)

	% of total area %	% of monthly rent <sup>(1)</sup> %
2021/2022	19.9	17.4
2022/2023	27.8	31.3
2023/2024 and Beyond	45.4	46.0
Short-term Lease and Vacancy	6.9	5.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Note:

<sup>(1)</sup> Refers to base rent (excluding management fee).

## Car Park

- Car park performance continued to trend upward as people resumed business and leisure activities due to the lifting of COVID-19 restrictions.
- During the period, significant improvement was seen in hourly car park rental revenue, which was up 39.1% year-on-year and recovered to pre-COVID levels. Monthly car park ticket sales increased gradually and monthly car park rental recorded a 4.1% growth year-on-year. As a result, overall car park revenue grew 12.2% year-on-year.
- Car park income per space per month increased by 11.9% year-on-year to HK\$3,073 as a result of increases in visits to malls and hourly tariffs.
- As at 30 September 2021, total car park valuation and average valuation per space were HK\$32,835 million (31 March 2021: HK\$31,516 million) and approximately HK\$581,000 (31 March 2021: HK\$558,000) respectively.

## Revenue Breakdown

	Six months ended 30 September 2021 HK\$'M	Six months ended 30 September 2020 HK\$'M	Year-on-year change %
<b>Car park rental:</b>			
Monthly	754	724	4.1
Hourly	288	207	39.1
<b>Expense recovery and other miscellaneous revenue</b>	<b>5</b>	<b>2</b>	<b>150.0</b>
<b>Total car park revenue</b>	<b>1,047</b>	<b>933</b>	<b>12.2</b>

## Office

- Leasing progress in The Quayside has been encouraging. As of October 2021, the committed occupancy rate of the office tower has reached 93.8%. Blue-chip finance and insurance companies are the key tenants of the office tower, taking up around 60% of the area.
- Part of the remaining vacant office space at The Quayside is located at the top floor. We target to attract high-quality tenants seeking premium grade-A office space with prominent harbour views.

## Property Operating Expenses

- During the period, total property operating expenses increased by 9.9% while net property income margin declined slightly to 76.6% (six months ended 30 September 2020: 77.1%).
- Marketing expenses increased as Link organised a wide range of events to aid tenants' sales.
- Staff costs increased due to higher accrual for awards granted under our long-term incentive plan.
- Utilities charges increased due to the absence of government subsidies and increases in energy consumption as a result of additional ventilation for COVID-19 prevention during the period.

## Property Operating Expenses Breakdown

	<b>Six months ended 30 September 2021 HK\$'M</b>	Six months ended 30 September 2020 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	<b>293</b>	296	(1.0)
Staff costs	<b>220</b>	187	17.6
Repair and maintenance	<b>90</b>	82	9.8
Utilities	<b>164</b>	145	13.1
Government rent and rates	<b>139</b>	133	4.5
Promotion and marketing expenses	<b>81</b>	44	84.1
Estate common area costs	<b>50</b>	46	8.7
Other property operating expenses	<b>83</b>	86	(3.5)
<b>Total property operating expenses</b>	<b>1,120</b>	1,019	9.9

### *Mainland Portfolio*

As at 30 September 2021, we have seven investments in Mainland located in Beijing, Shanghai, Guangzhou and Shenzhen. The portfolio delivered 15.6% and 13.0% year-on-year growth in total revenue and net property income, respectively. The increase in revenue was mainly due to new contribution from Happy Valley Shopping Mall in Guangzhou and the retail rental reversions achieved in our other Mainland assets. Notwithstanding the resurgence of COVID-19 and the recent electricity blackout in Mainland, there was no material impact on Link's business. Overall rental collection remained healthy at 97%.

## Retail

- Our five shopping centres in Mainland continued to deliver encouraging reversion averaging 12.1%. Our newly acquired Qualified Minority-owned Property Qibao Vanke Plaza achieved a reversion of 31.3%.
- Average occupancy was 91.5%, due in part to the other newly acquired Guangzhou Happy Valley Shopping Mall, whose occupancy was 74.1%. Excluding Happy Valley Shopping Mall, average occupancy was 96.2% as at the period end.
- The team in Guangzhou is striving to stabilise the operations at Guangzhou Happy Valley Shopping Mall and create further value there. We have started planning for its asset enhancement programme which should commence later next year.
- Link CentralWalk's tenant sales growth lagged as the asset has been undergoing enhancement. The tenant sales in three properties – Link Plaza · Zhongguancun, Link Plaza · Jingtong and Link Plaza · Guangzhou – recovered to around 90% of the 2019 level.

## Office

- Located at core Central Business District (“**CBD**”) in Shanghai, Link Square is leased to several local and multinational conglomerates. Office occupancy of our premium grade A office Link Square in Shanghai edged up to 96.7%. Office reversion was at -12.1% as it continued to face headwinds in a competitive market. The leases renewed related to only 8.3% of the total leasable area with minor impact on rental revenue.
- To enhance its competitiveness, we are upgrading Link Square by enhancing the office lobby and common areas. We anticipate the asset will continue to provide a secured and stable income stream.

## Lease Expiry Profile

(As at 30 September 2021)

	Retail		Office	
	% of total area %	% of monthly rent <sup>(1)</sup> %	% of total area %	% of monthly rent <sup>(1)</sup> %
2021/2022	11.8	14.7	27.8	28.6
2022/2023	18.8	26.5	28.2	30.8
2023/2024 and Beyond	60.9	58.8	40.7	40.6
Vacancy	8.5	–	3.3	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note:

<sup>(1)</sup> Refers to base rent (excluding management fee).

## Logistics

- We acquired 75% interests in two recently-developed modern logistics assets in Dongguan and Foshan at an initial consideration of RMB754 million, subject to completion adjustments: the acquisition was completed on 27 October 2021. The total consideration of the two logistics properties acquired were less than 1% of GAV of Link and considered immaterial to Link. As such, no announcement has been made by Link pursuant to 10.4(ga) of the Code on Real Estate Investment Trusts (REIT Code).
- Being Link's first foray into the logistics sector, we were selective in picking these properties which are immediately income generating and fully-occupied by reputable tenants. The tenant mix by area includes grocery (44%, Dongguan property), third-party logistics (38%, Dongguan property), consumer (18%, Dongguan property) and e-commerce (100%, Foshan property).
- We will co-own with an experienced partner who will also be the operation manager. With respective weighted average lease expiry of 3.5 and 4.4 years, the Dongguan and Foshan logistics assets enjoy emerging leasing demands, given they are strategically located in well-connected transportation hubs within the Greater Bay Area.

## Investment Summary

Property Particulars	Dongguan Property	Foshan Property
Address	281 Yanhe Road, Shatian, Dongguan	Heng'er Road, Sanshui, Foshan
Remaining Land Tenure	46 years	46 years
Completion	2019	2020
GFA ( <i>square meter</i> )	110,015	86,793
Net Ceiling Height ( <i>meter</i> )	9	9
Loading Capacity ( <i>per square meter</i> )	1/F – 3t, 2/F – 2t	1/F – 3t, 2/F – 2t
Monthly Gross Passing Income ( <i>RMB Million</i> )	4.8	2.8
<b>Valuation</b>		
Agreed Property Value ( <i>RMB Million</i> )	844	480
Valuation by Colliers ( <i>RMB Million</i> )	883	499

### *Asset Enhancement*

#### Completed projects in 1H 2021/2022

- Returns on investment of the completed enhancement projects were impacted by the dampened leasing market during the pandemic. During the period, we completed the enhancements of Hing Wah Plaza and Tai Wo Plaza with a capex of HK\$31 million and HK\$55 million, and ROI of 13.2% and 3.6% respectively.

#### Approved Asset Enhancement Projects Underway

- Three projects (Link CentralWalk in Shenzhen, Tai Yuen Market and Lok Fu Market in Hong Kong) are currently underway and they each will incur an estimated capex of HK\$346 million, HK\$27 million and HK\$32 million, respectively. The expected completion date is late 2021 for Link CentralWalk, and mid 2022 for the two Hong Kong projects.
- Going forward, we target to spend an aggregate of over HK\$1 billion capex on asset enhancements on ~20 projects. There are no foreseeable impacts resulting from supply chain challenges to costs and materials for asset enhancement projects.

## Operational Highlights – Overseas

### *Retail Portfolio*

- After the financial period end, Link agreed to purchase 50% interests in three iconic retail assets in Sydney at a consideration of AUD538.2 million, the acquisition is expected to complete in the first half of 2022.
- The three assets are namely Queen’s Victoria Building, The Galleries and The Strand Arcade. Located on George Street in the core business district of Sydney, the three assets are among the most productive retail assets in Australia. As at the valuation date on 25 October 2021, the portfolio occupancy stood at 94.3% and the tenant mix by the total gross passing income were 50%, 20% and 14% from fashion and accessory, food and beverage and major/mini-major tenants, respectively.
- As New South Wales is gradually reopening with most lockdown measures lifted in November, local businesses are anticipated to resume to normal operations. We will work closely with Vicinity as a co-owner to curate and position the portfolio dynamically to better serve the needs of shoppers and the broader community in the long run.

### *Office Portfolio*

- The two office buildings, 100 Market Street in Australia and The Cabot in the United Kingdom, are our core investments and we have a full period of rental contribution from both properties during the period.
- The portfolio is highly defensive in nature as both properties possess long weighted average lease expires – 8 years and in excess of 10 years respectively – and have shown high levels of resilience despite the impact of the COVID-19 pandemic. During the period, total revenue and net property income of the two office buildings amounted to HK\$245 million and HK\$170 million, respectively.
- The properties continued to be fully-occupied by blue-chip tenants and we have experienced no major rental arrears in either office property. Overall rental collection rate remained healthy at 99% as of October 2021.
- We plan to refurbish the lobby of 100 Market Street to improve the entrance experience of the asset.

## Valuation Review

- Colliers International (Hong Kong) Limited, the principal valuer of Link, valued Link's properties as at 30 September 2021, using the income capitalisation approach with reference to market comparables via the direct comparison approach. As at 30 September 2021, total value of investment properties has increased by 3.8% to HK\$206,551 million when compared to 31 March 2021. The increase was mainly due to the acquisition of Happy Valley Shopping Mall in Guangzhou which was completed in June 2021 and valuation gain.
- As at 30 September 2021, value of our Hong Kong retail properties remained steady at HK\$126,168 million, up 1.3% from HK\$124,581 million as at 31 March 2021. Value of car parks increased 4.2% to HK\$32,835 million (31 March 2021: HK\$31,516 million) mainly due to an increase in net property income as a result of the increase in car park tariff and ticket sales. The value of our Hong Kong office was valued at HK\$9,023 million (31 March 2021: HK\$8,943 million).
- Properties in Mainland (including 50% value of Qibao Vanke Plaza) were valued at HK\$35,988 million, up from HK\$27,160 million as at 31 March 2021. The increase of HK\$8,828 million was mainly due to acquisitions. Excluding the translation difference and on a like-for-like basis, the value of our Mainland properties increased by 0.8% in Renminbi terms.
- Valuation of our office buildings in Australia and the United Kingdom were at HK\$3,906 million (31 March 2021: HK\$4,038 million) and HK\$3,956 million (31 March 2021: HK\$4,019 million), respectively as at 30 September 2021. The changes in valuations were mainly due to exchange rate fluctuations.

## Valuation

	Valuation		Capitalisation Rate	
	As at 30 September 2021 HK\$'M	As at 31 March 2021 HK\$'M	As at 30 September 2021	As at 31 March 2021
<b>Hong Kong</b>				
Retail properties	126,168	124,581	3.10% – 4.50%	3.10% – 4.50%
Car parks	32,835	31,516	3.10% – 5.30%	3.10% – 5.30%
Office property	9,023 <sup>(1)</sup>	8,943 <sup>(1)</sup>	3.00%	3.00%
	<u>168,026</u>	<u>165,040</u>		
<b>Mainland</b>				
Retail properties	29,432 <sup>(2)</sup>	20,713	4.25% – 4.75%	4.25% – 4.75%
Office property	6,556	6,447	4.25%	4.25%
	<u>35,988</u>	<u>27,160</u>		
<b>Australia</b>				
Office property	3,906	4,038	4.40%	4.50%
<b>United Kingdom</b>				
Office property	3,956	4,019	5.26%	5.24%
<b>Total valuation</b>	<u>211,876</u>	<u>200,257</u>		
<b>Total valuation of investment properties</b>	<u>206,551<sup>(3)</sup></u>	<u>199,074<sup>(3)</sup></u>		

### Notes:

<sup>(1)</sup> The amount represents the office portion only of The Quayside.

<sup>(2)</sup> The amount includes 50% value of Qibao Vanke Plaza.

<sup>(3)</sup> The amount excludes two floors of The Quayside which Link occupies as a self-used office and are classified as property, plant and equipment, and the 50% value of Qibao Vanke Plaza.

## Capital Management

The global economy has rebounded from the pandemic recession earlier in 2021 amid growing COVID-19 vaccination coverage and ongoing fiscal support from governments. Nevertheless, the rapid spread of the Delta variant and increasing inflation expectations pose uncertainties for global recovery momentum and monetary policy normalisation.

Despite ongoing disruptions caused by the pandemic, Link has maintained a healthy leverage position and stable credit ratings. As in the past, Link tapped into the financial markets from time to time, securing liquidity at competitive costs to support operational needs and acquisitions.

Since April 2021, Link has raised a total of HK\$2 billion sustainability-linked loans that were structured to incorporate a reduced pricing structure with interest cost savings if Link achieves the pre-agreed sustainability milestones. As of 30 September 2021, sustainability-linked loans accounted for approximately 30.5% of the Group's total debt portfolio.

### Robust Leverage Metrics

- Gearing ratio<sup>(1)</sup> remained at 19.5% as of 30 September 2021 while total debt increased by HK\$3.9 billion to HK\$42.5 billion.
- Ample financial resources with HK\$7.3 billion undrawn committed facilities and HK\$2.1 billion cash and bank balances.
- Debt maturity averaged at 3.2 years and well staggered over the coming 17 years.
- Average borrowing cost for the six months ended 30 September 2021 was 2.3%.

*Note:*

- <sup>(1)</sup> Gearing ratio is defined as total borrowings as a percentage of gross assets. After adjusting for the impact of the interim distribution declared on 10 November 2021, the acquisition of 75% interests in two recently-developed modern logistics assets in Guangdong Province (completed on 27 October 2021), and the acquisition of a 50% interests in a Sydney CBD retail portfolio (announced on 7 November 2021), the ratio of debt to total assets of Link would be 21.6%.

## Strong Access to Capital Markets

### Financing arranged since April 2021

April 2021	HK\$500 million 5-year sustainability-linked loan
May 2021	CNH650 million 3-year notes at 2.8% per annum
June 2021	CNH250 million 3-year notes at 2.8% per annum
August 2021	HK\$800 million 2-year bank loan
September 2021	3 to 5-year bank loans totalled HK\$2.7 billion 5-year sustainability-linked loans totalled HK\$1.5 billion
October 2021	HK\$800 million 5-year notes at 1.48% per annum HK\$782 million 10-year notes at 2.23% per annum CNH300 million 3-year notes at 3% per annum CNH460 million 3-year notes at 3.25% per annum

### Foreign Currency Fluctuations Well Managed

- Overseas acquisitions are principally funded by local currency borrowings.
- Fixed distributable income from offshore properties into HKD terms by use of foreign currency forwards.

### Commitment to Enhancing Unitholders' Return

- **Relevant investments:** Held a carrying value of HK\$2.3 billion investment-grade bond portfolio as of 30 September 2021 with an average bond yield of 3.5%.
- **Unit buyback:** Bought back a total of 1.3 million units during the period under review at an average price of HK\$65.2, utilising an aggregated cost of HK\$82.6 million. Further buyback will depend on multiple factors.
- **Distribution policy:** Committed to 100% payout and the discretionary distribution of HK14 cents per unit per annum until 2021/2022.
- **Distribution reinvestment scheme:** Provided eligible Unitholders with the option to reinvest in Link units for scrip distributions for the final distribution of the year ended 31 March 2021. HK\$753.6 million of the cash distribution was reinvested with 10 million new units issued at the unit price of HK\$75.063.

## Vigorous Credit Ratings

- Resilient financial fundamentals are well recognised by rating agencies.
- Ratings affirmed are A2/Stable (Moody's), A/Stable (S&P's) and A/Stable (Fitch).

## Debt Maturity Profile

(Face Value as at 30 September 2021)

(HK\$ billion)	Bank Loans	Medium Term Notes (MTN)	Convertible Bond (CB)	Total
Due in 2021/2022	0.1	1.2	–	1.3
Due in 2022/2023	1.0	1.3	–	2.3
Due in 2023/2024	12.1	–	–	12.1
Due in 2024/2025	1.7	5.7	4.0	11.4
Due in 2025/2026 and beyond	6.0	9.4	–	15.4
<b>Total</b>	<b>20.9</b>	<b>17.6</b>	<b>4.0</b>	<b>42.5</b>

## Debt Profile Breakdown

(Face Value as at 30 September 2021)

### Debt Mix by Types

	<i>HK\$ billion</i>	%
Bank loans	20.9	49.2
MTN	17.6	41.4
CB	4.0	9.4
<b>Total</b>	<b>42.5</b>	<b>100.0</b>

### Debt Mix by Fixed/Floating Rates

(After interest rate swaps)

	<i>HK\$ billion</i>	%
Fixed	26.6	62.6
Floating	15.9	37.4
<b>Total</b>	<b>42.5</b>	<b>100.0</b>

## Debt Mix by Currencies

(After currency swaps)

	<i>HK\$ billion</i>	<i>%</i>
HKD	30.3	71.3
RMB	4.7	11.1
AUD	3.7	8.7
GBP	3.8	8.9
<b>Total</b>	<b>42.5</b>	<b>100.0</b>

## Vision 2025 Updates

Our medium-term strategy – Vision 2025 – is a seven-year initiative set in 2018/2019 that propels us forward from our strong foundation. We aim to transform ourselves into a diversified REIT with a balanced portfolio which grows organically and inorganically. The three priorities of Portfolio Growth, a Culture of Excellence and Visionary Creativity drive Link’s value creation process.

### *Portfolio Growth*

**Goal: To achieve high single-digit CAGR in AUM while sustaining DPU growth and maintaining strong credit ratings**

Link has constructed a balanced portfolio via active portfolio management. “Core” and “Core-plus” investments remain as our investment focus as they provide relatively steady returns with lower risk. We prudently pursue “Value-add” and “Opportunistic” investments for additional inorganic growth. We believe we are on track to achieve this target, and this approach provides continuous improvement in unitholders’ returns while maintaining strong credit ratings.

In 1H 2021/2022, acquisitions of 50% interest in Qibao Vanke Plaza in Shanghai and 100% interest in Happy Valley Shopping Mall in Guangzhou were completed in April 2021 and June 2021, respectively. Both assets should provide Link upside as ~60% of Qibao Vanke Plaza<sup>(1)</sup>’s leases (by rent) will expire by 2023/2024 and ~19% of Happy Valley Shopping Mall (by area) will undergo asset enhancement starting in 2022/2023.

*Note:*

<sup>(1)</sup> A Qualified Minority-owned Property.

After the financial period end, two acquisitions were made, adding “core-plus” investments into our diversified portfolio. On 27 October 2021, we completed the acquisition of our first venture into the logistics market by acquiring 75% interests in two Mainland logistics assets from an experienced logistics property developer, First Priority Group, which will retain the remaining 25%. Located in highly sought-after hubs in Greater Bay Area – Dongguan and Foshan, the properties are selected based on their strategic locations, full occupancy and quality tenant profiles. This small prudent investment enables us to enter a new segment at relatively lower risk while serving our objective to explore new markets and diversify.

We believe the properties are complementary to retail and will offer good growth potential given the rapid development of e-commerce. The properties are also immediately yielding and align with our long-term strategy of delivering sustainable portfolio growth. To further minimise the risks involved, we will co-manage the properties with First Priority Group, which has the largest market share in Dongguan and has the second largest stock in Greater Bay Area. We can tap into its industry knowledge and management expertise through the active partnership. This will gradually ramp up our learning curve in this fast-growing sector. Going forward, both parties will potentially collaborate further over a portfolio of logistics assets totalling more than 500,000 square meters in the Greater Bay Area.

On 7 November 2021, we announced the acquisition of a 50% interests in an iconic retail portfolio in Australia, namely Queen’s Victoria Building, The Galleries and The Strand Arcade. Located at the heart of Sydney CBD, the assets are situated in the most sought-after retail precinct that enjoys excellent natural footfall from locals, domestic visitors and international tourists. With a track record of high occupancy and quality tenant profile, the assets are highly productive and immediately income-contributing upon completion.

Geographically, we lifted Mainland exposure guidance in September as we continue to identify value-enhancing opportunities. We remain prudent in sourcing assets from four selected developed overseas markets – Australia, Japan, Singapore and the United Kingdom.

**Goal: Become the “Employer of Choice”**

We strive to be a “Talent Cultivator” with the commitment to grow multidimensional talents with expertise, mobility and versatility that are fit for the future. Our Young Talent Programme attracted over 1000 applications. In August 2021, we successfully recruited our largest cohort of management trainees and management associates to undertake a 2-year intensive and targeted development programme. The programme aims to develop our talents’ functional business acumen and leadership capability, thereby fuelling Link’s talent management pipeline through readiness development.

To drive a high-performance culture, we place Linkers at the heart of our business. In view of COVID-19 and to ensure a safe and healthy workplace, our vaccination support programme offers medical check subsidies, vaccination leave and vaccination lucky draw. To date, over 70% of Linkers have been vaccinated. Apart from organising a range of workplace and well-being engagement activities for Linkers, we conducted our regular employee engagement survey in May 2021 to better understand Linkers’ views. By communicating our needs and values in an open and inclusive manner, together we create a better employee experience and continue our pursuit of excellence.

Our long-term growth strategy for Mainland is a crucial part of Vision 2025. In early 2020, our Shanghai regional centre was set up to expedite our growth plan. To strengthen our Mainland leadership and better manage our newly acquired assets, we reorganised our team structure and expanded our talent pool by acquiring local talents with professional expertise and a proven track record in commercial properties and logistics assets.

Our efforts in pursuing excellence in HR best practices continued to garner industry recognitions:

- HR Asia Best Companies to Work for in Asia 2021
- WeCare HR Asia Most Caring Companies Award 2021
- Asia-Pacific Stevie® Awards 2021:
  - o Silver Award for COVID-19 Response Categories – Most Exemplary Employer
  - o Gold Award for Innovative Achievement in Human Resources
  - o Gold Award for Innovation in Human Resources Management, Planning & Practices

## **Goal: Placemaking through innovation**

Following our earlier Net Zero 2035 announcement, we have further defined two 2025 interim targets across our portfolio, using the 2018/2019 baseline to chart our progress towards achieving this ambitious goal.

- 5% reduction in electricity consumption; and
- 25% reduction in carbon intensity

These targets come on the heels of our earlier energy savings efforts, which to date, have achieved 40% absolute reduction since 2010. As the current electrical equipment has not reached end of life, short term reduction targets will focus primarily on maximising efficiency through retro-commissioning and automation in order to extract the most value from existing equipment and minimise unnecessary waste generation.

Apart from enhancing our operational efficiency through the application of Energy Management System, we continued to roll out solar PV installations at 10 properties as part of our transition towards renewable energy.

As the extension of the living rooms of people living around us, we leverage our property infrastructure and connectivity to create an extraordinary experience for our communities to enjoy. In the past 12 months, we completed ~95,000 sq ft of placemaking. One such example is the transformation of a 42,000 sq ft rooftop area at TKO Spot into a multi-function sports ground. Here, we champion healthy and active lifestyles by collaborating with our tenants to provide a range of sports equipment free to the local community.

Our network of assets is uniquely positioned to help address the social challenges of an aging population. To explore these opportunities further, a Gerontech Education and Rental Service Centre was opened in Yu Chui Shopping Centre. The Service Centre serves as a hub connecting different age-focused NGOs and business partners, facilitating collaboration and encouraging awareness among the community.

## **OUTLOOK**

Throughout the past 18 months, our portfolio performance has been extraordinarily resilient, demonstrating the impact of a Business as Mutual approach. As we cross the midway point of 2021/2022, we are cautiously optimistic that we are solidly progressing towards a pandemic recovery. We are also confident that our optimism and energy will enable us to create a lasting, positive impact for our stakeholders.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Note	Six months ended 30 September 2021 (Unaudited) HK\$'M	Six months ended 30 September 2020 (Unaudited) HK\$'M
<b>Revenue</b>	4	5,778	5,233
Property operating expenses	6	<u>(1,387)</u>	<u>(1,196)</u>
Net property income		4,391	4,037
General and administrative expenses		(237)	(220)
Change in fair values of investment properties and impairment of goodwill	13	3,065	(7,275)
Interest income		52	71
Finance costs	7	(477)	(405)
Loss on disposals of financial assets at amortised cost		(9)	–
Share of net profit of a joint venture		274	–
<b>Profit/(loss) before taxation and transactions with Unitholders</b>	8	7,059	(3,792)
Taxation	10	<u>(717)</u>	<u>(533)</u>
<b>Profit/(loss) for the period, before transactions with Unitholders</b>		6,342	(4,325)
Distributions paid to Unitholders		<u>(3,089)</u>	<u>(2,999)</u>
		<u><b>3,253</b></u>	<u><b>(7,324)</b></u>
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		3,649	(6,139)
Amount arising from reserve movements	26	(450)	(953)
Non-controlling interest		54	(232)
		<u><b>3,253</b></u>	<u><b>(7,324)</b></u>
Profit/(loss) for the period, before transactions with Unitholders attributable to			
– Unitholders (Note)	11	6,288	(4,093)
– Non-controlling interest		54	(232)
		<u><b>6,342</b></u>	<u><b>(4,325)</b></u>

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Before transactions with Unitholders (Unaudited) HK\$'M	Transactions with Unitholders (Note (i)) (Unaudited) HK\$'M	After transactions with Unitholders (Note (ii)) (Unaudited) HK\$'M	Non- controlling interest (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
<b>Six months ended 30 September 2021</b>					
Profit for the period	6,288	(6,738)	(450)	54	(396)
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(49)	–	(49)	–	(49)
– Exchange reserve	499	–	499	–	499
<b>Total comprehensive income for the period</b>	<b><u>6,738</u></b>	<b><u>(6,738)</u></b>	<b><u>–</u></b>	<b><u>54</u></b>	<b><u>54</u></b>
<b>Six months ended 30 September 2020</b>					
Loss for the period	(4,093)	3,140	(953)	(232)	(1,185)
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(57)	–	(57)	–	(57)
– Exchange reserve	1,010	–	1,010	–	1,010
<b>Total comprehensive loss for the period</b>	<b><u>(3,140)</u></b>	<b><u>3,140</u></b>	<b><u>–</u></b>	<b><u>(232)</u></b>	<b><u>(232)</u></b>

**Notes:**

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$3,089 million (2020: HK\$2,999 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, which is an increase of HK\$3,649 million (2020: a decrease of HK\$6,139 million).
- (ii) In accordance with the Trust Deed, the units of Link contain contractual obligations to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income attributable to Unitholders, after the transactions with Unitholders, is zero.

**CONSOLIDATED STATEMENT OF DISTRIBUTIONS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

		Six months ended 30 September 2021 (Unaudited) HK\$'M	Six months ended 30 September 2020 (Unaudited) HK\$'M
<b>Profit/(loss) for the period, before transactions with Unitholders attributable to Unitholders</b>		<b>6,288</b>	<b>(4,093)</b>
Adjustments:			
– Change in fair values of investment properties and impairment of goodwill attributable to Unitholders		<b>(3,282)</b>	7,048
– Deferred taxation on change in fair values of investment properties attributable to Unitholders		<b>152</b>	(61)
– Change in fair values of derivative component of convertible bonds		<b>(26)</b>	–
– Change in fair values of financial instruments		<b>(13)</b>	(70)
– Depreciation and amortisation of real estate and related assets		<b>26</b>	28
– Loss on disposals of financial assets at amortised cost		<b>9</b>	–
– Other non-cash loss/(income)		<b>36</b>	(75)
Discretionary distribution ( <i>Note (i)</i> )		<b>146</b>	144
<b>Total Distributable Amount (<i>Note (i)</i>)</b>		<b>3,336</b>	2,921
Interim distribution for the period, to be paid to the Unitholders ( <i>Note (ii)</i> )		<b>3,336</b>	2,921
Units in issue at 30 September	25	<b>2,090,637,780</b>	2,062,427,353
<b>Distribution per unit for the period (<i>Note (ii)</i>)</b>		<b>HK159.59 cents</b>	HK141.65 cents

**Notes:**

- (i) Under the terms of the Trust Deed, Link is required to distribute to Unitholders no less than 90% of its distributable income for each financial year. Distributable income, according to the Trust Deed, is the Group's consolidated profit after taxation attributable to Unitholders, as adjusted to eliminate the effect of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year. For the six months ended 30 September 2021, the Manager has decided to distribute 100% (2020: 100%) of its distributable income to Unitholders. In addition, the Manager recommended a capital return in the form of a discretionary distribution of HK\$146 million (2020: HK\$144 million). Together with the discretionary distribution, Total Distributable Amount represented 105% (2020: 105%) of the distributable income of the Group for the six months ended 30 September 2021.
- (ii) The interim distribution per unit of HK159.59 cents (2020: HK141.65 cents) for the six months ended 30 September 2021 is calculated based on the interim distribution of HK\$3,336 million (2020: HK\$2,921 million) for the period and 2,090,637,780 units (2020: 2,062,427,353 units) in issue as at 30 September 2021, without taking into account any change in the number of units in issue subsequent to the approval of the condensed consolidated interim financial information. The interim distribution will be paid to Unitholders on 31 December 2021.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

		<b>30 September</b>	31 March
		<b>2021</b>	2021
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>HK\$'M</b>	<b>HK\$'M</b>
<b>Assets</b>			
Goodwill	12	395	392
Investment properties	13	206,551	199,074
Interests in a joint venture	14	3,618	–
Property, plant and equipment	15	1,264	1,301
Financial assets at amortised cost	16	2,328	2,742
Deposits and prepayments		349	2,433
Derivative financial instruments	23	191	218
Trade and other receivables	17	1,137	1,195
Cash and cash equivalents	18	2,062	2,530
		<hr/>	<hr/>
<b>Total assets</b>		<b>217,895</b>	<b>209,885</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Liabilities, excluding net assets attributable to Unitholders</b>			
Deferred tax liabilities		3,235	3,029
Long-term incentive schemes provision	19	84	82
Other liabilities	20	4,069	4,048
Interest bearing liabilities	21	38,516	34,634
Convertible bonds	22	3,975	4,002
Security deposits		1,884	1,789
Derivative financial instruments	23	109	129
Provision for taxation		650	975
Trade payables, receipts in advance and accruals	24	2,306	2,504
		<hr/>	<hr/>
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<b>54,828</b>	<b>51,192</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Non-controlling interest</b>		<b>27</b>	<b>(27)</b>
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net assets attributable to Unitholders</b>		<b>163,040</b>	<b>158,720</b>
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Units in issue	25	2,090,637,780	2,081,862,866
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Net assets per unit attributable to Unitholders		<b>HK\$77.99</b>	<b>HK\$76.24</b>
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Note	Unitholders' equity (Unaudited) HK\$'M	Net assets attributable to Unitholders (Unaudited) HK\$'M	Non- controlling interest (Unaudited) HK\$'M
At 1 April 2021		–	158,720	(27)
Issuance of units under distribution reinvestment scheme		–	753	–
Units bought back for cancellation		–	(82)	–
Profit for the six months ended 30 September 2021, before transactions with Unitholders		–	6,288	54
Distributions paid to Unitholders – 2021 final distribution		–	(3,089)	–
Change in fair values of cash flow hedges	26	(79)	–	–
Amount transferred to the condensed consolidated income statement	26	30	–	–
Foreign currency translations	26	499	–	–
Amount arising from reserve movements	26	(450)	450	–
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2021, excluding issues of new units and units bought back		–	3,649	54
<b>At 30 September 2021</b>		<b>–</b>	<b>163,040</b>	<b>27</b>
At 1 April 2020		–	159,711	406
Issuance of units under distribution reinvestment scheme		–	660	–
Units bought back for cancellation		–	(379)	–
Loss for the six months ended 30 September 2020, before transactions with Unitholders		–	(4,093)	(232)
Distributions paid to Unitholders – 2020 final distribution		–	(2,999)	–
Change in fair values of cash flow hedges		(69)	–	–
Amount transferred to the condensed consolidated income statement		12	–	–
Foreign currency translations		1,010	–	–
Amount arising from reserve movements		(953)	953	–
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2020, excluding issues of new units and units bought back		–	(6,139)	(232)
At 30 September 2020		–	153,853	174

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Note	Six months ended 30 September 2021 (Unaudited) HK\$'M	Six months ended 30 September 2020 (Unaudited) HK\$'M
<b>Operating activities</b>			
<b>Net cash generated from operating activities</b>		<b>3,076</b>	<b>3,167</b>
<b>Investing activities</b>			
Acquisition of assets	27	(2,449)	(6,729)
Acquisition of a joint venture		(982)	–
Additions to investment properties		(437)	(416)
Additions to property, plant and equipment		(8)	(20)
Interest income received		62	79
Proceeds from disposal and maturity of financial assets at amortised costs		408	–
Deposits paid for acquisitions of assets		(66)	–
<b>Net cash used in investing activities</b>		<b>(3,472)</b>	<b>(7,086)</b>
<b>Financing activities</b>			
Proceeds from interest bearing liabilities, net of transaction costs		7,628	13,325
Repayment of interest bearing liabilities		(4,131)	(12,345)
Repayment of borrowings acquired in acquisition of assets	27	(713)	–
Increase in amount due to non-controlling interest		14	14
Interest expenses paid		(463)	(502)
Payment of lease liabilities		(2)	(2)
Distributions paid to Unitholders		(2,336)	(2,339)
Units bought back for cancellation		(82)	(379)
<b>Net cash used in financing activities</b>		<b>(85)</b>	<b>(2,228)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(481)</b>	<b>(6,147)</b>
Cash and cash equivalents at 1 April		2,530	7,877
Effect on exchange rate changes on cash and cash equivalents		13	84
<b>Cash and cash equivalents at 30 September</b>		<b>2,062</b>	<b>1,814</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 Corporate information

Link is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Link is governed by a Second Amending and Restating Deed entered into on 30 July 2021.

The principal activity of the Group is investing in real estate and may be undertaking property development and related activities in respect of all types of developments. The addresses of the registered offices of the Manager, Link Asset Management Limited, and the Trustee, HSBC Institutional Trust Services (Asia) Limited, are 20/F., Tower 1, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong and 1 Queen's Road Central, Hong Kong, respectively.

## 2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 September 2021 has been prepared in accordance with Hong Kong Accounting Standard (**HKAS**) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (**HKICPA**). The condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2021.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

## 3 Accounting policies

The accounting policies adopted are consistent with those set out in the audited consolidated financial statements for the year ended 31 March 2021, except for the adoption of the following new standards and amendments issued by the HKICPA which became effective for the six months ended 30 September 2021.

HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16 and HKAS 39 Amendments	Interest Rate Benchmark Reform – Phase 2
HKFRS 16 Amendments	COVID-19-Related Rent Concessions
HKFRS 16 Amendments	COVID-19-Related Rent Concessions beyond 30 June 2021

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

The following new standards, amendments and revised accounting guidelines which have been published but are not yet effective, have not been early adopted in the condensed consolidated interim financial information. These are effective for the Group's accounting periods beginning on or after 1 April 2022.

HKAS 1 Amendments	Classification of Liabilities as Current or Non-current <sup>(2)</sup>
HKAS 1 and HKFRS Practice Statement 2 Amendments	Disclosure of Accounting Policies <sup>(2)</sup>
HKAS 8 Amendments	Definition of Accounting Estimates <sup>(2)</sup>
HKAS 12 Amendments	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction <sup>(2)</sup>
HKFRS 3, HKAS 16 and HKAS 37 Amendments	Narrow-Scope Amendments <sup>(1)</sup>
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(3)</sup>
HKFRS 17	Insurance Contracts <sup>(2)</sup>
HKFRS 17 Amendments	Amendments to HKFRS 17 <sup>(2)</sup>
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations <sup>(1)</sup>
Annual Improvements 2018-2020 Cycle <sup>(1)</sup>	

<sup>(1)</sup> effective for accounting periods beginning on or after 1 January 2022

<sup>(2)</sup> effective for accounting periods beginning on or after 1 January 2023

<sup>(3)</sup> no mandatory effective date is determined yet but early application is permitted

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**4 Revenue**

Revenue recognised during the period comprises:

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Rentals		
– Hong Kong retail properties	<b>3,121</b>	3,066
– Hong Kong car parks	<b>1,042</b>	931
– Mainland retail properties	<b>491</b>	414
– Hong Kong, Mainland and overseas offices	<b>433</b>	353
Other revenue ( <i>Note</i> )	<b>691</b>	469
	<hr/>	<hr/>
Total revenue	<b>5,778</b>	5,233
	<hr/> <hr/>	<hr/> <hr/>

*Note:* Other revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue. As disclosed in Annual Report 2020/2021, management fees have been reclassified from rental to other revenue, comparative figures have been restated.

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$51 million (2020: HK\$39 million) and have been included in the rental income.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**5 Segment information**

	Hong Kong retail properties <i>HK\$'M</i>	Hong Kong car parks <i>HK\$'M</i>	Mainland retail properties <i>HK\$'M</i>	Others <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>For the six months ended 30 September 2021 (Unaudited)</b>					
Revenue	<u>3,601</u>	<u>1,047</u>	<u>586</u>	<u>544</u>	<u>5,778</u>
Segment results	2,737	824	425	168	4,154
Change in fair values of investment properties	1,410	1,288	229	138	3,065
Share of net profit of a joint venture	-	-	274	-	274
Interest income					52
Finance costs					(477)
Loss on disposals of financial assets at amortised cost					<u>(9)</u>
Profit before taxation and transactions with Unitholders					7,059
Taxation					<u>(717)</u>
Profit for the period, before transactions with Unitholders					<u>6,342</u>
Capital expenditure	176	32	4,014	19	4,241
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41)</u>	<u>(41)</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**5 Segment information (Continued)**

	Hong Kong retail properties <i>HK\$'M</i>	Hong Kong car parks <i>HK\$'M</i>	Mainland retail properties <i>HK\$'M</i>	Others <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>As at 30 September 2021 (Unaudited)</b>					
Segment assets	126,922	32,845	25,487	24,047	209,301
Interests in a joint venture	–	–	3,618	–	3,618
Goodwill					395
Financial assets at amortised cost					2,328
Derivative financial instruments					191
Cash and cash equivalents					2,062
					<hr/>
Total assets					217,895
					<hr/>
Segment liabilities	2,369	156	632	1,033	4,190
Deferred tax liabilities					3,235
Long-term incentive scheme provision					84
Other liabilities					4,069
Interest bearing liabilities					38,516
Convertible bonds					3,975
Derivative financial instruments					109
Provision for taxation					650
					<hr/>
Total liabilities, excluding net assets attributable to Unitholders					54,828
					<hr/>
Non-controlling interest					27
					<hr/>
Net assets attributable to Unitholders					163,040
					<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**5 Segment information (Continued)**

For the six months ended 30 September 2021, revenue of HK\$764 million (2020: HK\$661 million) is attributable to external customers from Mainland, HK\$4,769 million (2020: HK\$4,451 million) is attributable to external customers from Hong Kong, and HK\$245 million (2020: HK\$121 million) is attributable to external customers from overseas.

As at 30 September 2021, investment properties, interests in a joint venture, property, plant and equipment, and goodwill amounting to HK\$35,615 million (31 March 2021: HK\$27,288 million) are located in Mainland, HK\$168,350 million (31 March 2021: HK\$165,422 million) are located in Hong Kong, and HK\$7,863 million (31 March 2021: HK\$8,057 million) are located in overseas.

	Hong Kong retail properties <i>HK\$'M</i>	Hong Kong car parks <i>HK\$'M</i>	Mainland retail properties <i>HK\$'M</i>	Others <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the six months ended 30 September 2020 (Unaudited)					
Revenue	<u>3,390</u>	<u>933</u>	<u>497</u>	<u>413</u>	<u>5,233</u>
Segment results	2,623	715	361	118	3,817
Change in fair values of investment properties and impairment of goodwill	(4,826)	(1,177)	(406)	(866)	(7,275)
Interest income					71
Finance costs					<u>(405)</u>
Loss before taxation and transactions with Unitholders					(3,792)
Taxation					<u>(533)</u>
Loss for the period, before transactions with Unitholders					<u>(4,325)</u>
Capital expenditure	324	33	16	7,274	7,647
Depreciation	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(45)</u>	<u>(46)</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**5 Segment information (Continued)**

	Hong Kong retail properties <i>HK\$'M</i>	Hong Kong car parks <i>HK\$'M</i>	Mainland retail properties <i>HK\$'M</i>	Others <i>HK\$'M</i>	Total <i>HK\$'M</i>
As at 31 March 2021 (Audited)					
Segment assets	125,406	31,526	20,878	26,193	204,003
Goodwill					392
Financial assets at amortised cost					2,742
Derivative financial instruments					218
Cash and cash equivalents					2,530
Total assets					209,885
Segment liabilities	2,468	179	561	1,085	4,293
Deferred tax liabilities					3,029
Long-term incentive schemes provision					82
Other liabilities					4,048
Interest bearing liabilities					34,634
Convertible bonds					4,002
Derivative financial instruments					129
Provision for taxation					975
Total liabilities, excluding net assets attributable to Unitholders					51,192
Non-controlling interest					(27)
Net assets attributable to Unitholders					158,720

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**6 Property operating expenses**

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	<b>340</b>	325
Staff costs	<b>271</b>	222
Repair and maintenance	<b>126</b>	96
Utilities	<b>189</b>	162
Government rent and rates	<b>152</b>	133
Promotion and marketing expenses	<b>90</b>	50
Estate common area costs	<b>51</b>	47
Real estate taxes and land use taxes	<b>57</b>	45
Other property operating expenses	<b>111</b>	116
	<hr/>	<hr/>
	<b>1,387</b>	1,196
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
(Continued)

**7 Finance costs**

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities	371	392
Interest expenses on convertible bonds (Note 22)	62	62
Other borrowing costs (Note (i))	82	109
	<u>515</u>	<u>563</u>
Less: capitalised under investment properties (Note (ii))	(5)	(8)
	<u>510</u>	555
Change in fair values of derivative component of convertible bonds (Note 22)	(26)	–
Fair value gain on non-controlling interest put option obligation (Note 20)	(7)	(150)
	<u><u>477</u></u>	<u><u>405</u></u>

*Notes:*

- (i) Other borrowing costs mainly include HK\$42 million (2020: HK\$50 million) interest expenses to non-controlling interest, HK\$30 million (2020: HK\$12 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$39 million (2020: HK\$11 million) net gains on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 2.4% (2020: 2.9%) per annum.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**8 Profit/(loss) before taxation and transactions with Unitholders**

Profit/(loss) before taxation and transactions with Unitholders for the period is stated after charging/(crediting):

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Staff costs ( <i>Note 9</i> )	421	329
Depreciation of property, plant and equipment	41	46
Trustee's fee	8	7
Valuation fee	1	1
Auditor's remuneration		
Audit and audit-related assurance services	1	1
Acquisition related professional fees	-	3
Professional fees capitalised under investment properties	-	(3)
Bank charges	4	5
Commission to property agents	8	7
Donations	15	14
Exchange (gain)/loss on financial instruments	(6)	31
Short-term lease expenses	1	1
Other legal and professional fees	6	(2)
	<b><u>6</u></b>	<b><u>(2)</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**9 Staff costs**

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Wages and salaries	<b>406</b>	383
Contributions to mandatory provident fund scheme ( <i>Note</i> )	<b>7</b>	7
Long-term incentive schemes awards	<b>49</b>	(23)
	<b>462</b>	367
Less: capitalised under investment properties	<b>(41)</b>	(38)
Staff costs ( <i>Note 8</i> )	<b>421</b>	329

*Note:* The Group operates a pension scheme – Mandatory Provident Fund. The scheme is a defined contribution plan funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity (a fund). The Group has no further payment obligations once the contributions have been paid.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**10 Taxation**

Hong Kong profits tax has been provided for at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period. Income taxes in Mainland and overseas have been provided for at the applicable rate on the estimated assessable profit for the period.

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

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Current taxation		
– Hong Kong	<b>418</b>	395
– Mainland	<b>91</b>	84
Deferred taxation	<b>208</b>	54
Taxation	<b>717</b>	533

On 18 March 2021, the Group received a protective additional tax assessment for the year of assessment 2014/15 from Hong Kong's Inland Revenue Department (IRD) amounting to HK\$345 million. Such additional profits tax assessment was made on the gain in respect of the disposal of properties and is additional to the profits tax assessment already made by IRD on profits derived from its business during the assessment period.

Based on the professional opinion and advice of the legal and tax advisors, the Group believes that there is no ground to the assessment and has lodged an objection to IRD on the basis that profits tax shall not be charged on the profits derived from the sales of the properties, which sales were capital rather than trading in nature. Accordingly, no tax provision was made in respect of this protective assessment. According to the instruction of the IRD, tax reserve certificates amounting to HK\$172 million were purchased as a condition for the tax payable holdover arrangement.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
(Continued)

**11 Earnings/(loss) per unit based upon profit/(loss) for the period, before transactions with Unitholders attributable to Unitholders**

	<b>Six months ended 30 September 2021 (Unaudited)</b>	Six months ended 30 September 2020 (Unaudited)
Profit/(loss) for the period, before transactions with Unitholders attributable to Unitholders for calculating basic earnings/(loss) per unit	<b>HK\$6,288 million</b>	(HK\$4,093 million)
Adjustment for dilutive convertible bonds	<b>HK\$27 million</b>	—
Profit/(loss) for the period, before transactions with Unitholders attributable to Unitholders for calculating diluted earnings/(loss) per unit	<b><u>HK\$6,315 million</u></b>	<b><u>(HK\$4,093 million)</u></b>
Weighted average number of units for the period for calculating basic earnings/(loss) per unit	<b>2,084,598,832</b>	2,061,326,280
Adjustment for dilutive convertible bonds	<b>36,566,414</b>	—
Weighted average number of units for the period for calculating diluted earnings/(loss) per unit	<b><u>2,121,165,246</u></b>	<b><u>2,061,326,280</u></b>
Basic earnings/(loss) per unit	<b><u>HK\$3.02</u></b>	<b><u>(HK\$1.99)</u></b>
Diluted earnings/(loss) per unit	<b><u>HK\$2.98</u></b>	<b><u>(HK\$1.99)</u></b>

For the six months ended 30 September 2020, the basic and diluted loss per unit were the same as the convertible bonds had an anti-dilutive effect on the basic loss per unit.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**12 Goodwill**

**Carrying value**  
**(Unaudited)**  
**HK\$'M**

At 1 April 2021	<b>392</b>
Exchange adjustments	<b>3</b>

<b>At 30 September 2021</b>	<b>395</b>
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**13 Investment properties**

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

**Fair value**  
**(Unaudited)**  
**HK\$'M**

At 1 April 2021	<b>199,074</b>
Exchange adjustments <i>(Note (e))</i>	<b>178</b>
Additions	<b>374</b>
Acquisition of assets <i>(Note 27)</i>	<b>3,860</b>
Change in fair values	<b>3,065</b>

<b>At 30 September 2021</b>	<b>206,551</b>
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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 13 Investment properties (Continued)

#### (b) Valuation process

The investment properties were revalued on a market value basis as at 31 March and 30 September 2021 by Colliers International (Hong Kong) Limited (the **Principal Valuer**), an independent firm of professional qualified valuers and the Principal Valuer of Link.

The Manager held discussions with the Principal Valuer and reviewed all significant inputs used by the Principal Valuer. Discussions of the valuation processes and results at each reporting date are held between the Manager and the Principal Valuer.

#### (c) Valuation techniques

The Principal Valuer has relied on the income capitalisation approach as the primary approach with cross-reference to the direct comparison approach.

The income capitalisation approach is based on the capitalisation of the current passing rental income and potential reversionary income of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The appropriate adjustments/deductions for rent-free period, ongoing vacancy voids/marketing periods and non-recoverable expenses for the vacant space have been allowed.

The investment properties are included in Level 3 (31 March 2021: Level 3) of the fair value hierarchy.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)**

### **13 Investment properties (Continued)**

#### **(d) Restriction under the REIT Code**

Link acquired 100 Market Street in Sydney, The Cabot in London, 50% interest in Qibao Vanke Plaza in Shanghai and Happy Valley Shopping Mall in Guangzhou, the completions of which were on 7 April 2020, 25 August 2020, 2 April 2021 and 28 June 2021 respectively. In accordance with the REIT Code, Link is prohibited from disposing of its properties (held through a special purpose vehicle or joint venture entity) for at least two years from the time such properties are acquired, unless the Unitholders approved the proposed disposal by way of special resolution passed in accordance with the Trust Deed.

#### **(e) Exchange adjustments**

The net exchange gain on translation is attributable to the exchange gains on the Group's investment properties in Mainland amounting to HK\$465 million and exchange loss on the Group's investment properties in Australia and the United Kingdom amounting to HK\$211 million and HK\$76 million respectively. These amounts are included in exchange reserve. The amount was partly offset by hedging financial instruments.

#### **(f) Security for the Group's loan facilities**

As at 30 September 2021, certain of the Group's investment properties in Mainland and Australia, amounting to approximately HK\$7,098 million (31 March 2021: HK\$3,005 million) and HK\$3,906 million (31 March 2021: HK\$4,038 million) respectively, were pledged to secure the Group's loan facilities totalling HK\$3,846 million (31 March 2021: HK\$3,416 million).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
(Continued)

**14 Interests in a joint venture**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Cost of investment in a joint venture	3,287	–
Share of post-acquisition results and other comprehensive income	<u>331</u>	–
	<b><u>3,618</u></b>	<b><u>–</u></b>

On 24 February 2021, Link, through a wholly-owned subsidiary, entered into a framework agreement and an equity transfer agreement to acquire 50% issued share capital of 上海莘寶企業管理有限公司 at a cash consideration of RMB2,772 million (equivalent to approximately HK\$3,278 million). The final consideration will be further adjusted based on the audited net asset value of the company as at the completion date. Link incurred acquisition-related transaction costs of HK\$9 million. The transaction was completed on 2 April 2021. 上海莘寶企業管理有限公司 owns the Qibao Vanke Plaza located at 5/3 Qiu, 620 Block, Qibao Town, Minhang District, Shanghai.

The Group's interests in a joint venture amounting to HK\$3,618 million as at 30 September 2021 is accounted for using the equity method in the condensed consolidated financial statements. No dividend is received from the joint venture during the period.

	<b>30 September 2021 (Unaudited) HK\$'M</b>
The Group's share of net property income for the period	94
The Group's share of investment properties carried at fair value at period end	<b><u>4,120</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**15 Property, plant and equipment**

	Land, building and leasehold improvements (Unaudited) <i>HK\$'M</i>	Right-of-use assets (Unaudited) <i>HK\$'M</i>	Motor vehicles (Unaudited) <i>HK\$'M</i>	Equipment (Unaudited) <i>HK\$'M</i>	Total (Unaudited) <i>HK\$'M</i>
At 1 April 2021	1,205	2	1	93	1,301
Additions	-	-	-	7	7
Disposals	(3)	-	-	-	(3)
Depreciation charge for the period	(25)	(2)	-	(14)	(41)
<b>At 30 September 2021</b>	<b>1,177</b>	<b>-</b>	<b>1</b>	<b>86</b>	<b>1,264</b>
<b>At 30 September 2021</b>					
Cost	1,318	9	7	173	1,507
Accumulated depreciation	(141)	(9)	(6)	(87)	(243)
Net book value	1,177	-	1	86	1,264

**16 Financial assets at amortised cost**

Financial assets at amortised cost include the following debt investments:

	<b>30 September 2021 (Unaudited) <i>HK\$'M</i></b>	31 March 2021 (Audited) <i>HK\$'M</i>
Listed corporate bonds	2,298	2,712
Unlisted corporate bonds	30	30
	<b>2,328</b>	<b>2,742</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**16 Financial assets at amortised cost (Continued)**

During the period, the Group disposed of certain listed corporate bonds at an aggregate consideration of HK\$139 million and resulted in a loss on disposals of HK\$9 million.

During the period, the Group has interest income arising from financial assets at amortised cost amounted to HK\$42 million (2020: HK\$47 million). The carrying amounts of the financial assets at amortised cost are expected to be recovered as below:

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Within one year	<b>693</b>	432
After one year	<b>1,635</b>	2,310
	<b><u>2,328</u></b>	<u>2,742</u>

**17 Trade and other receivables**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Trade receivables	<b>246</b>	320
Less: provision for impairment of trade receivables	<b>(74)</b>	(67)
Trade receivables – net	<b>172</b>	253
Other receivables	<b>965</b>	942
	<b><u>1,137</u></b>	<u>1,195</u>

The carrying amounts of these receivables approximate their fair values and are expected to be mostly recovered within one year.

There are no specific credit terms given to the tenants. The net trade receivables are mostly covered by the rental deposits/bank guarantees from corresponding tenants.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**17 Trade and other receivables (Continued)**

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

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
0–30 days	139	181
31–90 days	33	77
Over 90 days	74	62
	<u>246</u>	<u>320</u>

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

**18 Cash and cash equivalents**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Cash at bank	1,518	1,881
Bank deposits with original maturity of less than three months	544	649
	<u>2,062</u>	<u>2,530</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**19 Long-term incentive schemes provision**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Long-term incentive schemes provision		
– expected to be settled within one year	<b>47</b>	35
– expected to be settled after one year	<b>37</b>	47
	<b>84</b>	82

On 10 July 2017, Link adopted a new long-term incentive scheme (the **2017 LTI Scheme**). Under the 2017 LTI Scheme, the Manager may grant restricted unit awards and conditional cash awards to directors of the Manager and key employees of the Group.

During the period, certain directors and employees of the Manager were granted restricted unit awards and conditional cash awards at nil monetary consideration under the 2017 LTI Scheme. The restricted unit awards granted under the 2017 LTI Scheme, in general, will vest approximately two to three years from the date of grant. Under the 2017 LTI Scheme, units will be purchased in the grantees' favour from the open stock market to satisfy restricted units awards vested. For those restricted unit awards granted with performance goals, the eventual numbers of units to be purchased in each grantee's favour upon vesting are linked to the performance of Link based on the total Unitholders return, net property income or certain vesting conditions. Conditional cash awards were also granted in conjunction with the restricted unit awards, bestowing upon each grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions during the vesting period, catch-up adjustments and ex-gratia payments pursuant to the 2017 LTI Scheme, if applicable.

During the period, the Group purchased 264,634 units (2020: 515,483 units) from the market for restricted units awards which have vested in accordance with the 2017 LTI Scheme.

During the vesting period, a liability is recognised representing the estimated value of the awards granted under both the 2017 LTI Scheme and the portion of the vesting period expired as at the reporting date. The value of the awards was estimated at the reporting date by Towers Watson Hong Kong Limited, an independent external valuer based on valuation techniques and assumptions on unit prices, outstanding length of the awards, distribution pay-out rates and other market conditions, if appropriate. The change in value of the outstanding awards was charged to the condensed consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**19 Long-term incentive schemes provision (Continued)**

Movements in the number of restricted unit award during the period and the maximum number of units to be vested upon vesting of restricted unit award are as follows:

Date of grant	Vesting period	Outstanding as at 1 April 2021	Granted during the period	Vested during the period <sup>(i)</sup>	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2021	Maximum to be vested on vesting date <sup>(ii)</sup>
<b>2017 LTI Scheme</b>								
4 July 2018	4 July 2018 to 30 June 2021	420,621	-	(237,799)	(6,500)	(176,322)	-	-
5 July 2019	5 July 2019 to 30 June 2021	476,108	-	(26,835)	(5,361)	(443,912)	-	-
	5 July 2019 to 30 June 2022	476,107	-	-	-	(1,298)	474,809	1,072,348
29 July 2020	29 July 2020 to 30 June 2022	789,237	-	-	-	(3,043)	786,194	786,194
	29 July 2020 to 30 June 2023	789,237	-	-	-	(3,043)	786,194	786,194
7 July 2021	7 July 2021 to 30 June 2023	-	613,601	-	-	-	613,601	1,022,939 <sup>(iii)</sup>
	7 July 2021 to 30 June 2024	-	613,647	-	-	-	613,647	1,023,012 <sup>(iii)</sup>
<b>Total</b>		<b>2,951,310</b>	<b>1,227,248</b>	<b>(264,634)</b>	<b>(11,861)</b>	<b>(627,618)</b>	<b>3,274,445</b>	<b>4,690,687</b>

*Notes:*

(i) Restricted unit award vesting percentages during the period ranged from 0% to 98.67%.

(ii) If certain vesting conditions are met.

(iii) Additional units beyond these amounts are subject to approval of the Remuneration Committee of the Manager.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**20 Other Liabilities**

	<b>30 September</b>	31 March
	<b>2021</b>	2021
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'M</b>	<b>HK\$'M</b>
Amount due to non-controlling interest	<b>3,872</b>	3,844
Non-controlling interest put option obligation	<b>197</b>	204
	<b>4,069</b>	<b>4,048</b>

*Notes:*

- (i) On 23 February 2015, the Group through a non-wholly owned subsidiary (the **Project Company**, in which Link has an indirect 60% interest and Nan Fung Development Limited (**Nan Fung**) has an indirect 40% interest) acquired 77 Hoi Bun Road in Kowloon East for commercial development. For the purpose of funding the commercial development, Nan Fung, a non-controlling interest of the Project Company has contributed cash in proportion to the shareholding ratio to the Project Company. The amount due to non-controlling interest is unsecured, interest bearing at an effective interest rate of 2.4% (31 March 2021: 2.8%), has no fixed repayment term and is not repayable within one year. Such amount including any accrued interest will be repaid from the Project Company's surplus cash after meeting its payment obligations.
- (ii) Pursuant to the shareholders' agreement, Nan Fung has a right to exercise a put option to require Link to purchase all the issued shares Nan Fung holds in the Project Company at the then fair market value, after the second anniversary of the issuance of the Certificate of Compliance for the commercial property development and certain conditions have been satisfied. The non-controlling interest put option obligation was recognised as a financial liability based on a valuation performed by Crowe Horwath First Trust Appraisal Pte Ltd, an independent firm of professional qualified valuers. The valuer has used discounted cash flow as the valuation technique. The valuation is based on various assumptions and calculated by reference to a number of unobservable inputs, including the estimated fair value of the equity interests of the Project Company at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used. The Manager held discussions with the valuer and reviewed all significant inputs used. Discussions of the valuation processes and results at each reporting date are held between the Manager and the valuer. Fair value of the put option obligation is included in Level 3 (31 March 2021: Level 3) of the fair value hierarchy. If the estimated fair value of the equity interests of the Project Company at the time of exercise is higher, the fair value of the put option obligation would also be higher. If the expected time of exercise is later or if the discount rate is higher, then the fair value of the put option obligation would be lower.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**20 Other Liabilities (Continued)**

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

	<b>Fair value (Unaudited) HK\$'M</b>
At 1 April 2021	<b>204</b>
Recognised in the condensed consolidated income statement:	
– Fair value gain ( <i>Note 7</i> )	<u>(7)</u>
<b>At 30 September 2021</b>	<b><u>197</u></b>

**21 Interest bearing liabilities**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Unsecured bank borrowings	<b>17,012</b>	14,448
Secured bank borrowings	<b>3,846</b>	3,416
Medium term notes	<u><b>17,658</b></u>	<u>16,770</u>
	<b><u>38,516</u></b>	<b><u>34,634</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**21 Interest bearing liabilities (Continued)**

The carrying amounts interest bearing liabilities are expected to be settled as below:

	<b>30 September</b> <b>2021</b> <b>(Unaudited)</b> <b>HK\$'M</b>	31 March 2021 (Audited) HK\$'M
<b>Due in the first year</b>		
Unsecured bank borrowings	<b>389</b>	1,751
Secured bank borrowings	<b>646</b>	56
Medium term notes	<b>1,768</b>	1,441
	<b>2,803</b>	3,248
<b>Due in the second year</b>		
Unsecured bank borrowings	<b>11,974</b>	299
Secured bank borrowings	<b>85</b>	78
Medium term notes	<b>699</b>	1,228
	<b>12,758</b>	1,605
<b>Due in the third year</b>		
Unsecured bank borrowings	<b>392</b>	8,038
Secured bank borrowings	<b>91</b>	89
Medium term notes	<b>5,759</b>	–
	<b>6,242</b>	8,127

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
(Continued)

**21 Interest bearing liabilities (Continued)**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
<b>Due in the fourth year</b>		
Unsecured bank borrowings	4,257	1,249
Secured bank borrowings	2,582	89
Medium term notes	1,004	4,692
	<u>7,843</u>	<u>6,030</u>
<b>Due in the fifth year</b>		
Unsecured bank borrowings	–	3,111
Secured bank borrowings	113	2,725
Medium term notes	5,797	1,899
	<u>5,910</u>	<u>7,735</u>
<b>Due beyond the fifth year</b>		
Secured bank borrowings	329	379
Medium term notes	2,631	7,510
	<u>2,960</u>	<u>7,889</u>
	<u><u>38,516</u></u>	<u><u>34,634</u></u>

*Notes:*

- (i) After taking into account the cross currency swap contracts, except for bank borrowings of HK\$4,715 million (31 March 2021: HK\$2,834 million), HK\$3,665 million (31 March 2021: HK\$3,861 million) and HK\$3,798 million (31 March 2021: HK\$3,833 million) which are denominated in Renminbi, Australian Dollars and British Pound Sterling respectively, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) After taking into account the cross currency swap contracts and interest rate swap contracts, the effective interest rate of the interest bearing liabilities which are denominated in Hong Kong Dollars at the reporting date was 2.25% (31 March 2021: 2.40%) and that of the interest bearing liabilities which are denominated in Renminbi, Australian Dollars and British Pound Sterling was 3.88% (31 March 2021: 3.84%), 1.06% (31 March 2021: 1.06%) and 1.02% (31 March 2021: 1.02%) respectively.
- (iii) As at 30 September 2021, the Group had London Interbank Offered Rate (LIBOR)-based bank borrowings of HK\$2,086 million and will be affected by the global interest rate benchmark reform.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**(Continued)**

**22 Convertible bonds**

On 3 April 2019, the Group issued HK\$4 billion convertible bonds at 1.6% per annum due 2024. These bonds are convertible into new Link units at an initial conversion price of HK\$109.39 per unit at the option of the bondholder. Link has the option to redeem the bonds if the closing price of the units is 130% or above the initial conversion price while bondholders have the right to require Link to redeem all or some only of the bonds on 3 April 2022. The convertible bonds are unsecured. The effective interest rate of the convertible bonds at the reporting date was 3.12% (31 March 2021: 3.12%).

	<b>Carrying value (Unaudited) HK\$'M</b>
<b>Liability component</b>	
At 1 April 2021	3,970
Finance costs ( <i>Note 7</i> )	62
Interest expenses paid	(63)
	<hr/>
<b>At 30 September 2021</b>	<b>3,969</b>
	<hr style="border-top: 1px dashed black;"/>
<b>Derivative component</b>	
At 1 April 2021	32
Change in fair value ( <i>Note 7</i> )	(26)
	<hr/>
<b>At 30 September 2021</b>	<b>6</b>
	<hr style="border-top: 1px dashed black;"/>
	<b>3,975</b>
	<hr style="border-top: 3px double black;"/>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
(Continued)

**23 Derivative financial instruments**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
<b>Derivative assets</b>		
Designated as cash flow hedge		
– interest rate swap contracts	<b>21</b>	43
Designated as fair value hedge		
– cross currency swap contracts	<b>152</b>	146
– interest rate swap contracts	<b>16</b>	18
Not designated as hedging instruments		
– cross currency swap contracts	<b>–</b>	11
– forward foreign exchange contracts	<b>2</b>	–
	<b>191</b>	218
<b>Derivative liabilities</b>		
Designated as cash flow hedge		
– interest rate swap contracts	<b>(39)</b>	(11)
Designated as fair value hedge		
– cross currency swap contracts	<b>–</b>	(2)
Not designated as hedging instruments		
– cross currency swap contract	<b>(70)</b>	(116)
	<b>(109)</b>	(129)
<b>Net derivative assets</b>	<b>82</b>	<b>89</b>

*Notes:*

- (i) The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2 of the fair value hierarchy.
- (ii) The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. The fair values of forward foreign exchange contracts are determined using forward exchange market rates at each reporting date. Cross currency swap contracts, interest rate swap contracts and forward foreign exchange contracts are included in Level 2 (31 March 2021: Level 2) of the fair value hierarchy. During the six months ended 30 September 2020 and 2021, there were no transfers between the three levels of the fair value hierarchy.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**23 Derivative financial instruments (Continued)**

The carrying amounts of net derivative assets are expected to be settled as below:

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Within one year	<b>2</b>	–
After one year	<b>80</b>	89
	<b>82</b>	89

The Group uses cross currency swap contracts (swapping from foreign currencies to Hong Kong Dollars) and interest rate swap contracts to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the condensed consolidated income statement. Any change in fair values of the cross currency swap contracts and forward exchange contracts that are not designated for hedge accounting are recognised directly in the condensed consolidated income statement. A net amount of HK\$49 million (2020: HK\$57 million) had been debited to the hedging reserve during the period as further set out in Note 26.

As at 30 September 2021, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 4.04 years on HK\$9,892 million borrowings (31 March 2021: 4.68 years on HK\$8,654 million borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 30 September 2021 were HK\$9,892 million (31 March 2021: HK\$8,654 million) and 1.07% (31 March 2021: 0.77%) respectively.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 23 Derivative financial instruments (Continued)

As at 30 September 2021, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars fixed rate and floating rates interest bearing liabilities. The notional principal amounts of the outstanding cross currency swap contracts and interest rate swap contracts qualifying as fair value hedges as at 30 September 2021 were HK\$7,753 million (31 March 2021: HK\$7,753 million) and HK\$400 million (31 March 2021: HK\$400 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 26) as at 30 September 2021 will be released to the condensed consolidated income statement.

As at 30 September 2021, the Group has outstanding cross currency swap contracts that are not designated for hedge accounting and the notional principal amounts were HK\$3,992 million (31 March 2021: HK\$3,754 million).

As at 30 September 2021, the Group has outstanding forward contracts of selling Renminbi 57 million (31 March 2021: Nil) and British Pound Sterling 7 million (31 March 2021: Nil) against Hong Kong Dollars. These forward contracts were entered for the purpose of locking in part of the Group's future Renminbi denominated net income in Mainland and British Pound Sterling denominated net income in the United Kingdom in Hong Kong Dollars term, and are not designated for hedge accounting.

### 24 Trade payables, receipts in advance and accruals

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Trade payables	60	58
Receipts in advance	424	401
Accruals	1,822	2,045
	<b><u>2,306</u></b>	<b><u>2,504</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**24 Trade payables, receipts in advance and accruals (Continued)**

The carrying amounts of these payables approximate their fair values and are expected to be settled as below:

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Within one year	2,306	2,502
After one year	—	2
	<u>2,306</u>	<u>2,504</u>

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

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
0–30 days	43	42
31–90 days	6	6
Over 90 days	11	10
	<u>60</u>	<u>58</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**25 Units in issue**

	<b>Number of units (Unaudited)</b>
At 1 April 2021	<b>2,081,862,866</b>
Units bought back for cancellation	<b>(1,264,000)</b>
Units issued under distribution reinvestment scheme	<b><u>10,038,914</u></b>
<b>At 30 September 2021</b>	<b><u><u>2,090,637,780</u></u></b>

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 1,264,000 units (2020: 6,000,000 units) at an aggregate price of HK\$82 million (2020: HK\$379 million). All units bought back were cancelled during the period.

During the six months ended 30 September 2021, the Manager issued and allotted 10,038,914 units in total pursuant to the distribution reinvestment scheme in respect of the final distribution for the financial year ended 31 March 2021.

Closing price of the units as at 30 September 2021 was HK\$66.75 (31 March 2021: HK\$70.80) per unit. Based on 2,090,637,780 units in issue as at 30 September 2021 (31 March 2021: 2,081,862,866 units), market capitalisation was HK\$139,550 million (31 March 2021: HK\$147,396 million).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**26 Unitholders' equity**

	Hedging reserve (Unaudited) HK\$'M	Exchange reserve (Unaudited) HK\$'M	Earnings retained for reserve adjustments (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2021	32	(22)	(10)	–
Cash flow hedges:				
– Change in fair values	(79)	–	–	(79)
– Amount transferred to the condensed consolidated income statement ( <i>Note (i)</i> )	30	–	–	30
	(49)	–	–	(49)
Foreign currency translations:				
– Exchange gain on translation of financial statements	–	479	–	479
– Change in fair value of net investment hedges	–	20	–	20
	–	499	–	499
Net assets attributable to Unitholders:				
– Amount arising from reserve movements ( <i>Note (ii)</i> )	–	–	(450)	(450)
<b>At 30 September 2021</b>	<b>(17)</b>	<b>477</b>	<b>(460)</b>	<b>–</b>

*Notes:*

- (i) Amount transferred to the condensed consolidated income statement in respect of cash flow hedges was included in "Finance costs" (Note 7).
- (ii) The amount represented earnings retained for the period to offset the reserve movements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 27 Acquisition of assets

On 4 June 2021, Link, through a wholly owned subsidiary, entered into a sales and purchase agreement to acquire the entire issued share capital of HK PD20 Holding Limited at a cash consideration of RMB2,099 million (equivalent to approximately HK\$2,568 million), which is the sole owner of the entire registered capital of 廣州弦夢管理諮詢有限公司, which in turn is the sole owner of the entire registered capital of 廣州陸鹿物業管理有限公司. The final consideration will be further adjusted based on the audited net asset values of the acquired entities as at the completion date. Link incurred acquisition-related transaction costs of HK\$10 million. The transaction was completed on 28 June 2021. 廣州陸鹿物業管理有限公司 owns the Happy Valley Shopping Mall located at No. 36 Machang Road, Tianhe District, Guangzhou.

The acquisition has been accounted for by the Group as acquisition of assets as the entities acquired by the Group do not constitute a business.

The assets and liabilities arising from the acquisition are as follows:

	<b>Happy Valley Shopping Mall (Unaudited) HK\$'M</b>
Investment properties ( <i>Note 13</i> )	<b>3,860</b>
Cash and cash equivalents	<b>53</b>
Borrowings	<b>(713)</b>
Other net current liabilities	<b>(622)</b>
	<hr/>
Purchase consideration	<b>2,578</b>
Cash and cash equivalents acquired	<b>(53)</b>
Consideration payable and retention amount	<b>(76)</b>
	<hr/>
Net cash outflow on acquisition	<b>2,449</b>
	<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**28 Capital commitments**

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the period	<u><b>479</b></u>	<u>709</u>

**29 Connected party transactions and significant related party transactions and balances**

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

**(a) Nature of relationship with connected/related parties**

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) “Related Party Disclosures”, and the nature of their relationship with the Group as at 30 September 2021:

<b>Connected/related party</b>	<b>Relationship with the Group</b>
HSBC Institutional Trust Services (Asia) Limited (the <b>Trustee</b> )	The Trustee of Link
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the <b>HSBC Group</b> )	Associates <sup>#</sup> of the Trustee
Aedas Beijing Limited	Associate <sup>#</sup> of director

<sup>#</sup> “Associate” has the meaning ascribed to it under the REIT Code.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**29 Connected party transactions and significant related party transactions and balances  
(Continued)**

**(b) Significant transactions with connected/related parties**

The following significant transactions recognised under HKFRSs were carried out with connected/related parties:

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	Six months ended 30 September 2020 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee <i>(Note (ii))</i>	<b>(8)</b>	(7)
Transactions with the HSBC Group <i>(Note (iii) and (iv))</i>		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	<b>(24)</b>	(34)
Rental income from the HSBC Group on leasing of retail units	<b>18</b>	17
Interest income from the HSBC Group on bank deposits	<b>9</b>	10
Architectural/renovation consultancy services fees paid and payable to Aedas Beijing Limited <i>(Notes (iii) and (v))</i>	<b>(2)</b>	(5)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
(Continued)**

**29 Connected party transactions and significant related party transactions and balances  
(Continued)**

**(b) Significant transactions with connected/related parties (Continued)**

*Notes:*

- (i) All connected/related party transactions were carried out in accordance with the terms of the relevant agreements governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee's fee (calculated and paid monthly) at rates ranging from 0.006% per annum to 0.015% per annum (2020: 0.006% per annum to 0.015% per annum) of the latest property value as determined in the latest annual valuation report of an independent property valuer recommended by the Manager and appointed by the Trustee for and on behalf of Link from time to time, subject to a minimum of HK\$150,000 per month.
- (iii) The transactions were entered into at arm's length on normal commercial terms.
- (iv) HSBC Group and the Trustee are members of the same group and HSBC Group is considered as a related party of the Group.
- (v) Aedas Beijing Limited is an associate of Mr Ian Keith GRIFFITHS.

**(c) Significant balances with related parties**

Significant balances with related parties are set out below:

	<b>30 September 2021 (Unaudited) HK\$'M</b>	31 March 2021 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(2,542)	(2,531)
Net interest receivable from the HSBC Group	2	2
Security deposits from the HSBC Group	(3)	(3)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	12	31
Deposits placed with the HSBC Group	1,193	1,688
Architectural/renovation consultancy services fees payable to Aedas Beijing Limited	-	(4)
	<u>                    </u>	<u>                    </u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 29 Connected party transactions and significant related party transactions and balances (Continued)

#### (d) Key management compensation

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

	<b>Six months ended 30 September 2021 (Unaudited) HK\$'M</b>	<b>Six months ended 30 September 2020 (Unaudited) HK\$'M</b>
Fees	<b>5</b>	5
Basic salaries, allowances and other benefits	<b>102</b>	78
Long-term incentive schemes awards	<b>40</b>	(6)
	<b>147</b>	77

### 30 Event after the reporting date

On 5 November 2021, Link, through its wholly-owned subsidiaries, entered into principal transaction documents, including the respective contracts of sale, to conditionally acquire 50% interests in freehold and leasehold interests in three retail properties in Sydney (namely Queen Victoria Building (“QVB”), The Galleries and The Strand Arcade) at an aggregate consideration of approximately AUD538 million (equivalent to approximately HK\$3,120 million). Completion of the acquisition is subject to the satisfaction of certain conditions under the respective contracts of sale. QVB, The Galleries and The Strand Arcade are located at 429-481, 500 and 412-414A George Street, Sydney New South Wales 2000, respectively.

### 31 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was authorised for issue by the Board on 10 November 2021.

## APPRECIATION

Ms Jenny GU Jialin (**Ms GU**) was appointed as an independent non-executive director and a member of the Audit and Risk Management Committee of the Manager on 17 August 2021. The Board is delighted to welcome Ms GU to Link.

The Board would like to thank the management team and all staff for their professionalism, commitment and contribution. Without their skills and dedicated customer service, Link would not have secured the support and loyalty of our tenants and the communities that we serve. The Board also wishes to extend its appreciation to our customers, suppliers and Unitholders for their continuous support and confidence in Link throughout the period under review.

## REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE AND AUDITOR

The interim results and the condensed consolidated interim financial information of the Group for the six months ended 30 September 2021 have been reviewed by the Audit and Risk Management Committee. The condensed consolidated interim financial information has also been reviewed by PricewaterhouseCoopers, Link's external auditor, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## AMENDMENTS TO THE TRUST DEED AND COMPLIANCE MANUAL

### Trust Deed

On 30 July 2021, with the Unitholders' approval given by way of special resolutions, certain provisions in Link's trust deed (as amended and restated by amending and restating deed) (the **Trust Deed**) were amended. Key amendments of the Trust Deed include (i) amending the definition of "Adjustments" in relation to computing Total Distributable Income (as defined in the Trust Deed); (ii) increasing the investment limit for Property Development and Related Activities (as defined in the Trust Deed); (iii) providing greater flexibility in the conduct of general meetings of Unitholders; and (iv) making certain minor amendments to the Trust Deed. All amendments were detailed in the circular of Link dated 29 June 2021. The Manager and the trustee of Link (being HSBC Institutional Trust Services (Asia) Limited) entered into the Second Amending and Restating Deed dated 30 July 2021 to make relevant amendments to the Trust Deed.

### Compliance Manual

On 30 July 2021, the Manager's compliance manual (the **Compliance Manual**) was updated to (i) align with the amendments to the Trust Deed; (ii) incorporate the updated terms of reference of the board committees; and (iii) reflect the latest business practices and operations of Link (including the Manager).

## CORPORATE GOVERNANCE

Throughout the six months ended 30 September 2021, Link and the Manager complied with the Code on Real Estate Investment Trusts, the Securities and Futures Ordinance, applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**), the Trust Deed, and in all material respects the Compliance Manual. Link and the Manager also applied the principles and to the extent appropriate, complied with, the code provisions in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules throughout the period, save and except code provision A.4.2. The Manager considers that rigid application of code provision A.4.2 to our executive directors is not in the best interests of the Unitholders. Business continuity and longevity at the most senior levels of management work for the long-term benefit of Link. Frequent re-shuffles of the executive directorate, absent the anchor of a controlling Unitholder, may promote “short-termism”. Any risk of entrenchment in office is counter-balanced by an overwhelming majority of independent non-executive directors on our Board, who have the collective power (and the Unitholders also have the same power under the Trust Deed) to remove a recalcitrant executive director of the Manager.

The corporate governance policy and practices adopted for the six months ended 30 September 2021 remained in line with those in place for the financial year ended 31 March 2021 as disclosed in the corporate governance report in Annual Report 2020/2021 of Link. Further details will be set out in Interim Report 2021/2022 of Link.

## BUY-BACK, SALE OR REDEMPTION OF LINK'S LISTED UNITS

During the period under review, the Manager (on behalf of Link) bought back a total of 1,264,000 units on The Stock Exchange of Hong Kong Limited (the **Stock Exchange**) at an aggregate consideration (excluding expenses) of approximately HK\$82.45 million. Further details are set out as follows:

Month	Number of units bought back	Purchase price per unit		Approximate aggregate consideration (excluding expenses) HK\$'M
		Highest HK\$	Lowest HK\$	
<b>2021</b>				
September	1,264,000	67.35	64.35	82.45

All the units bought back were cancelled prior to the period end. Save as disclosed above, neither the Manager nor any of Link's subsidiaries bought back, sold or redeemed any of Link's listed units during the period under review.

## **ISSUE OF NEW UNITS**

During the period under review, 10,038,914 new units of Link were issued at an issue price of HK\$75.063 per unit pursuant to the distribution reinvestment scheme in respect of the final distribution for the financial year ended 31 March 2021. Based on 2,090,637,780 units in issue as at 30 September 2021, the number of new units issued during the period under review represented approximately 0.48% of the issued units of Link.

## **PUBLIC FLOAT**

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

## **INTERIM DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS**

The interim distribution of HK159.59 cents per unit for the six months ended 30 September 2021 will be paid on Friday, 31 December 2021 to those Unitholders whose names appear on the register of Unitholders of Link on Thursday, 25 November 2021. For the purpose of ascertaining Unitholders' entitlement to the interim distribution, the register of Unitholders of Link will be closed from Wednesday, 24 November 2021 to Thursday, 25 November 2021 inclusive, during which period no transfer of units will be registered. In order for Unitholders to qualify for the interim distribution, 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 Tuesday, 23 November 2021.

## **DISTRIBUTION REINVESTMENT SCHEME**

A distribution reinvestment scheme will be available to eligible Unitholders, who may elect to receive the interim distribution for the six months ended 30 September 2021, wholly in cash or wholly in new units or a combination of both. An announcement giving further information of this scheme will be published on or around Thursday, 25 November 2021, and a circular containing details of this scheme together with the relevant election form or revocation notice will be despatched to Unitholders on or around Thursday, 2 December 2021.

## DESPATCH OF INTERIM REPORT 2021/2022

The Interim Report 2021/2022 of Link will be available on the websites of the Stock Exchange and Link and be despatched to Unitholders on or around Thursday, 2 December 2021.

By order of the Board  
**Link Asset Management Limited**  
**(as manager of Link Real Estate Investment Trust)**  
**Kenneth Tai Lun WONG**  
*Company Secretary*

Hong Kong, 10 November 2021

*As at the date of this announcement, the Board of the Manager comprises:*

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

Nicholas Charles ALLEN

*Executive Directors*

George Kwok Lung HONGCHOY (*Chief Executive Officer*)

NG Kok Siong (*Chief Financial Officer*)

*Non-Executive Director*

Ian Keith GRIFFITHS

*Independent Non-Executive Directors*

Christopher John BROOKE

Ed CHAN Yiu Cheong

Jenny GU Jialin

Lincoln LEONG Kwok Kuen

Blair Chilton PICKERELL

Poh Lee TAN

May Siew Boi TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

Elaine Carole YOUNG