

Annual Report
2015/2016

Strategic Report



We **Link** People
to a Brighter Future

Link Real Estate Investment Trust
Stock code: 823



We **Link** People to a Brighter Future

About Link

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

About this report

Our 2015/2016 Strategic Report covers our performance from 1 April 2015 to 31 March 2016 and has been prepared according to the International Integrated Reporting Council's <IR> Framework. We highlight the interactions among financial, environmental, social and governance factors and underline their influence on our long-term sustainable development.

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

Materiality

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

Navigation

The following icons have been used throughout the report to illustrate how different aspects of our corporate sustainability framework is embedded into our business strategy and operations.



ASSET/BRAND



TENANT



ECONOMY



ENVIRONMENT



STAFF



CORPORATE
GOVERNANCE



COMMUNITY

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Our Portfolio 2



Hong Kong

Our portfolio in Hong Kong comprises properties including retail facilities, fresh markets, car parks and offices.



Mainland China

To diversify our asset base geographically, we extended our reach to tier-one cities in Mainland China. Assets currently include EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai.

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Complete 2015/2016 Reports and Presentations

Our complete suite of 2015/2016 reports and presentations can be accessed and downloaded from our corporate website at Linkreit.com

STRATEGIC REPORT

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

GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

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

VALUATION REPORT

This report summarises the market value of the individual properties as valued by CBRE Limited.

SUSTAINABILITY WEBSITE

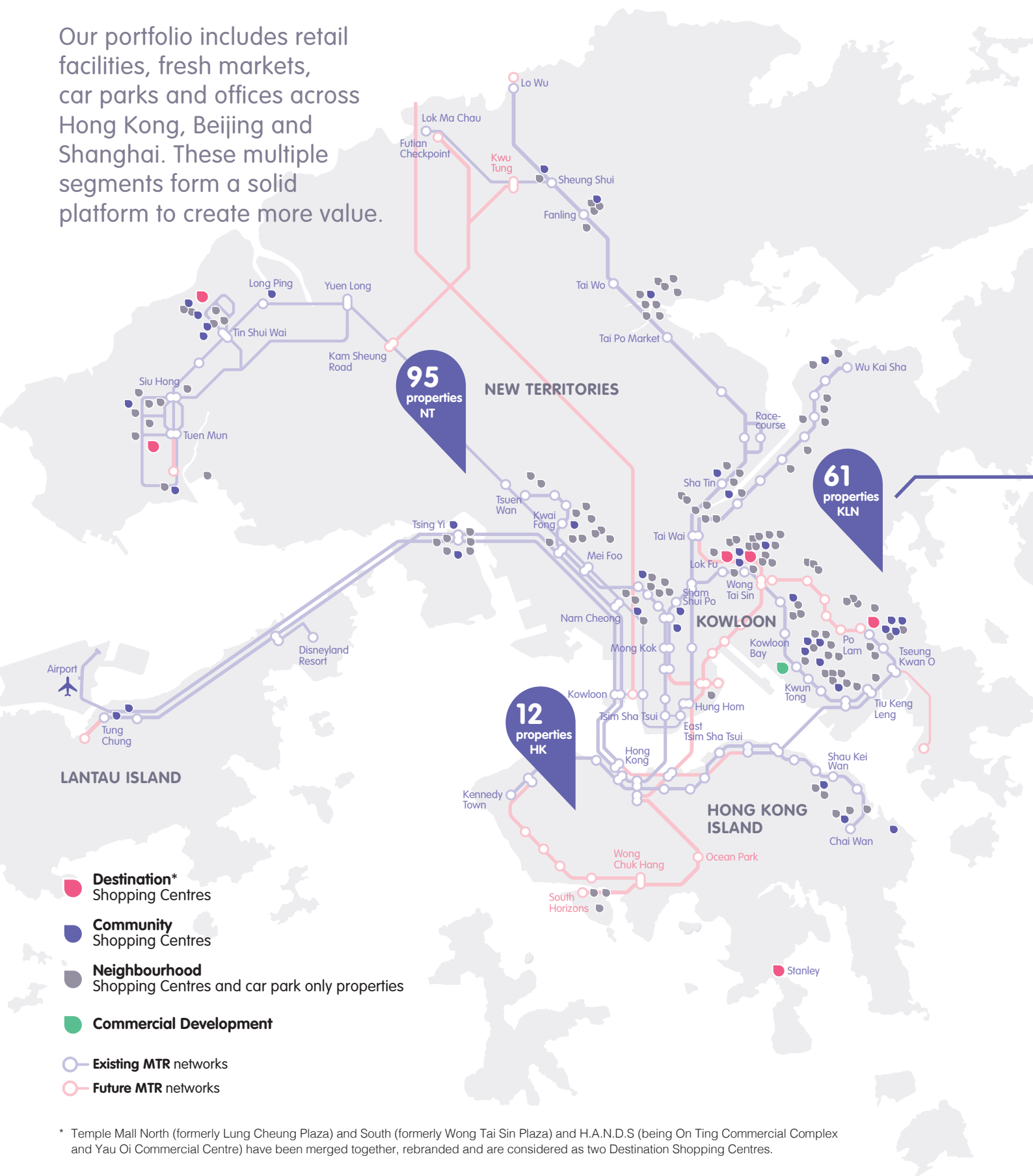
Up until 2013/2014, Link issued separate annual sustainability reports. Since then, our latest corporate sustainability performance is reported on our website. This and past reports can be accessed at Linkreit.com/sustainability



Access our corporate website for further information

Our Portfolio

Our portfolio includes retail facilities, fresh markets, car parks and offices across Hong Kong, Beijing and Shanghai. These multiple segments form a solid platform to create more value.

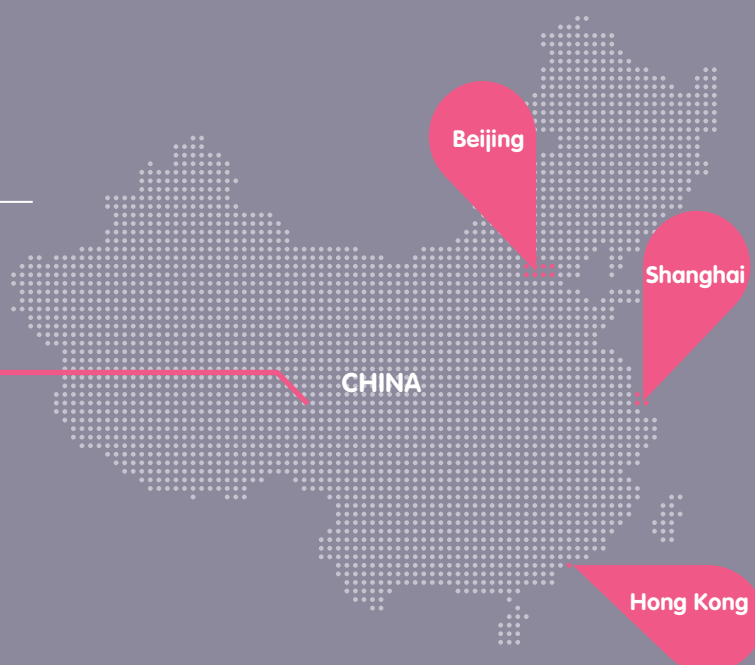


2

Properties in
Mainland China

1.8 million sq ft

Retail and office space



168

Properties across
Hong Kong

75,000

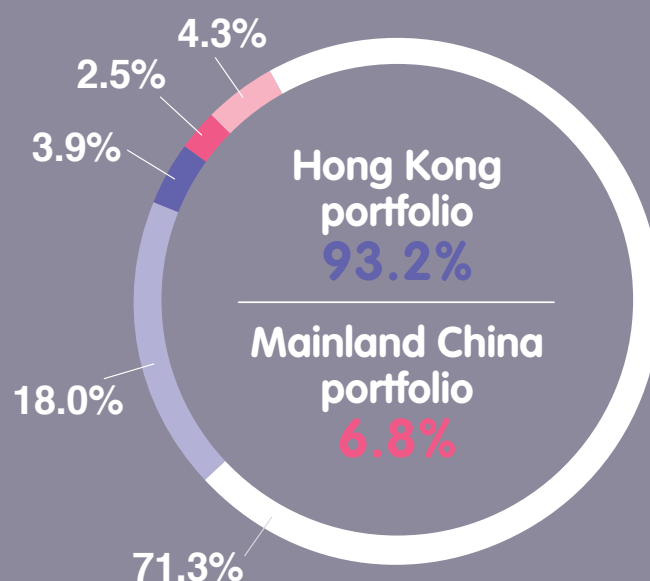
Car park spaces

884,000 sq ft

Under development

10 million sq ft

Retail space



Portfolio mix
by value

Hong Kong retail

Hong Kong car park

Hong Kong office

Mainland China retail

Mainland China office

10-Year Highlights

In 2015/2016 Link reached a milestone, celebrating our 10th anniversary since listing on the Stock Exchange. During this time, Link has established itself as an innovative and agile REIT. We remain committed to growing the business responsibly and sustainably by staying focused on creating economic, social and environmental value for our stakeholders.

Our 10th anniversary is an appropriate time for us to celebrate our achievements and the solid foundation we have established.

2005

Nov

Link Real Estate Investment Trust (previously known as The Link Real Estate Investment Trust), Hong Kong's first listed REIT, was listed on the Stock Exchange (Stock Code: 0823) on 25 November 2005.



2006

Jun

Link was assigned a corporate credit rating of A with a stable outlook by Standard & Poor's and a corporate credit rating of A3 with a stable outlook by Moody's Investors Service.

2006

Jul

Grand opening of **Tsz Wan Shan Shopping Centre**, the first asset enhancement project.



2008

Jun

Link Tenant Academy was launched to provide tenants with the latest market information and business management skills.



2009

Nov

Employed additional 232 property management staff to enhance service quality.

2010

Jun

Kick-started the asset enhancement project of **Tai Yuen Market**, Link's first fresh market enhancement.



Sep

Moody's Investors Service upgraded Link's corporate credit rating from A3 to A2 with a stable outlook.

2010

Dec

Completed the major asset enhancement of **Lok Fu Plaza**, our flagship shopping centre.



2011

Jan

Earmarked HK\$0.2 billion to bring facilities in line with new standards of **barrier free access** in phases.

Jul

Acquired commercial podium of **Nan Fung Plaza** in Tseung Kwan O for HK\$1.2 billion, marking Link's first acquisition after IPO.



More importantly, our 10th anniversary marks an opportunity for us to look forward to the next decade which promises further growth and broader business reach so that we **Link People to a Brighter Future**.

**2012
Jan**

Acquired the retail podium of **Maritime Bay** in Tseung Kwan O for HK\$0.6 billion.

**2013
Jan**

Launched **Link Together Initiatives** to contribute further to community sustainability through charitable donations.



Mar

Link was included in the **FTSE4Good Index Series**, a first for Hong Kong-listed REITs.



FTSE4Good

**2014
Sep**

Acquired **Lions Rise Mall** in Wong Tai Sin for HK\$1.4 billion.

Dec

Link became a constituent of the Hang Seng Index.

H.A.N.D.S celebrated its grand opening after completing asset enhancement, the largest asset enhancement project since IPO.



**2015
Jan**

Successfully tendered for a **commercial development on Hoi Bun Road in Kowloon East** through a joint venture with Nan Fung Development Limited for a land premium of HK\$5.9 billion.



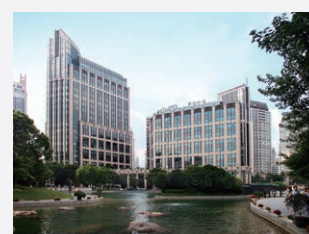
Apr

Acquired **EC Mall** in Beijing for RMB2.5 billion, marking Link's first investment in Mainland China.



**2015
Aug**

Acquired **Corporate Avenue 1 & 2** in Shanghai for RMB6.6 billion.



Launched a **new corporate identity** which expresses Link's vision and highlights our ability to connect and bring people together.

**領展
LINK**

Nov

Celebrated the **10th anniversary** since IPO.

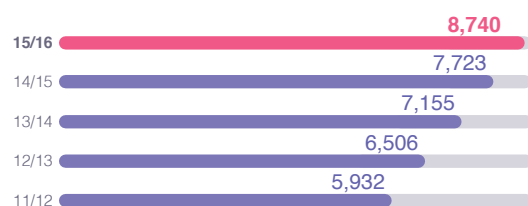


2015/2016 Performance Highlights

Link's business value is determined by our financial achievements and our non-financial contributions. Our performance indicators are based on our Sustainability Framework, our environmental stewardship priorities and from extensive engagement with our tenants, shoppers, staff, local communities and investors. **As a result, we have implemented strategies that conserve our resources, ensure that we are a responsible employer and contribute towards building a thriving community – all of which lead to delivering sustainable returns.** Together, our financial and non-financial performance indicators provide a holistic view of the long-term sustainable value Link delivers.

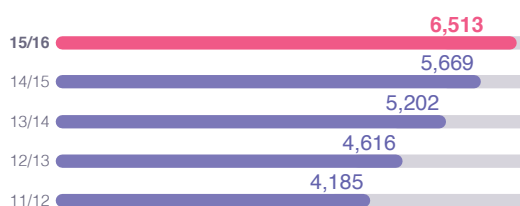
Revenue (HK\$'M)

8,740  **13.2%**



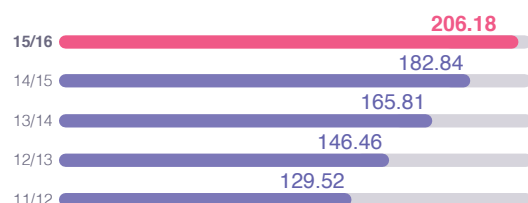
Net property income (HK\$'M)

6,513  **14.9%**



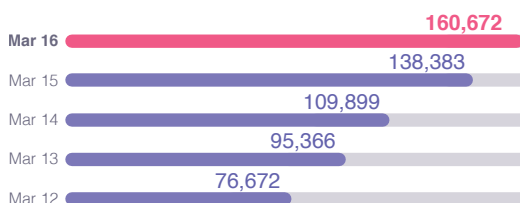
Distribution per unit (HK cents)

206.18  **12.8%**



Valuation (HK\$'M)

160,672  **16.1%**



Recent acquisitions



Artist rendering

Commercial complex at
700 Nathan Road, Mong Kok, Hong Kong



Artist rendering

Commercial development on Hoi Bun Road,
Kowloon East, Hong Kong



Corporate Avenue 1 & 2 at Xintiandi,
Shanghai



EC Mall at Zhongguancun, Beijing

+5.2%

TENANT GROSS SALES

Year-on-year growth

Sales performance of our tenants supported by an active leasing strategy and marketing programmes

44

ENHANCEMENT PROJECTS

Projects completed to date

Repositioning and revitalising assets to unlock their full potential

26.3%

ENVIRONMENTAL IMPACT

Reduction in energy consumption since 2010

Moving towards the target of reducing energy consumption by 30% of 2010 level before 2020

84/100

MYSTERY SHOPPER

Score

Independent assessment to benchmark Link's facilities, service quality and barrier free accessibility

HK\$27.9 million

COMMUNITY

Amount donated to date

We invest in community development through Link Together Initiatives since 2013

460

EMPLOYEE UNIT PURCHASE PLAN

Number of participants

Number of staff active and enrolled in the plan as at 31 March 2016



We are a business that is forward looking and embraces innovation. We are an integral part of the community and are committed to creating value.

Enrich and Brighten Make a Difference



Temple Mall-North, Hong Kong



Shu Sai Wan Market, Hong Kong



Steering Our Business

Link Real Estate Investment Trust is the first REIT listed on the Stock Exchange and is a constituent of the Hang Seng Index. Our “Vision, Mission and Values” plays a crucial role in steering our business, leading us to be Asia’s largest REIT and one of the world’s largest retail-focused REITs in terms of market capitalisation.

Vision

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

Mission

Building relationships with our stakeholders through:

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

Values

Managing and operating our business with:

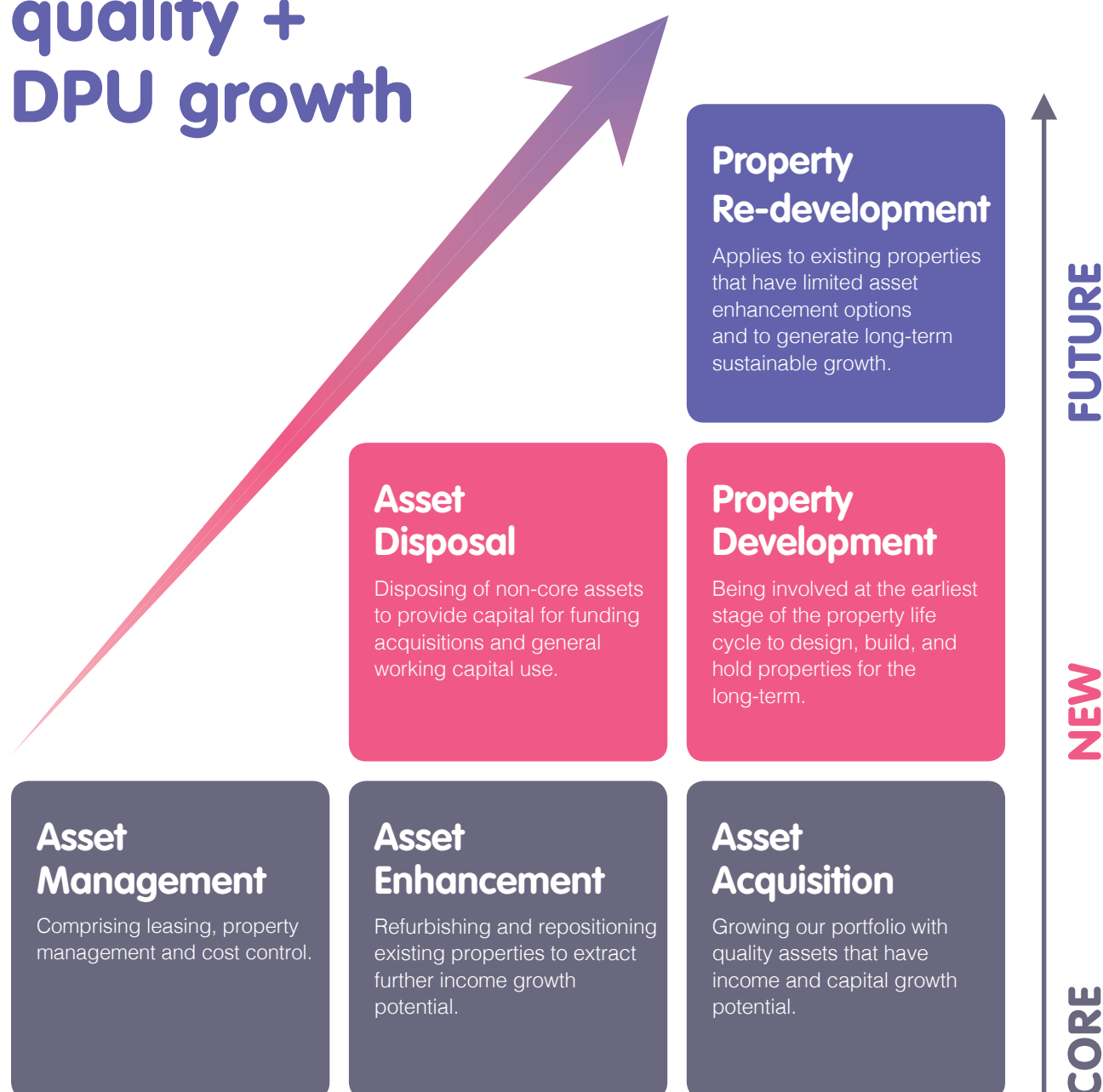
- Respect
- Excellence
- Integrity
- Teamwork



Our 2015/2016 performance – and our success over the past ten years – is attributed to our focus on and execution of our business growth drivers.



Improve asset quality + DPU growth



Chairman's Statement

**Nicholas Charles
ALLEN**
Chairman



HIGHLIGHTS

Our trend of delivering growing distribution to our Unitholders is complemented by our strong environmental performance and expansion in community engagement activities.

Link has built an entrepreneurial and financially disciplined Board possessing a strong balance of skills, experience, vision and attention to governance principles.

Strategic acquisitions strengthen and diversify our investment portfolio while mitigating our risks of operating in a single market and asset class.

This is my **first report** to you as Chairman of Link. I am delighted to be taking the reins of a **21st Century organisation** that understands the social and environmental context in which it works, utilises innovation across its operations and, importantly, excels in delivering value for stakeholders, in particular for Unitholders. In the following pages I share with you our progress for the year as well as my perspective and view of the business.



It is a privilege to be Chairman of Link and to work with a team that is committed to sustainable growth and creating value for the community.



In the short period since taking over from Mr Nicholas Robert SALLNOW-SMITH, I have spent my time visiting and meeting staff, tenants and the communities across our properties in Hong Kong and Mainland China. I am deeply impressed that this is a business with a clear vision and well-executed strategy. I am particularly impressed by the efforts of Link's skilled team, which is solidly focused on creating value through innovative technologies and management practices. This working ethos is complemented by the commitment to sustainable and responsible business practices, which are the foundation of our ability to transform retail properties into the preferred choice for shoppers and tenants. In response to these, my role as Chairman is all the more challenging yet exciting in leading Link through its next phase of growth.

To me, a Chairman has three main functions:

1. To ensure that the organisation has a **talented and focused management team** and to challenge as well as support that team;
2. To build a **strong and diverse Board** that brings the right skills and expertise to the business and ensure it operates at the highest levels of corporate governance; and
3. Together with the Board, facilitate the development and execution of a **well thought-out strategy** for the business.

Talented and Focused Management Team

The talent and focus of our management team underpinned the delivery of yet another year of strong performance highlighted by robust financial results

despite the prevailing and continued marketplace volatilities.

I am pleased to report that we continue our trend of delivering growing distribution to our Unitholders, with DPU amounting to HK206.18 cents, representing a year-on-year increase of 12.8%. This achievement is complemented by our strong environmental performance in which we further reduced our carbon emissions and improved waste management practices at our properties. We have also expanded our community engagement activities with the introduction of Link First Generation University Student Scholarship for 100 students, who are the first from three generations of their families to attend local universities. We have also initiated the Neighbourhood Project Fund, which brings small, albeit meaningful, programmes to the individual communities close to our properties.

Strong and Diverse Board

Governance is a core strength and gains further relevance as we grow in our business capabilities. A strong and diverse Board ensures the transparency and strategic oversight needed to manage our challenging operating environments. In this regard, Link has built an entrepreneurial and financially disciplined Board possessing a strong balance of skills, experience, vision and attention to governance principles.

I am delighted to welcome the additions of Mr Ed CHAN Yiu Cheong, Mr Blair Chilton PICKERELL and Ms Poh Lee TAN as Independent Non-Executive Directors of the Manager. Together Ed, Blair and Poh Lee bring a wealth of competencies and experience to the Board.

Chairman's Statement continued

Well Thought-out Strategy

The past year has seen a dynamic portfolio taking shape at Link. During 2015/2016 we acquired two properties, EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai. These were followed by the successful tender for 700 Nathan Road, a commercial complex in Hong Kong. Acquiring these assets aligns with our established strategy that emphasises the community focus when growing our portfolio. This ensures that our properties are well-positioned and managed as the preferred destinations of the communities living and working nearby. Importantly, these strategic acquisitions strengthen and diversify our investment portfolio while mitigating our risks of operating in a single market and asset class.

The Road Ahead

While taking advantage of our business capabilities and the opportunities that drive our recent pace in growth, we remain conservative in our approach. We are a REIT by mandate. As its manager, this commits us to a low risk, low volatility portfolio strategy. We are selective by taking the long-term view to hold assets and optimise a property's value through our expertise in management services, property enhancement and relationship building. This is what we do best and has served us well over the past decade.

Link's performance is gauged not only against financial measures. As a community-focused business, our success is contingent on those around us – our tenants, shoppers, communities and staff – also doing well. A business strategy that evolves to measure, monitor and improve

the health of its environment and the livelihood of its stakeholders is ultimately what will ensure the long-term resilience of Link and our ability to deliver sustainable growth. The test for this is quantifying the productivity of our tenants, the impact of our community engagement, the strength of our relationships with partners and the alignment of our staff with the corporate vision, mission and values. I am pleased to report we have made initial progress in assessing these areas and will continue to develop relevant indicators.

People

On behalf of the Board, I congratulate Mr Nicholas Robert SALLNOW-SMITH on his remarkable achievements over the last nine years. He has established a strong legacy and I will do my best to continue and build on his good work. I wish him a happy and fulfilling life after Link.

In closing, I extend my sincerest thanks to our staff for their professionalism, hard work and contribution. Without their skills and on-the-ground customer service, we would not have the support and loyalty of our tenants and the communities we serve.

Nicholas Charles ALLEN

Chairman

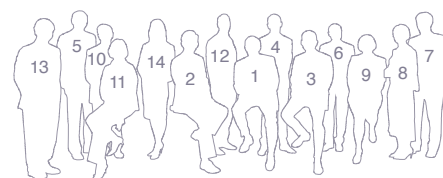
Link Asset Management Limited
As Manager of Link Real Estate
Investment Trust
8 June 2016

Board of Directors

effective from 1 April 2016



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



Chairman

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

Executive Directors

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

Non-Executive Director

4. Mr Ian Keith GRIFFITHS

Independent Non-Executive Directors

5. Mr William CHAN Chak Cheung
6. Mr Ed CHAN Yiu Cheong
7. Mr Blair Chilton PICKERELL
8. Ms Poh Lee TAN
9. Ms May Siew Boi TAN
10. Mr Peter TSE Pak Wing
11. Ms Nancy TSE Sau Ling
12. Mr David Charles WATT
13. Professor Richard
WONG Yue Chim, SBS, JP
14. Ms Elaine Carole YOUNG

Chief Executive Officer's Report

**George Kwok Lung
HONGCHOY**
Chief Executive Officer



HIGHLIGHTS

Our business continues to deliver strong financial results as we enter the next decade of growth with good momentum.

Link's ability to capitalise on current and future growth opportunities relies on our strengths in resilience, innovation and community.

Our brand promise to "Link People to A Brighter Future" expresses our commitment to help build thriving communities and consistently improve in everything we do.

In previous years, my CEO Report focused largely on presenting and analysing our financial results. This year, I take a different approach.

Given it is Link's 10th anniversary, I would like to use this report to reflect on Link's growth strategy, the strengths that have brought us to this point, and finally, what we must do to continue creating value. Highlights of our performance for the year and an analysis can be found in our **"Delivering on Our Strategic Priorities"** section.



The past ten years has seen the transformation of Link from being a passive manager of a portfolio of legacy assets to becoming an innovative and world class real estate investor and manager.



At the end of this first decade, Link continues its strong performance that underpins the solid and exciting foundation for its future growth. This financial year was active and productive, seeing us capitalise on a number of unique and high potential investment opportunities. We launched our new brand, the culmination of a two-year effort to articulate who we are and what our business purpose is. This is critical in guiding and steering the organisation in years to come.

I am also proud to state that our business continues to deliver strong financial results as we enter the next decade of growth with good momentum. This is due to the solid foundation in governance and transparency of action, which provide the platform from which our Board and executive management can initiate strategy and the appropriate changes.

Growing Our Business

A key driver of Link's success has been our willingness to embrace change and innovation. This has allowed us to identify new and sustainable growth opportunities across our retail facilities, fresh markets, car parks, and more recently, office properties. Our sustained growth lies in three main areas.

First and foremost, we have further untapped opportunities to transform our properties into preferred places for tenants to do business with growing catchments of shoppers. Our successful asset enhancement and management approaches enable us to attract and introduce global retail brands to complement our unique mix of local and boutique retailers. Though we have made great strides over the last decade,

completing 44 asset enhancement projects across our retail properties and fresh markets, they represent only a portion of our portfolio. With a healthy pipeline of over 30 asset enhancement projects extending through 2020, there remains a wide margin for further growth.

Secondly, we see significant growth potential in our car park business for which we are in the early stages of developing a well thought-out district-based business strategy. With nearly 75,000 car park spaces in our portfolio, we foresee the opportunity to capitalise on new pockets of demand as a result of increasing car registrations coupled with stagnant growth in the supply of space. We have recently introduced Park & Dine mobile app which directs users to Link car parks and provides real-time parking space availability and dining and shopping information.

Thirdly, we are creating growth opportunities for our asset portfolio by prudently expanding into office properties located in CBD. This is a natural extension of Link's brand and asset management expertise and reflects our long-term view to hold and manage properties to create more value for ourselves and our tenants. Through our retail expertise, for example, we understand the benefit of investing in the latest technologies and equipment. In transitioning this approach to commercial properties, we will focus on enhancing our buildings to provide efficient, modern and healthy indoor office spaces and amenities for the benefit of users. Our acquisitions of Corporate Avenue 1 & 2 in Shanghai and 700 Nathan Road in Hong Kong will both undergo enhancement works targeting to achieve a minimum of LEED Gold certification. This will effectively extend the

Chief Executive Officer's Report continued

life of these properties, making them competitive with newer buildings in their respective districts.

Our commercial development project on Hoi Bun Road in Kowloon East, Hong Kong is targeting LEED Platinum and is registered as a WELL Building Standard project, which focuses on the health and wellness of building occupants. The project is on schedule and pre-leasing has been well received.

Our Strengths

Link's ability to capitalise on current and future growth opportunities relies on our strengths in three pivotal areas: **resilience**, **innovation** and **community**. These are where Link has established significant expertise and a competitive advantage that are difficult to reproduce.

With **resilience**, our business was founded upon a portfolio comprising mass-market retail properties which ensures that our business is not significantly exposed to economic fluctuations. However, managing a portfolio of a single asset class incurs its own risks. This past year we diversified our portfolio by acquiring EC Mall in Beijing in addition to the aforementioned commercial properties in Shanghai and Hong Kong.

Link's ability to **innovate** across different aspects of our business allows us to build upon our portfolio's resilience and unlock new opportunities and relationships. On the retail side, the past year has established synergies between closely-situated properties to create retail environments that offer shoppers greater convenience, choice and variety. Employing this approach, two new flagship properties, H.A.N.D.S in Tuen Mun

and Temple Mall in Wong Tai Sin were opened subsequently.

We embrace technology to deliver on our brand promise. We have recently begun to harness digital solutions to connect customers to our properties via our award-winning Link Park & Dine mobile app. This interactive tool opens up our shopping centres to a whole new class of shoppers that may not otherwise visit Link facilities. The app offers restaurant e-queuing and interactive dining and shopping directories that enhance the individual experience and stimulate new revenue opportunities.

We are a learning organisation. Expertise acquired over the past decade in retail asset enhancement and customer service is translating into the ability to fast track the upgrades of our commercial properties while remaining uncompromising in quality and best sustainable building practices.

These strengths in resilience and innovation are anchored by our inherent belief that when the **community** does well, our business does well. We have established direct and open relationships with the communities where we operate by working with local government officials, engaging welfare organisations and having a dedicated team of on-the-ground community relationship managers.

This enables us to stay focused on providing appropriate solutions to meet the frequently-changing needs and demands of each community. A key part of this approach is ensuring an excellent customer experience which we measure through the independently assessed Mystery Shopper Programme. Our properties consistently rank among the highest performers in Hong Kong.

Our acquisitions expand the geographic reach and asset types that we own and manage.



How We Do Business

Our long-term success and sustainable organisational development is contingent on how we run our business being just as important as what our business does. This is at the heart of our brand promise to “**Link People to A Brighter Future**”, which expresses our commitment to help build thriving communities and consistently improve in everything we do.

At Link, we have a strong history of developing and training staff and creating a culture and environment where they can achieve their career goals.

With our operations closely linked to local community lifestyles, we need to consider how we engage and co-operate with these communities. We seek short-term achievements but are cognizant of our longer-term impacts. Link Together Initiatives, launched in 2013, is our primary channel to support projects that benefit these communities, particularly in helping to inspire and develop young people and ensure the well-being of the elderly.

Our Performance

The success of our strategy so far is reflected in the strong performance of the business over the past ten years. This year, we continued that trend, with total revenue growing by 13.2% to HK\$8,740 million and net property income increasing by 14.9% to HK\$6,513 million.

Our properties remain locations of choice to do business, as reflected by our 96.0% occupancy rate in Hong Kong, and 100% occupancy rate in our Beijing retail and Shanghai office assets as at 31 March 2015.

Of course, the many achievements highlighted would not be possible without the dedication and hard work of our team. I would like to thank all Link staff for their contribution to our continued success and excellent performance.

Moving Forward

Our efforts in past years have solidified our foundation which enable us to address near term challenges while being agile to capture longer term growth opportunities. In the coming year, business prospects remain opportune. Based on our growth plans coupled with prudent capital management, we see further untapped opportunities to improve asset productivity. Supported by our unique strengths in resilience, innovation and community understanding, we are able to fast track new projects without compromise to our commitment to quality, green and sustainable infrastructures.

We are confident that through continual engagement with stakeholders, the value we are creating will be more widely acknowledged. By quantifying the issues material to their expectations, we can build and operate properties that are attractive, relevant and integral to local community livelihood and development.

Our optimism is nonetheless realistic. We expect the prevailing economic, social and environmental challenges to disrupt business as usual. However, with our Board's wealth of expertise and strong governance foundation, coupled with dedicated team, we are confident in improving our performance and again delivering enhanced value to you, our Unitholders.

George Kwok Lung HONGCHOY

Chief Executive Officer

Link Asset Management Limited
As Manager of Link Real Estate
Investment Trust
8 June 2016



We LINK people to a brighter future by creating smarter, sustainable built environments that connect communities and enable them to thrive.

Sustainable Infrastructure

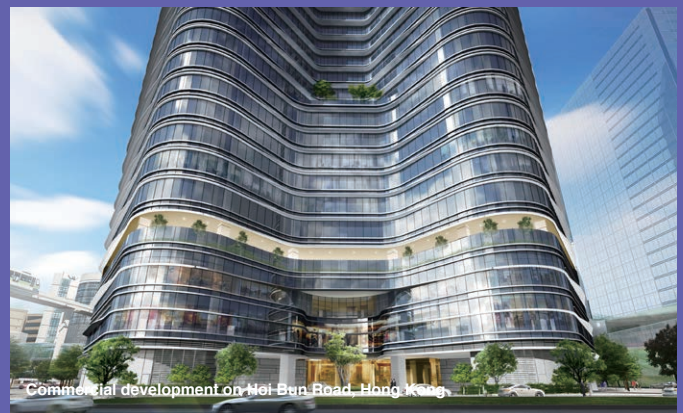
Our two newly-acquired buildings – Corporate Avenue 1 & 2 in Shanghai and 700 Nathan Road in Hong Kong – will undergo renovation and target LEED Existing Building and HK-BEAM Existing Building Gold certifications respectively, bringing their operational performance on par with new office buildings.

In addition to targeting LEED and HK-BEAM Platinum certification, our commercial development on Hoi Bun Road in Kowloon East, Hong Kong is one of the city's first WELL Building Standard registered projects which focuses on providing a healthy indoor environment for building occupiers.

Our Destination Shopping Centres, such as Temple Mall and Lok Fu Plaza, have undergone Australia's NABERS assessments to benchmark building energy performance with global best practices.



700 Nathan Road, Hong Kong



Commercial development on Hoi Bun Road, Hong Kong











Corporate Avenue 1 & 2, Shanghai



EC Mall, Beijing





Stakeholder Engagement

Link's strategy to create value in the short, medium and long-term is focused on establishing strong, lasting relationships with a variety of stakeholders across our value chain. Our stakeholders represent a range of interests and perceptions on a wide variety of issues including corporate priorities, performance and how we will manage emerging trends. We utilise a range of mechanisms – formal and informal – to establish clear and open dialogues in order to better understand each other's concerns and expectations. We believe these interactions are valuable and provide opportunities to identify and pursue common goals together.

GROUP	Employees	Financial Analysts and Investors	Communities and Shoppers	Suppliers and Vendors
	Nearly 900 direct employment and 4,000 indirect staff	Institutional and retail investors of Link	People that live in the communities we serve	Service providers that enable us to deliver quality service
Link to Sustainability Framework	 	 	 	 
WHY WE ENGAGE	Our people are what enable Link to deliver on our brand promise.	As the providers of capital necessary to support our growth, we engage with Unitholders and investors to keep them up to date on the financial performance and overall sustainability of Link.	Our properties are an extension of the living rooms of those people living in the communities around us.	Suppliers and contractors impact on our ability to provide products and deliver services. They are required to comply with our health and safety and ethical procurement standards. Engaging with them contributes to business continuity, viability and operational efficiency.
WHAT MATTERS TO THEM	<ul style="list-style-type: none"> • Job satisfaction • Career development • Improved knowledge sharing • Engagement • Building skills in line with future business growth • Being competitively remunerated 	<ul style="list-style-type: none"> • Distribution growth • Future business prospects • Strategy execution • Portfolio value • Timely information • Sound corporate governance 	<ul style="list-style-type: none"> • Clean shopping centre environments • Retail and entertainment offerings • Choice and variety • Reasonably priced products and services 	<ul style="list-style-type: none"> • Timely payment • Fair business practices • Lack of skills that may affect their ability to deliver services
HOW WE ENGAGE	<ul style="list-style-type: none"> • Annual "Vision, Mission, Values" survey • Work-life balance activities • YourVoice.com Portal • Employee Unit Purchase Plan 	<ul style="list-style-type: none"> • Investor presentations • Roadshows, one-on-one meetings and visits • Responding to sustainability surveys • Annual reports • Annual general meetings 	<ul style="list-style-type: none"> • Marketing programmes • Customer service ambassadors • Surveys and focus group meetings • Corporate hotline and information channels • Corporate, customer, and shopping centre websites 	<ul style="list-style-type: none"> • Annual Service Providers Conference • Surveys • Training

Link's Sustainability Advisory Committee (SAC) brings diverse perspectives to our sustainability challenges. The SAC includes experts from academia, non-governmental organisations and the business community and is chaired by our CEO, Mr George Hongchoy. Members do not represent a specific organisation or cause but instead bring a wide range of knowledge and experience to the table.

Since its establishment in 2014, the SAC has strongly influenced Link's approach to environmental, social and governance issues and has played a key role in shaping corporate decision-making in relation to the Sustainability Framework.

NGOs	Tenants	Media	Government
International organisations, local industry associations, environmental groups and community-based service groups	Strategic business partners involving over 11,000 tenancies and licences	Media partners that publicise Link in different aspects	Government officials and members of the Hong Kong Legislative Council and District Councils
			
NGOs represent the views of many public stakeholder groups and can serve as another channel to engage with different parties.	Our tenants are our strategic partners in delivering a desirable shopping environment to our shoppers.	The media keeps Link's stakeholders informed of business developments, new products and services and the impact of our business operations.	Our relationships with government and regulators impact on our ability to contribute towards broader economic, social and environmental objectives.
<ul style="list-style-type: none"> • Environmental impact • Corporate sustainability • Responsible business practices 	<ul style="list-style-type: none"> • Shopper footfall • Tenant mix improvement • Initiatives to enhance the shopping experience and attract shoppers • Changes in consumer spending • Increased competition • Rental escalation 	<ul style="list-style-type: none"> • Tenant and community issues • Being informed of key activities and offerings • Transparency 	<ul style="list-style-type: none"> • Facilitation of socioeconomic growth • Regulatory compliance • Environmental impact • Corporate governance
<ul style="list-style-type: none"> • Participation in committees • Attendance at sustainability related conferences and events • Collaboration on community projects • Staff volunteers • Link Together Initiatives • Provision of space for welfare organisations 	<ul style="list-style-type: none"> • Tenant association meetings • Link Tenant Academy • Dedicated property management teams to respond to tenant concerns and listen to ideas 	<ul style="list-style-type: none"> • Interviews with senior management • Media releases • Informal briefings through lunch and tea gatherings 	<ul style="list-style-type: none"> • Response to public consultations • Representation on advisory committees • Communication of sustainability programmes and initiatives • Regular meetings with government officials

How We Create Value

Our business operates through the lens of our Sustainability Framework in which decisions are made and initiatives are developed and monitored. This ensures that sustainability is integral to our strategic priorities and is embedded into everyday operations.

<IR> Framework

Integrated reporting is guided by the following six capitals

Manufactured capital

Intellectual capital

Financial capital

Human capital

Social and relationship capital

Natural capital

LINK SUSTAINABILITY FRAMEWORK – INPUT

We have connected the integrated reporting capitals with the aspects of our Sustainability Framework



ASSET/BRAND

Efficiently managing the properties we own and building a strong and reputable brand name allow us to work closely with different stakeholders.



ECONOMY

These are the economic and financial resources we use to grow our business.



STAFF

The skills and competencies of our staff enable us to create value by delivering on our business objectives.



COMMUNITY

We build strong relationships with the community including people living near our properties, government, non-governmental organisations, vendors and service providers.



TENANT

Our tenants are central to our business. When they do well, our business does well.



ENVIRONMENT

We are committed to conserving and protecting our natural resources while minimising our impact on the environment.



CORPORATE GOVERNANCE

Our entire business is underscored by our commitment to transparency, accountability and proactive risk management.

Link's Sustainability Framework is underscored by our commitment to the ten universally-recognised principles of the United Nations Global Compact. Our sustainability reporting aligns with the G4 Guidelines of the Global Reporting Initiative.

Link once again qualified for inclusion in major sustainability indices including Dow Jones Sustainability Asia-Pacific Index, FTSE4Good Index Series, Hang Seng Corporate Sustainability Index and CDP, which assess companies on their environmental, social and governance performance.

WHAT WE DELIVER – OUTPUT

We continue to add value to the communities we operate in and improve the lives of those around us

Better Properties

This includes properties which have undergone enhancement as well as improvements in service quality to enhance asset value.

Better Business

Create environments that allow our tenants to grow their businesses and in turn provide sustainable return for our Unitholders.

Knowledge Transfer

Passing our expertise to tenants and raising awareness of sustainability.

Stronger Relationships

Achieved through understanding the concerns and views of our stakeholders.

STRATEGIC PRIORITIES

We aim to create sustainable growth and long-term value to our stakeholders

01. Building a More Productive and Higher Quality Portfolio



By utilising our newly expanded growth drivers to streamline, reposition, re-mix and unlock further value from our portfolio.

please see page 34-41

02. Maintaining a Prudent and Flexible Capital Structure



To ensure we are ready and able to capitalise on new investment opportunities when they emerge.

please see page 42-43

03. Developing a Strong Management Team



To have in place an aligned and high-performing team that is the driving force behind our sustained success and ability to create value for the communities and Unitholders.

please see page 44-45

04. Helping our Tenants and Communities Grow while Delighting Shoppers



By building strong relationships, providing the right properties and offering the right services to meet the needs of our communities.

please see page 46-49

Strategic Priorities at a Glance

The strategic priorities below showcase our capabilities in linking people to a brighter future through constantly creating value for our various stakeholders.

STRATEGIC PRIORITIES

01. Building a More Productive and Higher Quality Portfolio

02. Maintaining a Prudent and Flexible Capital Structure

2015/2016 ACHIEVEMENTS

- Launched new brand identity
- Increased revenue by 13.2%
- Completed portfolio segmentation and rolled out Asset Management Model
- Completed five asset enhancement projects for HK\$775 million and undertaking 11 current projects
- Streamlined Hong Kong retail portfolio by disposing of five properties at an average premium of 30% to valuation as at 30 September 2015
- Announced the disposal of nine properties
- Acquired EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai
- Announced the acquisition of 700 Nathan Road

- Maintained A and A2 corporate credit ratings by Standard & Poor's and Moody's
- Reduced effective interest rate to 2.57%
- Completed buyback of approximately 50.2 million units using proceeds from asset disposals
- Maintained fixed rate debt to gross debt ratio at 63%

FUTURE PRIORITIES

- Continue to enhance our portfolio mix
- Improve financial return to Unitholders
- Tailor portfolio standard and service quality
- Refine trade mix
- Enhance property condition
- Focus on execution and delivering on our enhanced portfolio
- Assess our portfolio's climate resilience and outline a strategy to meet COP 21 target

- Maintain capital efficiency through prudent capital recycling
- Maintain corporate credit ratings and improve ratings outlook
- Maintain low cost of funding
- Mitigate impact of potential rise in interest rate
- Explore new financing options such as green bonds

KEY ISSUES

- Slowdown of Hong Kong and Mainland China economies
- Ensure we provide the best environment for tenants to do business and shoppers to spend more time
- Reduce risk by diversifying our portfolio
- Position properties to ensure sustainable income generation

- Need to balance long-term strategy against weighted average cost of capital, regulatory compliance and risk of market volatility
- Manage cost of financing and refinancing to support business growth

KPIs

- Reversion rate
- Occupancy rate
- Net property income margin
- Mystery Shopper Programme score
- Tenant gross sales

- Corporate credit ratings
- Cost of borrowing
- Sources of capital

STRATEGIC PRIORITIES

03.

Developing a Strong Management Team

2015/2016 ACHIEVEMENTS

- Maintained overall staff attrition rate at 21.1% and kept attrition rates for high-performing staff to close to zero
- Hosted a series of brand launch events to align all staff on our updated brand message
- Organised sharing and training sessions on current topics such as Competition Ordinance
- Established Link Volunteer Committee
- Built Asset Management team

FUTURE PRIORITIES

- Develop Asset Managers to oversee and be accountable for all aspects of selected properties to achieve optimal performance and sustainable growth
- Develop Link Volunteer Committee to serve the communities in which we operate
- Enhance skill set of management-level staff through new training programmes
- Develop and enhance team diversity
- Review benefit provisions to provide more flexibility and varieties for staff
- Roll out work-life balance programmes
- Enhance risk management governance

KEY ISSUES

- Ensure Asset Managers extract full potential of the properties
- Recruit and retain talents with the right capabilities to ensure we meet targets and maintain high performance

KPIs

- Diversity
- Staff attrition
- Training hours

04.

Helping our Tenants and Communities Grow while Delighting Shoppers

- Delivered 15 Link Tenant Academy sessions, attended by over 2,000 participants
- Scored 84/100 in our Mystery Shopper Programme
- Organised 51 marketing events and promotions at shopping centres
- Launched Neighbourhood Project Fund to support charitable organisations and neighbourhoods
- Launched Link First Generation University Student Scholarship that provides scholarships to 100 students who are the first from three generations of their families to attend local universities
- Launched Park & Dine mobile app

- Enhance Park & Dine mobile app with more features and loyalty programme
- Strengthen impact and effectiveness of Link Together Initiatives
- Improve our Tenants Intelligence and Expansion Scheme
- Revamp Link Tenant Academy programme

- Ensure properties are an integral part of community life
- Develop tenant resilience to weather volatile business environment
- Build and maintain trust with tenants, shoppers and communities

- Impact of Link Tenant Academy sessions
- Number of active users of Park & Dine mobile app
- Reach and impact of Link Together Initiatives

Operating Landscape

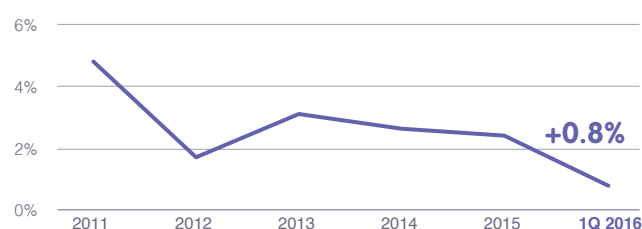
There are several key trends impacting the property markets where Link operates. **We are positioning our assets to weather any market turmoil and adapting our business to ensure we can earn sustainable long-term benefits.**

MAJOR MARKET TRENDS IN HONG KONG

GENERAL ECONOMY

Gross domestic product growth in Hong Kong for 1Q 2016 was 0.8% (compared to 2.4% in 2015) and is expected to grow at similarly slow pace in 2016. The declining growth trend is mainly affected by external factors, namely the economic slowdown in Mainland China and the depreciation of the RMB which will make Hong Kong less competitive.

Gross domestic product growth (YoY)

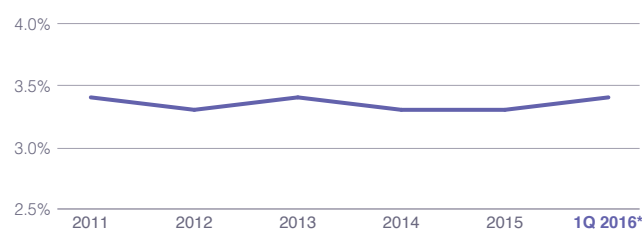


Source: Hong Kong Census and Statistics Department

UNEMPLOYMENT

Under slowing economic fundamentals, the labour market remained largely intact. Although certain labour submarkets such as retail and hotel have begun to show signs of weakening, overall unemployment has remained steady at 3.4%.

Unemployment rate



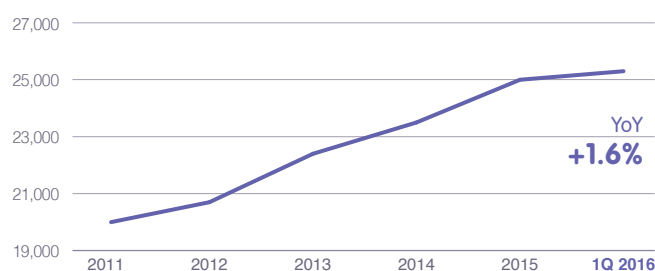
* Seasonally adjusted figure

Source: Hong Kong Census and Statistics Department

HOUSEHOLD INCOME & CONSUMPTION

The stable labour market and rising household income, especially among the public rental housing population due to increasing minimum wages, have led to continual growth in private consumption expenditure. However, uncertainties over the economy and the volatile financial markets may affect consumer confidence.

Median monthly household income* (HK\$)



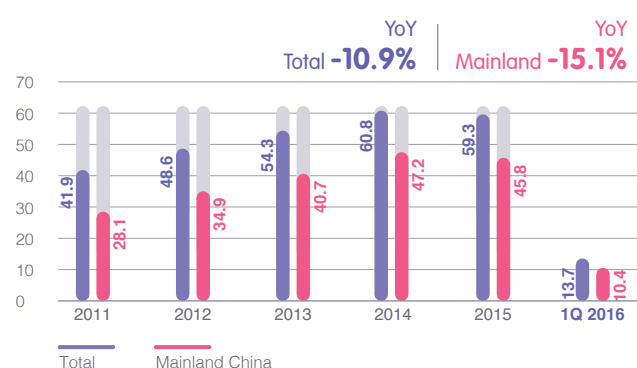
* Including bonus

Source: Hong Kong Census and Statistics Department

TOURIST ARRIVALS

The growth rate of tourist arrivals in 1Q 2016 was negative at -10.9%. The fall was largely due to declining visitors from Mainland China as a result of the weakening economy, change in spending pattern, unfavourable exchange rates and adverse publicity of Hong Kong.

Tourist arrivals (million)

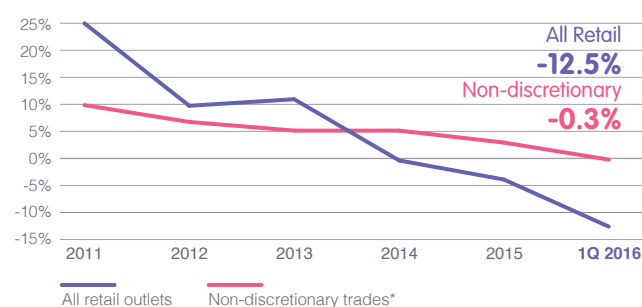


Source: Hong Kong Tourism Board

RETAIL SALES

Overall retail market had a dismal performance in 1Q 2016, as retail sales value recorded negative growth for the second year in a row at -12.5%. Discretionary trades suffered the most as a result of falling tourist arrivals and spending. For non-discretionary trades, sales growth outperformed the general market but showed signs of softening.

Retail sales value trend (YoY)



* Non-discretionary trades include supermarkets and foodstuff

Source: Hong Kong Census and Statistics Department

WHAT DO THEY MEAN TO LINK

- ✓ Labour market should remain largely stable
- ✓ Household income of public housing residents will support domestic demand for non-discretionary consumption
- ✗ Slower growth and gloomy economic outlook may affect consumer sentiment
- ✗ Falling tourist arrivals and unfavourable exchange rates will further drag retail sector

WHAT LINK IS DOING

1. Continue Link's focus on the resilient mass market segment
2. Seek growth opportunities by fine-tuning product and service offerings, such as expanding the variety of cuisine and restaurant choices
3. Identify and invest in districts with growth potential due to increasing population and shopper catchment, rising household income and enhanced transportation networks

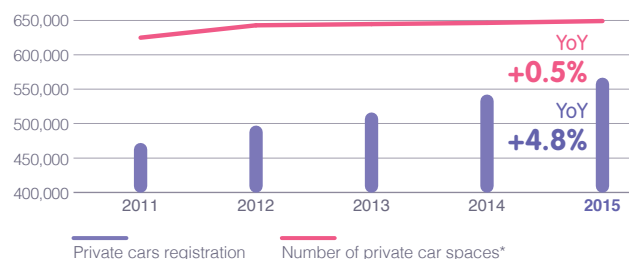
Operating Landscape continued

MAJOR MARKET TRENDS IN HONG KONG

CAR PARK

Private car registrations continued to increase in 2015 at a similar growth rate as recorded in 2014. However, parking space supply remained stagnant as the government continued with its tightened parking provision in new private housing.

Car registration and car park stock*



* Data as at Feb 16

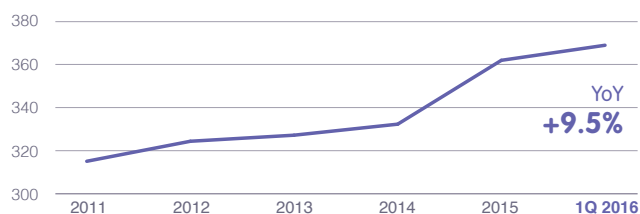
Source: Hong Kong Transport Department

GRADE-A OFFICE

Grade-A office market has been very resilient despite the softening of the general economy. Vacancy rates remained low in 1Q 2016. Despite upcoming supply of grade-A office buildings in several districts such as Tsim Sha Tsui and Kowloon East, the low vacancy rates across all submarkets and healthy demand should support absorption of the new supply and rental levels.

Overall office rental index

Index base: 1Q 2003 = 100



Source: Savills

WHAT DO THEY MEAN TO LINK



Mismatch in supply and demand of parking spaces will help support a robust car park market



Sustained demand for prime office space supports market



New office supply in decentralised locations may put pressure on rent growth

WHAT LINK IS DOING

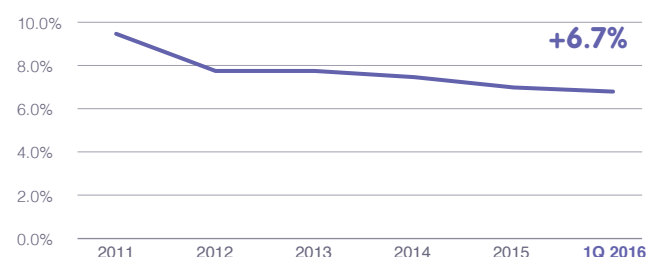
1. Monitor the car park market and identify opportunities to narrow the pricing gap between Link and neighbouring car parks
2. Develop best in class office complex with top of the line hardware provisions to attract leasing demand

MAJOR MARKET TRENDS IN MAINLAND CHINA

OVERALL ECONOMY

Gross domestic product growth in China in 1Q 2016 was 6.7%, while similar growth patterns were seen in the tier-one cities as well. Despite the downward pressure on the economy from mounting domestic and external headwinds, the situation may improve with the gradual rebalancing of the economy to a more sustainable growth path supported by domestic consumption.

Gross domestic product growth (YoY)

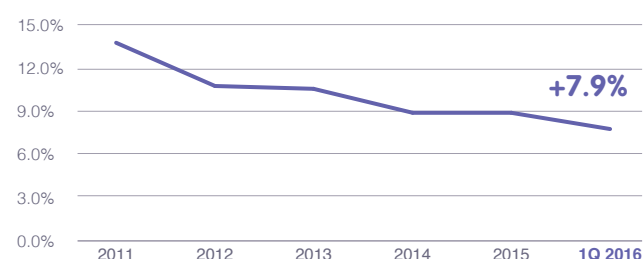


Source: National Bureau of Statistics

BEIJING URBAN HOUSEHOLDS DISPOSABLE INCOME

In Beijing, the rising middle-class population and the continued increase of disposable income of urban households should support further growth in consumer sales.

Per capita disposable income of urban households (YoY)



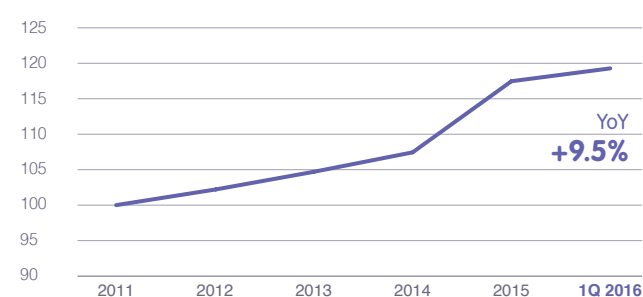
Source: Beijing Statistical Information Net

SHANGHAI GRADE A OFFICE MARKET

Shanghai government continues to support growth in finance and service sectors which have supported the growing demand for grade-A office space. Both multinational and large domestic corporates stand out as major sources of office demand in the core CBD and rental level is expected to remain largely stable.

CBD office rental index

Index base: 4Q 2011 = 100



Source: JLL

WHAT DO THEY MEAN TO LINK



China will shift into a more normalised steady growth phase



Continued urbanisation means tier-one cities are still favoured and will remain resilient



Bigger risks in lower tier cities with over supply of commercial real estate

WHAT LINK IS DOING

1. Endeavour to deliver successful execution of the acquired assets in accordance with investment plan
2. Continue to focus on tier-one cities, mass market retail and grade-A offices

We pride ourselves in being innovative in our business operations and this mindset extends to our sustainability performance. In 2015/2016, Link collaborated with Trucost, a leading environmental economics organisation, to develop a robust framework to quantify and measure our natural, social and human capitals.

Quantifying and measuring these capitals – and understanding how they change over time – impacts the overall effectiveness and resilience of our business. These metrics improve internal decision-making, helping Link to create significant value beyond financial return.

The initial assessment using this framework will set a baseline for us to monitor our improvements in each of the capitals and will be reported through our corporate sustainability website.



Stanley Plaza, Hong Kong

Natural, Social and Human Capitals

Performance on select
Natural, Social and Human
Capital Indicators

26.3%

Reduction in energy consumption since 2010

HK\$27.9 million

Invested in the community through
Link Together Initiatives since 2013

92%

of staff we engaged through our
“Vision, Mission, Values” survey



Delivering on Our Strategic Priorities

Our strategic priorities bring focus to our growth drivers, our capital management, how we grow our organisation and how we link people to a brighter future. While these priorities underscore our management decision-making, the programmes and initiatives to deliver them are resilient to the markets and environments in which we operate.

01. Building a More Productive and Higher Quality Portfolio



KPI
96.0%
Occupancy
in Hong Kong

This financial year marked an important year on improving the quality of our portfolio, positioning ourselves for increased productivity and sustainable future growth. With the goal of creating a better return for our Unitholders, we continue to create value through a careful blend of asset management, asset enhancement, asset acquisition, asset disposal and property development. On top of continuing on our core strengths in refining tenant mix and enhancing our existing properties in Hong Kong, we have disposed of some of our non-core properties and added two properties with higher growth potential in Mainland China during the year.

Asset Management

Managing our properties well is our core growth driver which is inevitably the most important in driving profit and extracting value from the portfolio. The management of our retail and car park facilities has evolved to be our strength and expertise. Through scalable innovation, we continue to leverage on this competitive advantage.

Our leasing strategy covers a range of activities including:

- Implementing the right tenant mix for each property;
- Performing routine rental reviews against tenant performance;
- Identifying and working with strong and reputable tenants; and
- Building a trusted brand reputation to attract new retailers.

This strategy is supported by close monitoring and analysis of changes in district demographics and shopper preferences. Augmenting this is our proactive marketing approach which drives footfall, raises brand awareness and encourages shopper loyalty.

With property management, our priorities remain focused on four priority areas:

- Delivering high-quality and efficient service;
- Ensuring our properties are barrier-free accessible;
- Improving our relationships with tenants and service providers; and
- Enhancing property operational efficiency with respect to electricity, water and waste.

PERFORMANCE

Hong Kong Portfolio

Retail

Despite a challenging economic environment affecting Hong Kong, our retail portfolio has demonstrated its resilience. We achieved growth in nearly all areas of our retail operations due largely to our active leasing strategy to attract more productive tenants, especially in the "Food and Beverage" sector, and cut down large shops into smaller shops to enhance tenant sales productivity. Occupancy rate for the portfolio as at 31 March 2016 reached 96.0%. We achieved a reversion rate of 25.9% and recorded a 6.7% year-on-year retail rental growth.

Operational statistics of the retail portfolio

	Occupancy rate		Reversion rate		% of total area ⁽¹⁾
	As at 31 March 2016 %	As at 31 March 2015 %	Year ended 31 March 2016 %	Year ended 31 March 2015 %	As at 31 March 2016 %
Shops	97.1	96.5	29.0	23.3	82.9
Markets/Cooked Food Stalls	89.1	86.4	10.4	12.0	8.8
Education/Welfare and Ancillary	92.4	87.2	14.3	20.0	8.3
Total/Overall	96.0	94.8	25.9	22.0	100.0

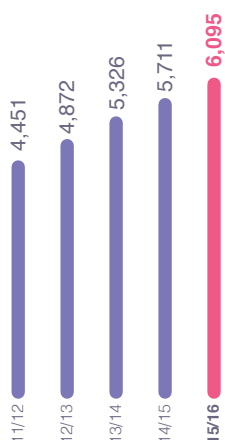
Note:

(1) Total excluding self use office.

After careful study of our portfolio with a bottom-up approach to ensure we drive operational performance effectively in the long run, we have segmented our Hong Kong portfolio into three groups, namely Destination, Community and Neighbourhood. By segmenting the portfolio into different groups, management and marketing can be tailored to different types of tenants and shoppers.

Performance of our properties validates our strategy. Our Destination Shopping Centres contributed to 17.1% of the portfolio's retail rentals, while the remaining properties also continued to demonstrate year-on-year improvement in average monthly unit rent.

Retail rentals in Hong Kong (HK\$'M)



Retail portfolio breakdown

	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent		Occupancy rate	
		As at 31 March 2016 HK\$'M	Year ended 31 March 2016 HK\$'M	As at 31 March 2016 HK\$ psf	As at 31 March 2015 HK\$ psf	As at 31 March 2016 %	As at 31 March 2015 %
Properties							
Destination	6	21,463	1,044	70.8	62.3	97.3	96.7
Community	38	58,590	3,013	60.8	55.8	97.0	96.2
Neighbourhood	95	34,439	1,998	34.9	32.8	94.8	93.3
5 Properties Disposed	–	–	40	–	25.1	–	91.9
Total/Overall	139	114,492	6,095	50.0	45.4	96.0	94.8

With over 30% of leases (by monthly rent) expiring in the coming year, we are working closely with our existing tenants to ensure their success and loyalty and also

engaging with potential new tenants which may enhance the product mix and service offering.

Delivering on Our Strategic Priorities continued

Portfolio lease expiry profile

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	26.8	30.6
2017/2018	23.4	27.5
2018/2019 and Beyond	39.3	37.2
Short-term Lease and Vacancy	10.5	4.7
Total	100.0	100.0

Car Parks

As one of the largest car park owners in Hong Kong, we continue to see strong demand in car park spaces due to the growth in registered private cars that is complemented by stagnant growth in car park spaces. The increased demand, coupled with increased visitation to our enhanced shopping centres, have underpinned the strong performance of our car park business throughout the year. Individual car park income per space per month increased by 14.4% to HK\$2,022 for the year ended 31 March 2016.

To improve performance and operations, we incurred capital expenditures to upgrade our car park facilities such as tailgating system, patrol management and directional signage at various properties. The 10-year car park refurbishment programme started since 2013 with a total investment of approximately HK\$300 million has been progressing well.

Key car park performance indicators

	Year ended 31 March 2016	Year ended 31 March 2015
Car park income per space per month (HK\$)	2,022	1,767
Net property income margin (%)	71.8	70.3
	As at 31 March 2016	As at 31 March 2015
Total Valuation (HK\$'M)	28,888	25,177
Average valuation per space (HK\$'000)	384	330

Moving Forward

On 1 April 2016, we rolled out a new Asset Management Model for 20 properties that form five unique clusters comprising Destination and Community Shopping Centres.

Under this Model, a dedicated Asset Manager will oversee the operational and financial planning of all assets within a

cluster in order to enhance net property income and asset value. The Asset Managers have to formulate "asset focus" plans to manage the leasing, cost control and long-term positioning of the assets to meet evolving community needs. The holistic approach will increase operational efficiency, enhance resource allocation, improve customer experience and create better value.



KPI 100% Retail occupancy in EC Mall

Mainland China Portfolio

We completed the acquisitions of EC Mall in Beijing in April 2015 and Corporate Avenue 1 & 2 in Shanghai in August 2015.

Located in the middle of Zhongguancun, the "Silicon Valley of China", EC Mall is a

regional destination mall offering mass market retail products. With strong demand, EC Mall recorded exceptional performance with occupancy rate reaching 100% as at 31 March 2016 and retail reversion rate of 38.7% during the financial year.

EC Mall retail lease expiry profile

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	24.2	28.7
2017/2018	22.1	30.0
2018/2019 and Beyond	53.7	41.3
Total	100.0	100.0



KPI 100% Office occupancy in Corporate Avenue 1 & 2

Corporate Avenue 1 & 2 is situated in Xintiandi, one of the most renowned and affluent core business districts in Shanghai. With excellent hardware and grade-A specifications, Corporate Avenue 1 & 2 continued to be the preferred choice for

both local and multi-national corporations to house their Shanghai offices. Office reversion rate for the year was 12.8% while occupancy rate was 100% as at 31 March 2016.

Corporate Avenue 1 & 2 office lease expiry profile

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	38.0	37.7
2017/2018	15.2	17.6
2018/2019 and Beyond	46.8	44.7
Total	100.0	100.0

Given its high quality and prime location, Corporate Avenue 1 & 2 is pre-leasing well to mitigate any risks of increase in office supply in 2017/2018.

About half (by area) of the leases expiring in 2016/2017 have already been committed as at 31 March 2016.

Delivering on Our Strategic Priorities continued



KPI
15.5% to
23.5%
Return on
investment for
enhancement
asset projects
completed during
the year

Asset Enhancement

Expertise in asset enhancement has contributed to our success throughout the years. Our original portfolio in Hong Kong has an average age of 25 years, implying many of the properties require revitalisation to create better value. With careful planning and execution of asset enhancement, we do not only provide an enhanced retail environment for tenants and shoppers, but also bring in a better shopping experience and more offerings for the community. Our asset enhancement programme continues to focus on:

- Enhancing shopping centre performance;
- Capitalising on changing district demographics such as population growth and age distribution;
- Creating and delivering a consistent brand image; and
- Improving utilisation of retail space.

Our ongoing asset enhancement works improve the layout, efficiency and facilities of the properties. Our investment in enhancing the smaller properties – those ranking beyond the top 50 by valuation – also demonstrates our commitment and focus across our entire portfolio.

PERFORMANCE

We completed five asset enhancement projects during the year, including Tsing Yi Commercial Complex, Temple Mall North, Long Ping Commercial Centre, Wo Che Plaza and Tin Shing Shopping Centre. Different upgrades for these properties, ranging from simple refurbishment to major enhancement works, all have generated satisfactory returns on investment.

Temple Mall North (previously Lung Cheung Plaza) in Wong Tai Sin was rebranded and serves as a new Destination Shopping Centre in Central Kowloon next to Wong Tai Sin Temple, one of the top tourist attractions in Hong Kong.

Return on investment of asset enhancement projects completed in the year ended 31 March 2016

	Total area as at 31 March 2016 '000 sq ft	Total project capex HK\$'M	Estimated return on investment %
Tsing Yi Commercial Complex ⁽²⁾	55	105	15.6
Temple Mall North ⁽¹⁾	140	306	15.5
Long Ping Commercial Centre ⁽²⁾	89	133	17.1
Wo Che Plaza ⁽¹⁾	181	36	23.5
Tin Shing Shopping Centre ⁽¹⁾⁽³⁾	76	195	15.6
Total		775	

Notes:

(1) Property ranked amongst top 50 by valuation.

(2) Property ranked beyond top 50 by valuation.

(3) Property included a fresh market upgrade.

The upgrade included a refurbished interior featuring higher ceilings, a more spacious shopping environment and an increased number of shops. The atrium was revamped to enhance the decor and to cater for organising different types of marketing activities. We have also rebranded Wong Tai Sin Plaza as Temple Mall South, which is connected to Temple Mall North by a footbridge. These two connected shopping centres are currently operated as one mall to drive synergies, reduce duplication in trades and tenants and to offer a wider variety of choices for shoppers. With the new façade and the lantern-inspired design elements, Temple Mall is now more appealing to visitors to the adjacent Wong Tai Sin Temple and vehicles passing along Lung Cheung Road.

Given the changes in demographics resulting from newly completed residential projects nearby, asset enhancement works for Tsing Yi Commercial Complex and Long Ping Commercial Centre were completed to enhance the business environment for tenants and widen the range of offerings to shoppers to appeal to their diverse needs. Tin Shing Shopping Centre has been reconfigured and its fresh market has been repositioned as a regional fresh market serving the Tin Shui Wai district.

Continuing our proven asset enhancement strategy, we have 11 enhancement projects underway with another 8 projects to commence and over 16 other projects currently undergoing review, taking our asset enhancement pipeline well into 2020.



Temple Mall North,
Hong Kong

Delivering on Our Strategic Priorities continued

Asset enhancement pipeline

	Number of projects	Estimated costs HK\$'M
Underway	11	1,386
Pending statutory approval	8	808
Others under planning	> 16	> 1,300
Total	> 35	> 3,494

Approved asset enhancement projects underway

	Estimated costs HK\$'M	Target completion date
Tin Chak Shopping Centre ⁽¹⁾	26	Mid 2016
Lei Tung Commercial Centre ⁽²⁾	83	Mid 2016
Butterfly Plaza ⁽¹⁾⁽³⁾	329	Mid 2016
Hau Tak Shopping Centre ⁽¹⁾	174	Late 2016
Tai Hing Commercial Centre ⁽²⁾	75	Late 2016
Sau Mau Ping Shopping Centre ⁽¹⁾	72	Late 2016
Wah Ming Shopping Centre ⁽²⁾	72	Early 2017
Tin Yiu Plaza ⁽¹⁾	164	Early 2017
Fu Tung Plaza ⁽¹⁾	30	Early 2017
Lung Hang Commercial Centre ⁽²⁾	81	Mid 2017
Chung Fu Plaza ⁽¹⁾	280	Mid 2017
Total	1,386	

Notes:

(1) Properties ranked amongst top 50 by valuation.

(2) Properties ranked beyond top 50 by valuation.

(3) Project includes a fresh market upgrade.

Asset Acquisition

Adding quality assets with better growth potential helps in improving our portfolio quality and ensuring sustainable DPU growth. Building on the resilience of our portfolio, our focus is to seek investment opportunities with high future growth potential in mass market retail and premium grade-A offices in core CBD in both Hong Kong and tier-one cities in Mainland China. This involves cautious and prudent due diligence and disciplined deal structuring to deliver better long-term returns.

PERFORMANCE

During the year, we completed the acquisitions of EC Mall in Beijing in April 2015 and Corporate Avenue 1 & 2 in

Shanghai in August 2015. These two new properties in Mainland China are in line with our strategy of expanding geographically by adding assets with better growth potential.

In February 2016, we announced the acquisition of 700 Nathan Road in Mong Kok, Hong Kong through a government tender. Completion of the acquisition took place subsequent to the financial year end on 15 April 2016. The property is situated in a prime location at the heart of Kowloon Peninsula with excellent connectivity including the railway, buses and minibuses. Given the location and catchment, we believe it is ideal for mass market retail, food and beverages, and service trades. The property will



KPI
26.3%
Reduction
in energy
consumption
since 2010

require a renovation to convert it into a modern retail podium and tower. This is an attractive opportunity to leverage on Link's expertise in asset enhancement and mass market retail leasing. As we continue to remain focused on Hong Kong retail, it will be consistent with our objective to increase Link's share of the shoppers' wallet in the same mass market catchment that Link has been serving in the last ten years.

Asset Disposal

Enhancing the quality of our portfolio also means exiting our non-core assets, which supports several value creation opportunities such as:

- Repayment of debts;
- Funding unit buy backs;
- Funding investments in assets with better growth prospects; and
- Enhancing Unitholder's return.

PERFORMANCE

We have continued to review and streamline our property portfolio and completed the disposal of five properties in December 2015 at a premium of 30% to the aggregate appraised values as at 30 September 2015. Announcements on further disposals of nine properties were also made on 31 March 2016 and 11 April 2016, respectively. Two of the properties were disposed of at a total consideration of HK\$1,690 million, representing a premium of 15% to the aggregate appraised values as at 31 March 2016, while the remaining seven properties were disposed of at a 23% premium to the aggregate appraised values as at 31 March 2016 at a total consideration of HK\$1,962 million. These disposals were completed subsequent to the financial year end on 31 May 2016. Our operational efficiency has also been enhanced through the headcount review process.

Property Development

Working with our partner Nan Fung Development Limited, Link currently has one commercial development project

underway on Hoi Bun Road in Kowloon East, Hong Kong. This top of the class grade-A commercial property is on schedule to be completed in 2019.

PERFORMANCE

We started the foundation works for the project and the construction works are on schedule. In addition to targeting HK-BEAM Platinum and LEED Platinum certifications, the property is also one of the first commercial projects in Hong Kong to be registered as a WELL Building Standard project which focuses on ensuring human health and wellness in the built environment.

Environmental Excellence

We recorded a year-on-year 2.2% reduction in energy consumption, marking the sixth consecutive year of reduction and moving us closer to our 2020 target of a 30% reduction against our 2010 baseline. Overall, carbon emissions have effectively been reduced by 26.3% since 2010.

Our energy-saving programme is boosted by the use of digital technology solutions to improve environmental performance. We use Radio Frequency Identification (RFID) to track and measure not just electricity use, but also monitor waste, temperature and footfall across our properties in Hong Kong. The data analysis and subsequent initiatives provide a spectrum of environmental benefits including individual facility energy use reduction and more efficient waste management.

During the year, a comprehensive waste management strategy was established after a successful yearlong pilot programme to install waste management facilities at 46 properties. The strategy introduced a set of policies and procedures to facilitate waste separation and minimise waste to landfills. We work closely with tenants, service providers, government and NGOs to educate and find optimal solutions. Some 40 tonnes of waste have been either recycled or reprocessed since commencement of the programmes to the end of the financial year.

Delivering on Our Strategic Priorities continued

02. Maintaining a Prudent and Flexible Capital Structure



KPI
2.57%
Effective interest rate

Prudent and effective capital management is essential for Link to meet strategic objectives and maximise value for Unitholders. It provides us with a solid foundation for sustainable long-term growth. We aim to utilise an optimal mix of capital tools including bank borrowing, capital markets debt issuances and asset disposals.

Our capital management framework has evolved and strengthened over the years but remains focused on:

- Optimising long-term capital structure;
- Maintaining strong corporate credit ratings to secure low funding cost;
- Mitigating refinancing risks by extending debt maturity profile; and
- Limiting exposure to interest rate volatility.

We continue to distribute 100% of our distributable income, which demonstrates our commitment to sustainable returns for our Unitholders.

PERFORMANCE

2015 was another year of volatile financial markets. Market interest rate expectation increased sharply in November 2015 and the US Federal Reserve increased the Federal Fund Target Rate for the first time in nine years by 0.25% in December 2015. The US economy was generally on track for recovery with the unemployment rate falling to 4.9% in January 2016. However, moving into the first quarter of 2016, the decline in oil price, the increased risk of global economic slowdown and the deeper negative interest rates imposed by the European Central Bank and the Bank of Japan held back further action by the US Federal Reserve. Hong Kong dollar interest rates remained benign across the yield curve. In the Hong Kong banking market, ample market liquidity coupled with contraction in the overall loan demand resulted in loan margin compression.

During the year under review, we continued to be disciplined in capital management. We took advantage of the favourable banking market and arranged a total of HK\$17.5 billion new bank facilities, including HK\$6.4 billion of term loan and HK\$11.1 billion of revolving loan, from a total of 16 banks. Loan tenors spanned from three to five and a half years at the all-in costs of HIBOR + 0.75% to 1.25% per annum. In addition, four tranches of Hong Kong Dollar notes were issued under the MTN Programme for a total of HK\$2.1 billion, with tenors of seven to ten years and at coupon rates of 2.67% to 3.15% per annum. As at 31 March 2016, all of the Group's borrowings were unsecured.

The Group's total debt increased to HK\$27.0 billion as at 31 March 2016 (31 March 2015: HK\$17.1 billion) with the gearing ratio at 16.5% (31 March 2015: 11.9%). The average life of our committed debt facilities remained steady at 5.0 years (31 March 2015: 5.2 years). As at 31 March 2016, the Group had available liquidity of HK\$8.1 billion (31 March 2015: HK\$6.4 billion), comprising HK\$0.5 billion (31 March 2015: HK\$3.4 billion) in cash and deposits and HK\$7.6 billion (31 March 2015: HK\$3.0 billion) in committed but undrawn facilities.

On interest rate management, we increased the portion of fixed rate debt to gross debt to 63% (31 March 2015: 59%) and maintained the average life of fixed rate debt, representing the average period of interest rate protection provided by fixed rate debt, steady at 6.9 years (31 March 2015: 7.2 years). Our effective interest cost of the Group's debt portfolio as at 31 March 2016 decreased to 2.57% (31 March 2015: 2.66%).

As part of Link's capital recycling strategy, we used part of the proceeds from property disposals to buy back 50.2 million units during the year at an average price of HK\$43.74 per unit, which is equivalent to 23% discount to net asset value per unit as at 31 March 2016 of HK\$56.79.

Link's corporate credit ratings were affirmed by Standard & Poor's and Moody's at "A" and "A2" respectively on 23 February 2016 and 14 March 2016 respectively.

Committed debt facilities⁽¹⁾

(as at 31 March 2016)

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Utilised facilities	Undrawn facilities	Total committed facilities
Unsecured loan	7.4	5.9	13.3	7.6	20.9
MTN	9.7	4.0	13.7	–	13.7
Total	17.1	9.9	27.0	7.6	34.6
Percentage	63%	37%	78%	22%	100%

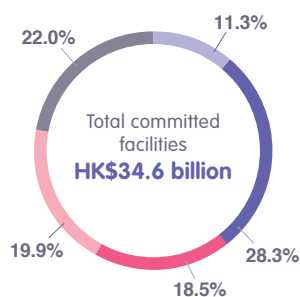
Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Funding base

(as at 31 March 2016)



MTN – Listed

MTN – Unlisted

Bank loans – Term

Bank loans – Revolving

Undrawn facilities

Facility maturity profile⁽¹⁾

(as at 31 March 2016)

Due in	Unsecured bank loans HK\$ billion	MTN HK\$ billion	Undrawn facilities HK\$ billion	Total HK\$ billion
2016/2017	–	1.0	–	1.0
2017/2018	–	0.3	1.5	1.8
2018/2019	3.4	1.1	0.1	4.6
2019/2020	3.9	1.3	1.7	6.9
2020/2021 and Beyond	6.0	10.0	4.3	20.3
Total	13.3	13.7	7.6	34.6

Facility maturity profile⁽¹⁾

(as at 31 March 2016)



Note:

(1) All amounts are at face value.

Delivering on Our Strategic Priorities continued

03. Developing a Strong Management Team



KPI
21.1%
Staff attrition rate

Link achieved a near-zero attrition rate for staff with high-performance rating, reflecting the successful retention strategy.

Link seeks to be an employer of choice by creating a working environment with strong respect for people. Our human resources strategy reflects this through its value proposition to attract, retain, motivate and reward a diverse team of industry professionals. In this, we have gained substantial headway, building an agile and innovative team that effectively manages our business while using foresight and professional judgment to identify emerging risks and opportunities.

Capacity Building

We engage our employees through a variety of channels to gauge their career aspirations and what is important to them in their jobs. It guides us to develop new and innovative programmes to help staff develop and grow. We have a designated staff newsletter and intranet portal that allows employees to speak up and communicate on a regular basis. Feedback is solicited each year through our annual Vision, Mission, Values survey. This year, approximately 92% of our employees responded. In response to the survey findings and to encourage better work-life balance, a staff volunteer committee and a set of guidelines were formalised to encourage more staff to volunteer at different community events and activities, particularly under Link Together Initiatives. This year, our staff volunteered for events such as elderly home visits, setting up mobile playgrounds and introducing classical music to underprivileged children, as well as community events funded through Link Together Initiatives.

In launching our new brand campaign during the year, we allocated considerable time and effort to ensure our entire team, including all levels of direct and indirect staff, understood the thinking behind our new brand and the brand promise to Link People to a Brighter Future. We established a 108-person strong team of Brand Ambassadors to deliver our message to our staff members, business partners and the community.

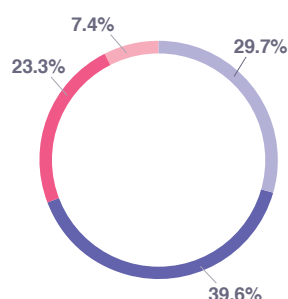
Learning and Development

Link believes in providing career paths for promising candidates. We promote from within as much as possible to enhance career development opportunities and retain our top performers. With our expanded growth drivers and new Asset Management Model, we offer diverse opportunities that better align with personal career aspirations. Link provides a wide variety of training and personal development programmes on management, technical and personal skills to better prepare our management to undertake the role and responsibilities for a chosen job. The Performance Management System forms the key component of the staff appraisal system in which individuals are assessed against a set of KPIs and the implementation of our core values (Respect, Excellence, Integrity and Teamwork). Each employee has the right to appeal the appraisal rating through an established and protected process should the occasion arise. The Performance Improvement Plan formalises the process to communicate management feedback and improve performance of our people.

To cultivate our future leaders, we launched a leadership development programme to approximately 60 of our management staff. The programme, based on Stephen R Covey, *The 7 Habits of Highly Effective People*, builds leadership skills and a high performance culture across our entire organisation.

To execute our Asset Management Model, we have established a team of five Asset Managers with a mix of in-house and external talents. The Asset Managers will have overall control of how their property portfolios are managed, and our existing property management and leasing teams will support their operations. As such, a set of shared Asset Manager and department KPIs are being established to facilitate the success of the Asset Management Model while ensuring the ongoing performance of the remaining property portfolio is not affected.

Employees' years of service



Under 2 years
2-5 years
6-9 years
10 years or above

Gender balance

(as at 31 March 2016)

EMPLOYEES

51%
male
49%
female

SENIOR MANAGEMENT

70%
male
30%
female

BOARD OF DIRECTORS ⁽¹⁾

71%
male
29%
female

Note:

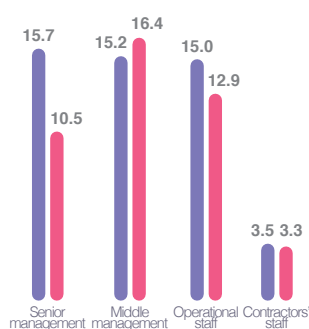
(1) Figures are as at the date of this report.

Health and Well-being

Health and well-being of staff enhances productivity. We launched several personal awareness workshops and numerous after-work activities for our people to enhance work-life balance. In addition, an Employee Assistance Programme is available via a 24-hour hotline and consultation services to staff and their families for any difficulties in relation to work, personal life or family matters.

the first REIT in Asia to endorse the Women's Empowerment Principles, a collaboration between United Nations Women and the United Nations Global Compact, and are committed to implementing the principles at all levels of our business. Our employees are spread relatively evenly across age groups, reflecting the general employment trends in Hong Kong.

Average hours of training



2014/2015
2015/2016

Diversity and Inclusion

In line with being a world class real estate investor and manager, we have a strict policy of non-discrimination in employment and we encourage diversity. Currently, close to half of our workforce is female. 3 of our 10-member management team and 4 of our 14 Board members are female. We are

PERFORMANCE

Our staff attrition rate for the year at 21.1% was roughly in line with the previous few years. More importantly, we achieved a near-zero attrition rate for those staff with a high performance rating, reflecting the success of our human resources strategy. As at 31 March 2016, we have 883 employees.

Delivering on Our Strategic Priorities continued

04. Helping Our Tenants and Communities Grow while Delighting Shoppers



KPI 15 Link Tenant Academy sessions

By supporting the development of our tenants, creating lifestyle experiences for our shoppers and contributing towards building thriving communities, we are investing in Link's long-term future. When communities do well, we do well.

Growing with our Tenants

In Hong Kong, we have over 11,000 carefully selected tenancies and licences that offer a vibrant retail mix to meet the needs of the local community and attract shoppers from nearby districts. Our approach is rooted in developing strong relationships with existing and potential tenants, supplemented by extensive district-level analysis and tenant surveys to identify opportunities for improvement in our facilities and services.

Link supports tenants' business development through Link Tenant Academy and with regular seminars and workshops. The academy imparts valuable business know-how, latest retail and service trends and shares operational improvement tips. Over the financial year, we offered 15 well-attended sessions with over 2,000 participants in aggregate.

Link understands that working with reputable and quality tenants drives footfall to our properties and offers customers the brands and products they seek. This strategy extends benefits to our smaller independent businesses and attracts new retailers into our shopping centres. We as well regularly engage with prospective tenants to understand their businesses and identify how their operations can add value to our existing trade mix. New tenants have the potential to enrich our trade varieties and increase brand offerings, thereby increasing the attractiveness of our shopping centres.

Link also actively involves tenants in its social initiatives to promote local community connection and support. Fresh market stall operators generously donate to meals for the elderly and participate in food waste reduction initiatives. Guide dogs for the blind are welcome into all our shopping centres and tenants regularly participate in special programmes staged at festival times.

Hong Kong portfolio retail trade mix

(as at 31 March 2016)

	By leased area %	By monthly rent %
Food and Beverage	29.6	26.4
Supermarket and Foodstuff	18.6	21.9
Markets/Cooked Food Stalls	8.1	14.1
Services	9.2	10.7
Personal Care/Medicine	4.0	6.3
Education/Welfare and Ancillary	8.1	1.2
Valuable goods (Jewellery, watches and clocks)	0.3	0.7
Others ⁽¹⁾	22.1	18.7
Total	100.0	100.0

Notes:

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

Community Enrichment

Link has established a number of initiatives to help communities thrive and grow. From concessionary rents for welfare organisations at our properties, to installation of barrier-free access facilities and allocation of public spaces attached to our Destination and Community properties, our properties are community hubs where people come together for good causes and family entertainment.

Link collaborates with welfare organisations, trade associations and social groups to stage lively and fun events and performances at our shopping centres for the benefit of local communities. Events bring awareness to a wide spectrum of modern urban lifestyle issues including health, nutrition, family harmony and green living. 51 events were held across our network of malls during the year.

Link Together Initiatives is our flagship charity and community engagement programme through which we support selected non-profit projects that seek to improve livelihoods of local communities. Every year, Link earmarks up to 0.25% of net property income from the previous financial year to fund the projects. During the financial year, HK\$10 million was allocated to various projects.

The programme focuses on two social groups: youth and the elderly. In addition to the established Service Fund, Link introduced three new schemes, the Neighbourhood Project Fund, Link First Generation University Student Scholarship and Link Barrier Free Shopping Centre Orienteering during the year. The Neighbourhood Project Fund enables a wider reach and closer connection to local neighbourhoods through small projects that cater to a specific area's needs. During the year, 37 projects across 16 districts were supported, benefiting some 70,000 people.



KPI
HK\$27.9 million
 invested in the
 community through
 Link Together
 Initiatives since 2013



Top left
 Street Transformers by Youth Outreach

Top right
 Breeding and Caring of Guide Dog
 Litters and Public Education Programme
 by Hong Kong Guide Dogs Association
 Limited

Bottom
 Mobile Playborhood Project (Phase 3)
 – Playful and Happy Community by
 Playright Children's Play Association

Delivering on Our Strategic Priorities continued

Link supported 100 first-year undergraduates who are the first among three generations of their families to attend one of Hong Kong's universities.

Link First Generation University Student Scholarship is a unique concept that supports first-year undergraduates who are the first from among three generations of their families to study at one of Hong Kong's universities. Nomination comes directly from secondary schools and the programme is independently supervised by HKCSS WiseGiving Limited of The Hong Kong Council of Social Service. 100 scholarships were given with each awardee receiving a HK\$20,000 grant. These students will also be admitted to the Link Scholarship Alumni, through which Link will provide mentoring, career counselling and corporate visits as well as

priority consideration to Link's internship programme.

Since 2011, we have invested HK\$200 million to ensure our properties are barrier-free accessible with the necessary physical enhancements. We also worked with relevant interest groups to raise awareness to this key community issue by helping to organise Link Barrier Free Shopping Centre Orienteering at Stanley Plaza.

For further details of our extensive community engagement, please visit our website Linkreit.com/sustainability.

Link Together Initiatives

Project	Name of Organisation	Amount HK\$'000
A) Service Fund (7 projects)		
Dr Dog Programme	Animals Asia Foundation Limited	305
Cha Duk Chang in 3 Generations	Cha Duk Chang Children's Cantonese Opera Association Limited	503
"Help the Aged, Teach the Young" – Link Fresh Market Surplus Food Donation Project	Food For Good Limited	1,321
Breeding and Caring of Guide Dog Litters and Public Education Programme	Hong Kong Guide Dogs Association Limited	597
Music Children @ Link	Music Children Foundation Limited	523
Mobile Playborhood Project (Phase 3) – Playful and Happy Community	Playright Children's Play Association	500
Street Transformers	Youth Outreach	400
	Sub-total	4,149
B) Neighbourhood Project Fund (37 projects)		3,427
C) Scholarship (100 student awardees)		
Link First Generation University Student Scholarship	HKCSS WiseGiving Limited	2,000
D) Barrier Free Access Project (1 event)		
Link Barrier Free Shopping Centre Orienteering	The Hong Kong Council of Social Service	440
GRAND TOTAL		10,016



KPI

5.2%

Growth of tenants' average monthly retail gross sales in Hong Kong

PERFORMANCE

As a result of our continuous efforts in refining trade mix and improving tenant business environment, during the year under review, our Hong Kong portfolio tenants' average monthly retail gross sales psf continue to improve and rose by 5.2% as compared to the last financial year. "Food and Beverage" and "Supermarket and Foodstuff", the dominant daily necessity trades in the Hong Kong portfolio, posted a year-on-year growth in gross sales psf of 10.6% and 0.8%, respectively, while "General Retail" recorded an increase of 4.8%.

Rent to sales ratio is another metric that we are keeping track of to gauge the affordability of rents for our tenants and manage our business more effectively. Rent to sales ratio of the overall portfolio was 11.7% for the year. Looking into different trade categories, rent to sales ratio for "Food and Beverage", "Supermarket and Foodstuff" and "General Retail" recorded 11.6%, 9.9% and 14.1%, respectively.

During the year, we organised 15 Link Tenant Academy sessions on topics from

"Using Technology to Improve Operational Efficiency" to "Handling Complaints and Difficult Situations Effectively". Over 2,000 participants joined the sessions. The Link Tenant Academy programme will be revamped to accommodate increased participation.

In addition to supporting our tenants, we also invest in advancing sustainable development in the communities we serve. During the year, Link donated HK\$2 million to Link First Generation University Student Scholarship. A total of 100 students received scholarship grants via the project consultant HKCSS WiseGiving Limited.

A total of HK\$3.4 million was granted to 37 Neighbourhood Project Fund projects that were selected by a panel comprising 21 community leaders including District Council Chairmen and Vice-chairmen, District Council members, representatives from Home Affairs Department and The Hong Kong Council of Social Service.

The Service Fund, in its third year, supported seven community projects for a total of HK\$4.2 million.

Financial Review

2015/2016 has been an extremely busy and productive year, which has resulted in one of our strongest sets of financial results.

Link has produced steady growth for this financial year.

Overall Financial Results

During the year, revenue and net property income increased by 13.2% and 14.9% year-on-year to HK\$8,740 million (2015: HK\$7,723 million) and HK\$6,513 million (2015: HK\$5,669 million), respectively. DPU for the year increased by 12.8% to HK206.18 cents (2015: HK182.84 cents), comprising an interim DPU of HK98.99 cents (2015: HK89.56 cents) and a final DPU of HK107.19 cents (2015: HK93.28 cents). The total DPU represents a distribution yield of 4.5% based on the closing market price of the units of HK\$46.00 on 31 March 2016.

Valuation of the investment properties portfolio (including property under development and properties in Mainland China acquired during the year) continued to improve and reached HK\$160,672 million, representing an increase of 16.1% compared to 31 March 2015. Net asset value per unit grew 10.2% year-on-year to HK\$56.79 (31 March 2015: HK\$51.53).

Hong Kong Portfolio

REVENUE ANALYSIS

Total revenue rose to HK\$8,319 million (2015: HK\$7,723 million), comprising rental income from retail properties of HK\$6,095 million (2015: HK\$5,711 million), car parks of HK\$1,846 million (2015: HK\$1,656 million) and other property related revenue of HK\$378 million (2015: HK\$356 million).

Retail rentals have continued to increase strongly against last year supplemented by the satisfactory reversion and the opening of Temple Mall North in November 2015. Car park rentals have also improved in view of the parking tariff increase and the increase in the number of monthly tickets sold.

Revenue breakdown

	Year ended 31 Mar 2016 HK\$'M	Year ended 31 Mar 2015 HK\$'M	Year-on-year change %
Retail rentals:			
Shops ⁽¹⁾	4,974	4,638	7.2
Markets/Cooked Food Stalls	805	767	5.0
Education/Welfare and Ancillary	147	145	1.4
Mall Merchandising	169	161	5.0
Car parks rentals:			
Monthly	1,381	1,224	12.8
Hourly	465	432	7.6
Expenses recovery and other miscellaneous revenue:			
Property related revenue ⁽²⁾	378	356	6.2
Total revenue	8,319	7,723	7.7

Notes:

(1) Rental from shops included base rent of HK\$4,840 million (2015: HK\$4,469 million) and turnover rent of HK\$134 million (2015: HK\$169 million), respectively.

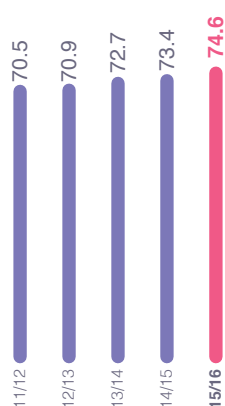
(2) Property related revenue included other revenue from retail properties of HK\$374 million (2015: HK\$353 million) and car parks of HK\$4 million (2015: HK\$3 million).

EXPENSE ANALYSIS

We have managed to maintain our total property operating expenses increase for the year at 3.1% through the implementation of a series of cost control measures. Even with an 8.3% increase of statutory minimum wage from HK\$30.0 to HK\$32.5 per hour in May 2015, property managers' fees, security and cleaning expenses grew only at a moderate 4.7% due to better work planning and efficiency improvement. Decrease in staff costs was mainly due to a lower accrual for the

long-term incentive plan as a result of a drop in the closing unit price as at 31 March 2016 against that of 31 March 2015. Energy consumption reduction continued to be our focus and we have successfully reduced our usage during the year. Uplift in government rent and rates was generally in line with revenue growth while promotion and marketing expenses increased mainly due to the launch of our new brand identity during the year. As a result of all these efforts, net property income margin further improved to 74.6% (2015: 73.4%)

Net property income margin in Hong Kong (%)



Property operating expenses breakdown

	Year ended 31 March 2016 HK\$'M	Year ended 31 March 2015 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	580	554	4.7
Staff costs	365	381	(4.2)
Repair and maintenance	213	201	6.0
Utilities	298	300	(0.7)
Government rent and rates	271	236	14.8
Promotion and marketing expenses	117	108	8.3
Estate common area costs	118	113	4.4
Other property operating expenses	155	161	(3.7)
Total property operating expenses	2,117	2,054	3.1

Financial Review continued

Mainland China Portfolio

During the year under review, we completed the acquisitions of EC Mall in Beijing on 1 April 2015 and Corporate Avenue 1 & 2 in Shanghai on 31 August 2015. These newly acquired properties in Mainland China contributed revenue of HK\$421 million and net property income of HK\$311 million to the Group's results.

Valuation Review

Total value of our investment properties (including property under development and properties in Mainland China acquired during the year) increased 16.1% from HK\$138,383 million as at 31 March 2015 to HK\$160,672 million as at 31 March 2016. Value of the Hong Kong retail properties increased 6.7% to HK\$114,492 million (31 March 2015: HK\$107,326 million) while value of the car parks increased 14.7% to HK\$28,888 million (31 March 2015: HK\$25,177 million). The increase in value of the retail properties and car parks in Hong Kong was mainly driven by the increase in net property income and improved property conditions after asset enhancement.

Value of the Hong Kong property under development in Kowloon East also increased to HK\$6,300 million (31 March 2015: HK\$5,880 million) while newly acquired properties in Mainland China were valued at HK\$10,992 million as at 31 March 2016.

CBRE Limited, the Principal Valuer, valued our completed properties as at 31 March 2016 using a combination of income capitalisation and discounted cash flow approaches as the primary valuation methodologies. For the property under development, the residual method was used. When valuing both completed and under development properties, the Principal Valuer has also made reference to market transactions and comparables.

Valuation approach

	As at 31 March 2016	As at 31 March 2015
Income Capitalisation Approach – Capitalisation Rate		
Hong Kong		
Retail properties: weighted average	4.54%	4.57%
Car parks: weighted average	4.78%	4.78%
Overall weighted average	4.59%	4.61%
Mainland China ⁽¹⁾		
Retail properties	4.50% – 5.00%	N/A
Office properties	4.00%	N/A
DCF Approach – Discount Rate		
Hong Kong		
	7.50%	7.50%
Mainland China ⁽¹⁾		
Retail properties	8.00% – 9.00%	N/A
Office properties	7.50%	N/A

Note:

(1) Acquisitions of EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai were completed on 1 April 2015 and 31 August 2015, respectively.



Cooked food stalls at H.A.N.D.S, Hong Kong

Risk Management

We are committed to having an effective risk management system as a cornerstone in achieving our strategic priorities. During the past two years we have enhanced our ability to anticipate risks and be agile and effective in managing them. We recognise that a robust, integrated risk management approach is a crucial enabler for us to realise opportunities.

Our Approach to Risk Management

Link's enterprise risk management framework provides the basis for implementing a consistent and effective approach to anticipate, evaluate and respond to key risks. Our integrated enterprise risk management approach combines a top-down strategic view with a complementary bottom-up operational process. The top-down approach involves a review of the external environment in which we operate to assess which risks we are comfortable exposing our business to in pursuit of our objectives. The bottom-up approach identifies, manages and monitors risks in each area of our business to ensure risk management is embedded throughout our daily operations.

Our risk management process is guided by the Three Lines of Defence system, which allows the Board to consider control issues effectively. The Board receives regular

reports through the Audit and Risk Management Committee and from the risk management and the internal audit functions.

1st Line of Defence – Internal Control and Operational Management

Control and monitoring procedures over compliance and risk management have been integrated into the daily operations with clear policies and procedures, which are reviewed on a regular basis to ensure their effectiveness. Every major department has its own set of operating policies and procedures to ensure that management is operating within an established control framework. Comprehensive training to staff ensures their understanding of the control and compliance requirements.

We recognise that a robust, integrated risk management approach is crucial for us to realise opportunities.

Three Lines of Defence



2nd Line of Defence – Risk Management and Compliance

The Risk Management and Compliance function monitors the effectiveness of the established enterprise risk management framework. It provides guidelines to business functions to facilitate their risk management processes, support management in assessing known and emerging risks and assist in developing the respective internal controls. Any irregularities identified at the functional level will be reported to the Risk Management and Compliance team for timely rectification.

3rd Line of Defence – Internal Audit

The Internal Audit function provides an independent and objective assurance to the Audit and Risk Management Committee on whether the control environments within the business are adequate. The Internal Audit function carries out independent reviews of key business processes and controls in accordance with its annual audit plan approved by the Audit and Risk Management Committee. It periodically reports to the Committee and has regular meetings with the chairman of the Committee. Key findings and recommendations for improvement and implementation are regularly reported to the Board through the Audit and Risk Management Committee. A whistle blowing policy has been in place such that possible improprieties may be detected earlier and brought to the attention of management and the Audit and Risk Management Committee. The external auditor also reports on any control issues identified in the course of its audit work.

Roles and Responsibilities

The Board has overall accountability for Link's enterprise risk management framework and is responsible for determining the nature and impact of risks on our business and ensuring appropriate mitigating strategies are in place. Both the Audit and Risk Management Committee and management

are tasked with overseeing mitigation of risks in terms of exposure and external impacts and ensuring the processes in which risks are managed are fit for purpose. This ensures the appropriate governance and policy decision-making is rolled down into the organisation and appropriate resources are allocated.

Emerging Risks and Outlook

As part of our risk management approach, we regularly identify and monitor emerging risks that could result in unexpected negative impact that affect our ability to meet our objectives. During the year, two risks were identified and closely monitored.

1) Weakening macroeconomic conditions in Hong Kong. Many indicators point to slower economic growth in Hong Kong. This may have an impact on our ability to deliver on our strategic objectives.




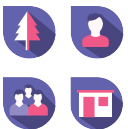
Mitigation strategy: Our focus on mass-market, non-discretionary retail shopping centres makes our business resilient to fluctuations in the local economy. We further insure against macroeconomic risks by regularly monitoring changes in community sentiment and spending habits so that we can offer a retail trade mix that aligns with our customer demand.

2) Heightened media and political scrutiny. The political environment in Hong Kong will be active in the near term as elections for the Legislative Council will take place in 2016 followed by Chief Executive election in 2017. Being a major landlord in Hong Kong, there has been an increase in political voices and opinions – both supportive and negative – on our business.

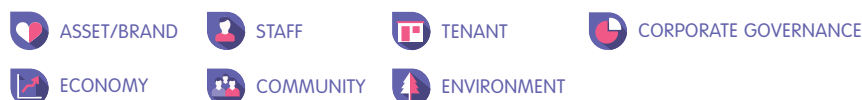
Mitigation strategy: Link regularly monitors the political environment around Hong Kong. We mitigate this risk and grow our social capital through an extensive stakeholder engagement programme which includes having a team of community relationship managers serving as a primary channel for communities to engage with us directly. This builds trust with the communities and helps ensure accurate information is being disseminated.

Risk Management continued

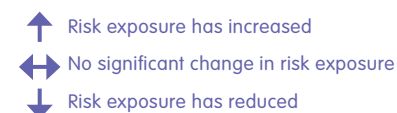
During the year under review, a series of risk workshops were conducted to identify our potential risks using our Sustainability Framework as a guiding principle. Nine risk categories were identified from these workshops and the impacts and actions to manage these risk categories are listed below. The Board is satisfied that we continue to operate within an acceptable risk appetite.

RISK CATEGORIES	RISK AREA	RISK MOMENTUM	EXAMPLES OF MITIGATING MEASURES
ECONOMIC AND POLITICAL OUTLOOK 	Adverse changes in the economic, political, infrastructure and environmental dynamics of Hong Kong could limit the ability of Link to deliver on its strategies	↔	<ul style="list-style-type: none"> Continual monitoring of key economic data in Hong Kong and Mainland China from various sources. The trend is regularly reported to senior management through the key risk indicator mechanism. Action is taken where appropriate to adjust our strategies and operations Corporate strategies are discussed at least twice a year by the Board Continual monitoring of changes in the political agenda in Hong Kong and Mainland China
LEGAL AND REGULATORY 	Link could fail to anticipate the trend of regulatory change, or could be in non-compliance of a local regulation, leading to financial loss and reputational damage	↔	<ul style="list-style-type: none"> Actively engage with regulatory bodies and external advisors on trending legislations, such as the Competition Ordinance and China tax reform Ensure our Compliance Manual and policies and procedures are diligently followed by staff, with frequent checks by the risk management department and internal audit department, with quarterly reports to the Audit and Risk Management Committee
INVESTMENT STRATEGY 	Decisions to acquire, dispose or develop assets could turn out in hindsight to be incorrect, or could be adversely affected by unexpected external factors, leading to financial loss	↔	<ul style="list-style-type: none"> Investment decisions are subject to a robust risk and return evaluation by management and oversight by the Finance and Investment Committee Potential projects are subject to an extensive due diligence review by in-house specialists and external advisors Ensure experienced managers are in place to manage projects Completed projects are subject to continual monitoring and internal audit, with periodic reports to the Board on their performances
HEALTH, SAFETY AND ENVIRONMENT 	Accidents could happen in spite of precautions or contagious diseases could spread to Hong Kong, leading to financial loss, litigation, reputational damage, or health and safety issues	↔	<ul style="list-style-type: none"> Ensure health and safety policies and procedures are diligently applied by our staff on a daily basis Regularly test the emergency response procedures at our properties Regularly test the corporate and departmental business resumption plans Ensure comprehensive insurance coverage Compliance with policies and procedures reported to the Audit and Risk Management Committee at least on a quarterly basis

LINK SUSTAINABILITY FRAMEWORK



MOMENTUM



RISK CATEGORIES	RISK AREA	RISK MOMENTUM	EXAMPLES OF MITIGATING MEASURES
RENTAL INCOME SUSTAINABILITY 	<p>Loss of major tenants due to changes in the tenants' own strategy or due to competition among landlords</p>	↔	<ul style="list-style-type: none"> Ongoing direct engagement with major tenants and monitoring of their financial performance and strategies at our properties Maintain a well-balanced tenant mix and trade mix Ongoing initiative to invite targeted tenants to our properties
BRAND AND REPUTATION 	<p>Failure to meet customer and stakeholder expectations which could result in loss of confidence in Link</p> <p>Not being up-to-date on evolving community and demographics can mis-align Link's value proposition</p>	↑	<ul style="list-style-type: none"> Direct engagement with Unitholders and other stakeholders Apply a long-term strategy to expand growth of our business, including managing our brand to support that strategy Board-level discussions are held at least twice a year on Link's strategies Daily monitoring of media reports, with actions to be taken where necessary
PEOPLE 	<p>A prolonged loss of key executives or staff in important positions could affect Link's ability to deliver on its strategies</p>	↔	<ul style="list-style-type: none"> Maintain succession plans for key positions Regularly review the competitiveness of our compensation policy Apply our human resources strategy with oversight by the Remuneration Committee
COST AND AVAILABILITY OF FINANCE 	<p>Tight credit and increased cost of financing, could limit the ability of Link to borrow</p>	↔	<ul style="list-style-type: none"> Closely monitor financial markets and benchmark borrowing rates Apply a prudent capital management strategy Maintain a diversified range of sources of financing and strong relationships with bankers, advisors and credit rating agencies Financing and hedging strategies are reviewed and approved by the Finance and Investment Committee at least on a quarterly basis
INFORMATION TECHNOLOGY 	<p>Cyber attack or security breach, information technology infrastructure or system failure may cause damage to our reputation and operations</p>	↔	<ul style="list-style-type: none"> Regularly carry out vulnerability assessments and tests, including the use of external information technology consultants Information technology disaster recovery plan and business resumption plan can be quickly applied to ensure business continuity Regularly review the robustness of our information technology systems and infrastructure and the need for update Establish security policy on mobile devices and laptops

Corporate Governance

The Board is **committed to strong and continually improving governance** to ensure that we generate long-term value from the assets we manage.

Link continues to maintain a high level of corporate governance which facilitates the sustainability of our business and ensures the consistent creation of long-term value from the assets we manage.

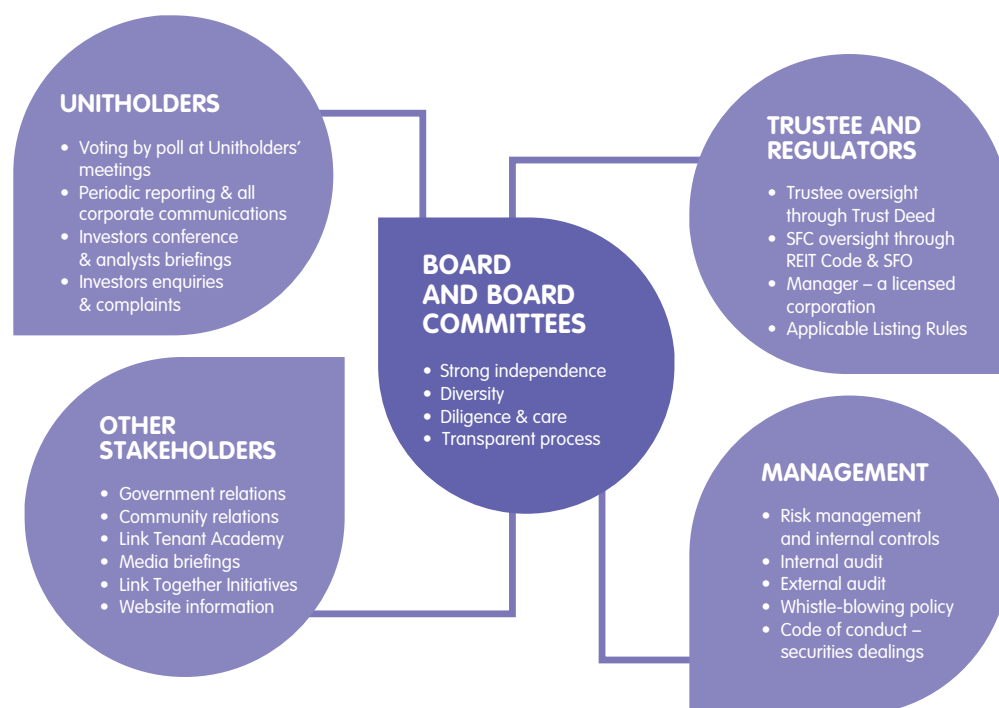
In this section we present an overview of our approach to corporate governance and significant enhancements made during the year. Complete disclosure on our corporate governance can be found in our *Governance, Disclosures and Financial Statements* book.

The Board is responsible for defining, monitoring and periodically amending Link's governance and compliance framework to enable long-term value creation of the business. We are committed to safeguarding Unitholders' interests for the long-term by ensuring financial stability and taking into consideration the material interests of our staff, tenants, shoppers and communities.

Our Governance Framework

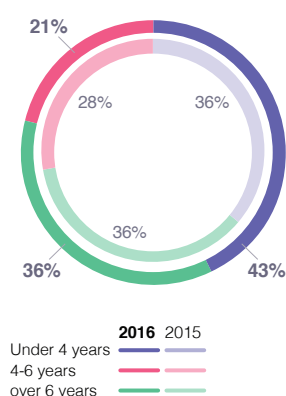
Accountability is assured through our corporate governance framework which clearly defines functions and duties between the Board and management, establishes checks and balances via internal and external audit, and has in place robust risk management controls. To ensure alignment on our corporate strategy, we hold an annual Board strategy meeting which enables the Board to conduct a thorough review of our business including identifying cyclical and emerging changes in the industry as well as up-to-date customer insights. The Board receives regular updates from management on progress against the agreed upon strategy.

Our governance framework



Service Term

(approx. years with Link)



Link Board of Directors

As at the date of this annual report, the Board comprises 14 members who act collectively in meetings. The current composition of our Board is well balanced, represented by a mix of business executives, professionals, and academia. In addition to this, we ensure the long term effectiveness of the Board by maintaining a pool of independent non-executive director candidates. This list is reviewed regularly to time Board appointments ahead of scheduled retirement of existing INEDs. All Board appointments are made on merits and in line with Link's Board Diversity Policy.

The responsibilities of the Chairman and CEO are clearly divided and approved by the Board. The Chairman, as an INED, is responsible for leading the Board and ensuring its effectiveness in facilitating the development and execution of a well thought-out strategy for the business. The CEO, as an Executive Director, is responsible for the day-to-day management of the business and execution of the Board agreed upon strategy.

Significant Changes Made in 2015/2016

The following material changes were made to Link's corporate governance during the year:

Board Composition	Mr Nicholas Robert SALLNOW-SMITH retired as Chairman of the Board and was succeeded by Mr Nicholas Charles ALLEN.
Board Diversity and Independence	Compared with 2014/2015, while maintaining the same high level of INEDs, there has been progress towards gender diversity and professional expertise with recent appointments.
Board Committee Composition	The Board reviewed the composition of each Board Committee and approved certain membership changes.

Investor Information

Listing of the Units

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

There were 2,243,148,136 units in issue as at 31 March 2016. Further details of units in issue are set out in Note 25 to the consolidated financial statements.

Financial Calendar

Final results announcement for the financial year ended 31 March 2016	8 June 2016
Ex-final distribution date	22 June 2016
Closure of register of Unitholders (for final cash distribution) ⁽¹⁾	24 June to 28 June 2016 (both days inclusive)
Record date for final cash distribution	28 June 2016
Final cash distribution payment date	7 July 2016
Closure of register of Unitholders (for 2016 AGM) ⁽²⁾	25 July to 27 July 2016 (both days inclusive)
2016 AGM	27 July 2016
Interim results announcement for the six months ending 30 September 2016	November 2016

Notes:

- (1) In order to qualify for the final cash distribution of HK107.19 cents per unit for the year ended 31 March 2016, Unitholders should ensure that all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 23 June 2016.
- (2) In order for Unitholders to be eligible to attend and vote at the 2016 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above) for registration not later than 4:30 p.m. on 22 July 2016.

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

Investor Relations Contact

Investor Relations Department

Address: 33/F., AXA Tower, Landmark East,
100 How Ming Street, Kwun Tong,
Kowloon, Hong Kong
Telephone: (852) 2175 1800
Facsimile: (852) 2175 1900
Email: ir@linkreit.com

Corporate Communications Contact

Corporate Communications Department

Address: 33/F., AXA Tower, Landmark East,
100 How Ming Street, Kwun Tong,
Kowloon, Hong Kong
Telephone: (852) 2175 1800
Facsimile: (852) 2175 1938
Email: mediaenquiries@linkreit.com

Customer Service Contact

Hotline: (852) 3168 0080 (up to 14 August 2016)
(852) 2122 9000 (from 15 August 2016)

Websites

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

Mobile Application



Park & Dine Mobile Application

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index

FTSE Asian Property Index

FTSE All World Index

FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Global Index

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

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

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

FTSE Hong Kong Index

GPR⁽³⁾ 250 (World) Index

GPR⁽³⁾ 250 Asia Pacific Index

GPR⁽³⁾ 250 Hong Kong Index

GPR⁽³⁾ 250 REIT (World) Index

GPR⁽³⁾ 250 REIT Asia Pacific Index

GPR⁽³⁾ 250 REIT Hong Kong Index

GPR⁽³⁾ General (World) Index

GPR⁽³⁾ General Asia Index

GPR⁽³⁾ General Hong Kong Index

Hang Seng Index

Hang Seng REIT Index

Hang Seng Corporate Sustainability Index

MSCI⁽⁴⁾ All Country World Index

MSCI⁽⁴⁾ All Country Asia Pacific ex-Japan Index

MSCI⁽⁴⁾ World Index

MSCI⁽⁴⁾ Hong Kong Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Composite Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Composite Hong Kong Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Composite REIT Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Composite REIT Hong Kong Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Investable 100 Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Investable 100 Hong Kong Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Investable REIT 100 Index

Notes:

- (1) European Public Real Estate Association
- (2) National Association of Real Estate Investment Trust
- (3) Global Property Research
- (4) Morgan Stanley Capital International
- (5) Thomson Reuters
- (6) Asia Pacific Real Estate Association

Definitions and Glossary

2015 AGM	the annual general meeting of Unitholders held on 22 July 2015
2016 AGM	the annual general meeting of Unitholders scheduled to be held on 27 July 2016
Articles of Association	articles of association of the Manager
average monthly unit rent	the average base rent plus management fee per month per square foot of leased area
base rent	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
Board or Board of Directors	board of directors of the Manager
Board Chairman or Chairman	Chairman of the Board (unless the context requires otherwise)
Board Committees	committees of the Board to discharge the duties set out in their respective written terms of reference as approved by the Board, which, as at the date of this report, include the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Finance and Investment Committee, and “ Board Committee ” refers to any one of them
CBD	central business district
CCEP	the charity and community engagement programme of Link known as “Link Together Initiatives” which was established to support eligible charitable organisations in launching relevant initiatives that benefit the communities near Link’s properties
CEO	Chief Executive Officer of the Manager
CFO	Chief Financial Officer of the Manager
Compliance Manual	the compliance manual of the Manager which sets out the key processes, systems and measures in respect of Link’s operations
DCF	discounted cash flow
Director(s)	director(s) of the Manager
DPU	distribution per unit in respect of the total distributable amount of Link for a financial year/period
EUPP	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing through an independent third party intermediary the units of Link in the open market in accordance with the rules of the plan
GAV Cap	10% of Link’s gross asset value (and as calculated in the manner set out in the Trust Deed)
Group	Link and its subsidiaries (unless the context requires otherwise)
Hong Kong	Hong Kong Special Administrative Region of The People’s Republic of China

IIRC	International Integrated Reporting Council
IPO	initial public offering of Link's units in Hong Kong
lease	a lease or a tenancy agreement (both of which grant a possessionary interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
KPI	Key Performance Indicator
Link or Link REIT	Link Real Estate Investment Trust (formerly known as The Link Real Estate Investment Trust)
Link Corporate Governance Policy	the corporate governance policy set out in the Compliance Manual
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors and senior employees of the Manager and their respective associates
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Listing Rules Corporate Governance Code	Code on Corporate Governing Practice as set out in Appendix 14 to the Listing Rules
LTI Plan	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007
Manager	Link Asset Management Limited (formerly known as The Link Management Limited), which is the manager of Link
market capitalisation	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Stock Exchange
MTN Programme	the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009, and "MTN" refers to note(s) issued or to be issued from time to time pursuant to the MTN Programme
NPI	net property income, being total revenue less direct property related expenses
occupancy rate	the aggregated leased area as a percentage of total leasable area
PRC	The People's Republic of China and if the context requires, exclude Hong Kong
Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link, which is currently CBRE Limited
psf or sq ft	per square foot or square feet
REIT(s)	real estate investment trust(s)
REIT Code	Code on Real Estate Investment Trusts issued by the SFC

Definitions and Glossary continued

retail operations	the operations within the shopping centres, including shop units, market stalls, cooked food stalls, education and welfare, office, ancillary and mall merchandising
retention rate	the percentage of tenants being retained in the same shopping centre upon the expiry of leases
return on investment	projected NPI post asset enhancement minus NPI pre asset enhancement divided by the estimated amount of project capital expenditure and loss of rental
reversion rate	the percentage change in per square foot average unit rent between old and new leases on the same unit
RMB	Renminbi, the lawful currency of the PRC
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SPVs	special purpose vehicles (within the meaning of the REIT Code and the Trust Deed)
sqm	square metre
Stock Exchange	The Stock Exchange of Hong Kong Limited
tenant	a lessee, a tenant or a licensee (as the case may be) under a lease
total distributable amount	total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable
total distributable income	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
Trust Deed	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link as amended and supplemented by 11 supplemental deeds
Trustee	trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited
turnover rent	rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent
unit(s)	unit(s) of Link (unless the context requires otherwise)
Unitholder(s)	holder(s) of unit(s) of Link

Corporate Information

Board of Directors of the Manager

CHAIRMAN

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

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Ian Keith GRIFFITHS

INDEPENDENT NON-EXECUTIVE DIRECTORS

William CHAN Chak Cheung
Ed CHAN Yiu Cheong
Blair Chilton PICKERELL
Poh Lee TAN
May Siew Boi TAN
Peter TSE Pak Wing
Nancy TSE Sau Ling
David Charles WATT
Richard WONG Yue Chim
Elaine Carole YOUNG

Company Secretary of the Manager

Ricky CHAN Ming Tak

Responsible Officers of the Manager⁽¹⁾

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

Authorised Representatives⁽²⁾

Andy CHEUNG Lee Ming
Ricky CHAN Ming Tak

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

CBRE Limited

Registered Office of the Manager

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

Town Office of the Manager

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

Unit Registrar and Transfer Office

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

(1) Required by the SFO

(2) Required by the Listing Rules

Link Real Estate Investment Trust
Linkreit.com

