



INTERIM
REPORT
2019/2020

WE LINK PEOPLE TO A BRIGHTER FUTURE

Link Real Estate Investment Trust is Asia's largest REIT and one of the world's largest REITs (with focus on retail) in terms of market capitalisation. With a diversified portfolio, we aim to deliver sustainable growth and create long-term value for Unitholders and other stakeholders.

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



About this Report

Our Interim Report 2019/2020 covers our performance from 1 April 2019 to 30 September 2019 and has been prepared according to the International Integrated Reporting Council's 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.

This report has been structured according to Link's Vision 2025 and Value Creation Model. The Board believes that Vision 2025 represents the material opportunities that will drive value creation for our stakeholders. These material opportunities have been developed taking into account our industry trends, the environment in which Link operates, feedback from our key stakeholders and the inherent risks of our business.

Sustainability Website

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



Access our corporate website
for further information

Contents

Overview

Introduction	Inside front
About Link	2
Value Creation Model	4

Strategy and Performance

Chairman's Statement	6
Chief Executive Officer's Report	8
Operating Landscape	10
Portfolio Growth	12
Culture of Excellence	24
Visionary Creativity	26

Governance and Financials

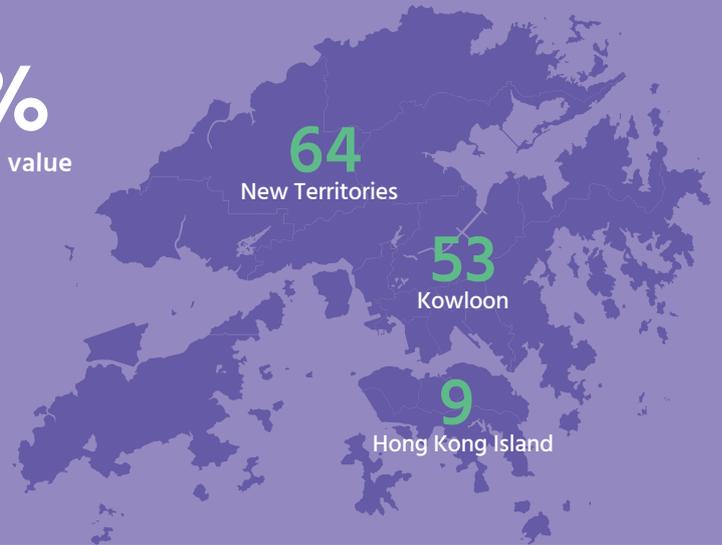
Corporate Governance	28
Disclosures	34
Auditor's Review Report	48
Condensed Consolidated Interim Financial Information	
– Condensed Consolidated Income Statement	49
– Condensed Consolidated Statement of Comprehensive Income	50
– Consolidated Statement of Distributions	51
– Condensed Consolidated Statement of Financial Position	52
– Condensed Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders	54
– Condensed Consolidated Statement of Cash Flows	55
– Notes to the Condensed Consolidated Interim Financial Information	56
Five Year Performance Summary	77
Investor Information	80
Definitions and Glossary	82
Corporate Information	Inside back

About Link

Portfolio in Brief

Our portfolio includes retail facilities, car parks and office properties across Hong Kong and four tier-one cities in Mainland China. These multiple segments form a solid, diversified platform to create more value.

Hong Kong
87.5%
of total portfolio value



Number of properties

126

Retail space

~8 million sq ft

Office space

~0.7 million sq ft

Car park space

~57,000

Interim Highlights

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

Revenue
(HK\$m)



▲ 8.2% yoy
▲ 7.8% yoy (like-for-like)

Net Property Income
(HK\$m)



▲ 8.3% yoy
▲ 8.5% yoy (like-for-like)

Distribution per Unit
(HK cents)



▲ 8.3% yoy

Valuation
(HK\$m)



▲ 0.9% vs 31/3/2019

Mainland China

12.5%

of total portfolio value



Number of properties

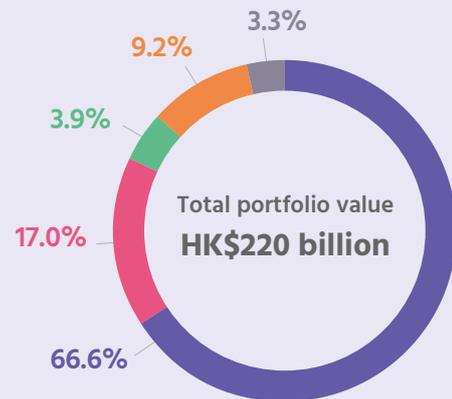
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Retail and office space

~5

 million sq ft

Portfolio Mix by Value



Hong Kong retail

Mainland China retail

Hong Kong car park

Mainland China office

Hong Kong office

Retail Occupancy in Hong Kong



96.9%

Enhancement Projects Completed to Date



80

Retail Occupancy in Mainland China



99.0%

Energy Consumption Reduction in Hong Kong since 2010



28.1%⁽¹⁾

Note:

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

Value Creation Model

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

Our Portfolio



Retail



Car park



Office

Key Strengths

Asset Management

- Management
- Enhancement

Portfolio Management

- Acquisition
- Divestment
- Development

Capital Management

Vision 2025



Portfolio Growth



Culture of Excellence



Visionary Creativity

KPIs

- Sustain DPU growth
- Maintain “A” ratings

- Staff satisfaction > 80%
- Low attrition rate of high performing staff

- Tenant sales growth outperforms market
- Customer satisfaction score >70%
- Link Together Initiatives creates ≥HK\$2 social benefit^(1, 2)
- Reduce energy consumption by 35%⁽³⁾
- Zero organic waste to landfill

Notes:

- (1) For every HK\$1 invested.
- (2) Measured by Total Impact Assessment.
- (3) On a like-for-like basis comparing to the baseline set in 2010.

Creating Values



Financial



Placemaking



Innovation



Talent



Relationship



Environmental

**We
Link
People
to a
Brighter
Future**

Chairman's Statement



“While we are satisfied with our financial performance for the first half of the financial year, we endeavor to improve and strengthen our resilience for the future.”

Nicholas Charles ALLEN
Chairman



Link has continued to deliver the consistent services and reliability our tenants and shoppers have depended upon for over a decade. Our years of tirelessly identifying and managing a broad set of business and industry risks, coupled with our commitment to communicate and collaborate with our different stakeholders, have been instrumental in helping us – and those around us – navigate through this unprecedented turmoil that we in Hong Kong have been experiencing in recent months. The first half of the 2019/2020 financial year has been one of the most challenging, but also one which has truly highlighted the effectiveness of our management team and the resilient nature of our business.

Performance

We achieved modest growth despite the tough market conditions, benefitting from the resilience of our non-discretionary retail-focused portfolio and the decisive actions implemented over the last few years to manage costs. Underpinning these strengths is our keen market intuition which has enabled us to forge trade mixes that can anticipate and evolve with shopper demands and preferences. Our strong, relationship-building approach allows us to have open, constructive and frank discussions with our tenants, vendors, contractors and communities. This has proven to be particularly effective to understand some of their current challenges and develop effective strategies to help us weather the storm together.

Our earlier efforts to improve the portfolio mix have also shown to be effective. The Mainland China retail portfolio continues to see steady growth while our office properties in Hong Kong and Mainland China have proven to be locations sought after by multi-national companies. The market insights we have amassed through our earlier transactions have been critical to enhancing the long-term resilience of Link.

During the first half of 2019/2020, Link delivered HK\$5,332 million in revenue (six months ended 30 September 2018: HK\$4,930 million), representing a 8.2% increase. Distribution per unit is HK141.47 cents, an increase of 8.3% year-on-year. We also ended the first half with a healthy balance sheet with gearing at 11.9%, providing us ample flexibility to continue investing in our business.

Strategic Focus

The local and regional geopolitical backdrop remains volatile. Over the past six months, the ongoing US-China trade tensions and deteriorating sentiment in Hong Kong have challenged us to reassess and reaffirm who we are. We recognise that a 'business as usual' approach will not be enough and we need to remain agile and focused in the way we pursue our strategic goals. This means concentrating on achieving the right balance between exploring new opportunities and developing those areas where we have traditionally performed well.

At our annual Board strategy meeting in September 2019, we undertook a review of Link's strategy, assessing two areas in particular. First, the agility and flexibility of our business strategy to ensure continued growth in an uncertain environment. Second, the impact Link has on the businesses and lives around us in order to ensure we are making positive contributions. At the conclusion of the meeting, we reaffirmed the general direction of the business and our focus on maintaining our size advantage, diversification and growth potential. The Board and I believe this will create long-term value for our Unitholders and other stakeholders and help us achieve Vision 2025 and beyond.

Resilience

While we are satisfied with our financial performance for the first half of the financial year, we endeavor to improve and strengthen our resilience for the future. To date we have focused primarily on strengthening our risk infrastructure, to make it more robust and help control and mitigate risks. However, as the recent events have demonstrated, this is not enough. In uncertain times, Link can leverage our community role and presence to help calm unease. This ranges from issues such as safety and security, business continuity and environment, social and governance, and even community sentiment. Together with our tenants and service providers, we have been able to maintain normal operating hours at 124 of our 126 Hong Kong properties. By working with our key business partners we can identify common risks, develop mitigation strategies together and implement solutions more effectively. Our ongoing work with different stakeholders to reduce plastic use and waste across our value chain is one such example.

People

The success of any business depends primarily on the quality of its people. Link has an outstanding workforce that is both highly skilled and committed to acting in accordance with our values. On behalf of fellow Board members, I thank George, the management team and all Linkers for their hard work and commitment in ensuring that our properties remain attractive locations for shoppers to visit and communities to enjoy.

Board Matters

Today's business world presents a range of risks and opportunities – operational, commercial, geopolitical, environmental and financial. It is critical to maintain the right mix of attributes and skills to effectively monitor and manage these and deliver the Link strategy.

Andy Cheung, who joined the Board as Executive Director firstly as Chief Financial Officer and transitioned to Chief Operating Officer more recently, announced his intention to step down in October 2019. Andy has made a major contribution to Link's development and success through his outstanding financial and operational leadership and he is leaving with the Board's gratitude and best wishes for the future.

Outlook

We expect that external conditions in Hong Kong will remain challenging during the second half of 2019/2020 and into the near future. However, the Board and I are confident that the management team has the right mindset and experience in place so that Link remains a beacon of stability in this tough climate.

Nicholas Charles ALLEN

Chairman

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
13 November 2019

Chief Executive Officer's Report



“Link’s success is based upon an unwavering commitment to strive for excellence in every facet of our business, whether in daily operations or seizing opportunities that deliver sustainable growth, now and into the future.”

George Kwok Lung HONGCHOY
Chief Executive Officer



The first six months of the 2019/2020 financial year have been turbulent, marked by escalating US-China trade tensions and, since early June, ongoing social unrest in Hong Kong affecting our shopping centres to varying degrees. Our priority during these times has been to ensure the safety and well-being of our shoppers, tenants and frontline staff. On behalf of the management, I extend my most heartfelt gratitude to the dedication and professionalism of the entire Link team – including our vendors, contractors and service providers – to maintain an environment of understanding, restraint and stability at our properties. Thank you for all your efforts.

Resilience has always been at the heart of our business. We continuously identify areas to improve, develop solutions and find ways to implement them effectively. Link has never been complacent. We have been well-prepared for a variety of challenges including integration of new acquisitions, managing a steady leadership pipeline, maintaining financial flexibility, and preparing for extreme weather events. We have also been preparing for an economic slowdown primarily by meticulously managing operating and financing costs. However, few could have anticipated the current events and speed of deterioration of the economic environment in Hong Kong.

In the face of such uncertainty, we are acutely aware of and embrace the role we have in maintaining consistency and stability in the community. We have endeavoured to maintain the opening hours of our shopping centres as much as possible so that our shoppers could still shop, eat, socialise and mingle. Although on rare occasions, some of our shopping centres had to close due to public activities nearby, members of the community are still engaging in normal day-to-day activities across our shopping centres in Hong Kong and our staff and tenants continue to serve their daily needs. We have committed significant time and effort during the past six months engaging with, listening to, and understanding the challenges that many of our tenants and business partners are facing. We try to offer effective, case-by-case support that will enable all of us to weather through this storm together, emerging stronger and more resilient.

Productive Portfolio

We achieved respectable financial results during the first half of 2019/2020. Total revenue was at HK\$5,332 million while NPI reached HK\$4,071 million, representing year-on-year increases of 7.8% and 8.5% on a like-for-like basis respectively. These results reflect both our ability to act swiftly and resolutely in such a challenging operating environment, and, more importantly, the extent of our portfolio’s resilience.

However, we remain very cautious and continue to assess potential extended impacts on Link. Certain key indicators of our Hong Kong portfolio have, for the first time, exhibited preliminary signs of trending in the wrong direction. Retail reversion rates have slowed to 18.1% from 22.5% and rent-to-sales ratio increased to 14.4% compared to 13.5% at 31 March 2019. We believe these data points reflect immediate weakening sentiment; we have to remain vigilant and strive to mitigate further deterioration.

There have been several highlights during the first half of the financial year. We have made good progress on the integration of our Mainland China portfolio including aligning the IT infrastructure, setting up data management systems, standardising policy and procedures and cultivating a talent pool that embodies Link's values. We expect by the end of 2019 we will have a scalable, robust foundation to support further growth as we continue to explore investment opportunities.

In June 2019, we moved our headquarters into The Quayside, our newly completed flagship office development in Kowloon East, Hong Kong. Even in the current competitive office leasing environment, we have managed to commit 70% of the floor space to several multinational companies, all of whom will begin moving in towards the end of 2019.

Financial flexibility continues to be a key core strength, anchored by a strong balance sheet and cash flow. We closed a 4-year club loan facility at an all-in interest cost of 0.8% over HIBOR per annum. The facility was upsized from the original amount of HK\$5 billion to HK\$12 billion due to the overwhelming market response. Link is well positioned to capitalise on business opportunities which are in line with our Vision 2025.

Visionary Creativity

We continue to rollout placemaking initiatives at various properties in the portfolio. Our latest project is in collaboration with local Hong Kong artists to transform public spaces into themed gardens that emphasise community and inclusion.

Through Link Together Initiatives we nurture and develop the creativity of local charity organisations and the youth. This year, we earmarked HK\$14.1 million to support six charity programmes and 190 first generation university students.

Culture of Excellence

Link's success is based upon an unwavering commitment to strive for excellence in every facet of our business, whether in daily operations or seizing opportunities that deliver sustainable growth, now and into the future. We expect this of all Linkers and of the many business partners we work with.

To enhance this further, we are strengthening a learning culture at Link, facilitated by providing training and tools that enable Linkers to keep up with new demands and acquire new knowledge and skills.

On the topic of excellence, this is a fitting time to take a moment to recognise the efforts of Andy Cheung who has decided to step down after nearly 10 years at Link, first as CFO and then as COO. Andy has been an integral part of Link's leadership team, taking a consistent and sustained approach to support the development and growth of Link through different phases. I am particularly grateful for his support over the years and want to take this opportunity to record my appreciation for all he has done for Link.

Outlook

Having made Link stronger and resilient, the focus of the next phase is to make Link a better organisation. We will continue to seek opportunities to grow, whether in our core markets in Hong Kong and four first-tier cities in Mainland China, or other markets which we will opportunistically explore.

George Kwok Lung HONGCHOY

Chief Executive Officer

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
13 November 2019

Operating Landscape

Hong Kong

The Hong Kong economy has entered technical recession following two successive quarters of contraction. The ongoing US-China trade tensions and unprecedented social unrest in Hong Kong continued to hit the city's trade and retail activities. Nonetheless, non-discretionary sales have shown greater resilience despite the soft market conditions. On property markets, tenant decentralisation will likely remain a key theme in office leasing as firms are more cost-conscious amid weaker business sentiment.

Economy Faced Pressure



Note: Figure for 3Q 2019.
Source: Hong Kong Census and Statistics Department

Unemployment Rate Stayed Low



Note: Figure for 3Q 2019, seasonally adjusted figure.
Source: Hong Kong Census and Statistics Department

Subdued Median Monthly Household Income Growth



— Overall
— Public Rental Housing

Source: Hong Kong Census and Statistics Department

Resilient Non-Discretionary Sales



— Discretionary — Non-discretionary
— Restaurant Receipts

Note: Non-discretionary retail sales include supermarkets and foodstuff, and discretionary retail sales include the remaining retail trades.
Source: Hong Kong Census and Statistics Department

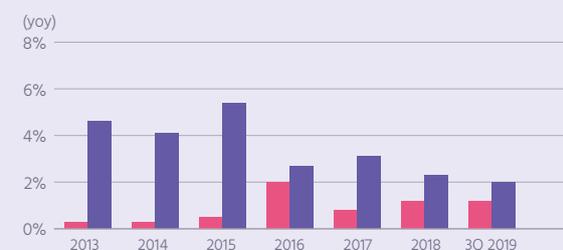
Rental Gap Drives Office Decentralisation



— Overall — Hong Kong East
— Central — Kowloon East

Note: Figures as at end of the period.
Source: Jones Lang LaSalle

Demand for Parking Spaces Continued to Grow at a Faster Pace



— Number of Licensed Private Cars
— Number of Parking Spaces

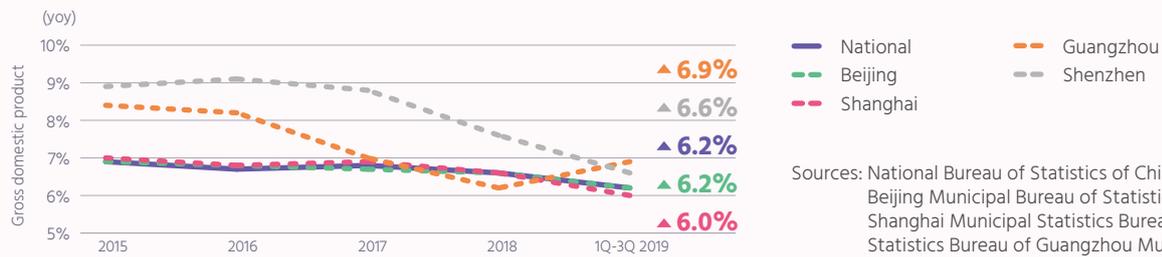
Note: Figures as at end of the period.
Source: Hong Kong Transport Department



Mainland China

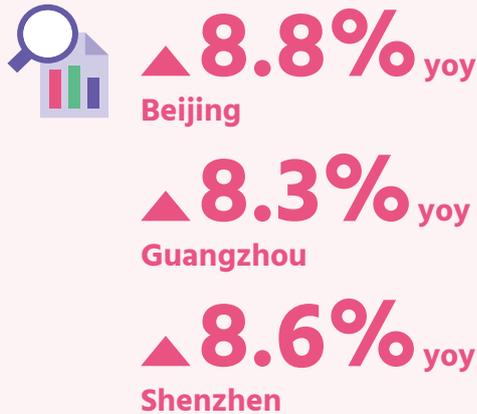
Escalating tariffs, weakening external demand and regulatory efforts to rein in debt put pressure on Mainland China economic growth. Nonetheless, it remains among the fastest-growing countries in the world. Beijing, Guangzhou and Shenzhen maintained a steady growth in disposable income and consumer spending supported by stimulus policies. In Shanghai, office rent in Puxi core CBD area is expected to hold up due to stable demand and available stock.

Economic Growth Remained Solid



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

Per Capita Disposable Income of Urban Households Continued to Grow



Note: Figures for 1Q-3Q 2019.
Sources: Beijing Municipal Bureau of Statistics, Statistics Bureau of Guangzhou Municipality, Statistics Bureau of Shenzhen Municipality

Consumer Spending Growth Remained Strong



Note: Figures for 1Q-3Q 2019.
Sources: Beijing Municipal Bureau of Statistics, Statistics Bureau of Guangzhou Municipality, Statistics Bureau of Shenzhen Municipality

Shanghai Puxi Core CBD Grade-A Office Rents Stayed Flat



Note: Figure as at 3Q 2019.
Source: Jones Lang LaSalle



Portfolio Growth



CentralWalk, Shenzhen

Overall Financial Results

During the six months under review, revenue and net property income increased by 8.2% and 8.3% year-on-year to HK\$5,332 million (six months ended 30 September 2018: HK\$4,930 million) and HK\$4,071 million (six months ended 30 September 2018: HK\$3,759 million), respectively.

On a like-for-like basis, revenue and net property income increased by 7.8% and 8.5% year-on-year, respectively.

Total distributable amount, after adjustments and a discretionary distribution of HK\$145 million (six months ended 30 September 2018: Nil), amounted to HK\$2,966 million (six months ended 30 September 2018: HK\$2,759 million).

Interim distribution per unit for the period increased by 8.3% to HK141.47 cents (six months ended 30 September 2018: HK130.62 cents).

Valuation of the investment properties portfolio reached HK\$220,434 million. Net asset value per unit grew 1.2% to HK\$90.58 (31 March 2019: HK\$89.48).

Our Key Strengths

Link continued to leverage on its strong asset and capital management and asset enhancement capabilities over a diversified portfolio in Hong Kong and Mainland China. We are the industry leader in terms of capital management, with low funding cost to facilitate active portfolio management through acquisition, divestment and development. We deliver long-term sustainable return to our Unitholders, and have returned capital to Unitholders in the form of unit buyback and discretionary distribution.

Distribution per Unit

+8.3% yoy



Revenue
Like-for-like
+7.8% yoy



Net Property Income
Like-for-like
+8.5% yoy



Management

As a leading real estate investor and manager, Link strives to build a quality portfolio that grows through different business cycles. We continue to maintain a balanced and resilient trade mix through active asset management to attract shoppers and tenants.

Hong Kong Portfolio

Revenue Analysis

Our portfolio which focuses on mass market non-discretionary trades continued to show resilience despite weakness in the overall retail market in Hong Kong. On a like-for-like basis, total revenue increased by 8.8% year-on-year.

Revenue Breakdown

	Six months ended 30 September 2019 HK\$'M	Six months ended 30 September 2018 HK\$'M	Year-on-year change %	Like-for-like basis year-on-year change %
Retail rentals:				
Shops ⁽¹⁾	2,778	2,659	4.5	9.8
Markets/Cooked Food Stalls	451	452	(0.2)	4.4
Education/Welfare and Ancillary	70	67	4.5	9.4
Mall Merchandising	91	90	1.1	5.8
Expenses recovery and other miscellaneous revenue	196	182	7.7	9.6
Total revenue	3,586	3,450	3.9	8.9

Note:

(1) Rental from shops included base rent of HK\$2,746 million (six months ended 30 September 2018: HK\$2,615 million) and turnover rent of HK\$32 million (six months ended 30 September 2018: HK\$44 million), respectively.

Operational Statistics

	Occupancy rate		Reversion rate		% of total area ⁽¹⁾
	As at 30 September 2019 %	As at 31 March 2019 %	Six months ended 30 September 2019 %	Six months ended 30 September 2018 %	
Shops	96.9	97.4	18.9	20.4	84.5
Markets/Cooked Food Stalls	95.3	92.2	12.5	26.7	8.6
Education/Welfare and Ancillary	99.5	99.5	14.0	12.9	6.9
Total	96.9	97.1	18.1	22.5	100.0

Note:

(1) Total excluding self-use office.

Portfolio Breakdown

	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent ⁽¹⁾		Occupancy rate	
		As at 30 September 2019 HK\$'M	Six months ended 30 September 2019 HK\$'M	As at 30 September 2019 HK\$ psf	As at 31 March 2019 HK\$ psf	As at 30 September 2019 %	As at 31 March 2019 %
Properties							
Destination	6	31,681	694	91.4	86.7	96.6	95.4
Community	35	82,138	1,896	76.5	75.2	96.5	97.7
Neighbourhood	57	32,952	800	49.3	48.4	97.6	97.0
Total	98	146,771	3,390	69.6	68.0	96.9	97.1

Note:

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

Our trade mix has remained stable with over 60% of monthly rent from food-related tenants. During the period, our tenants' average monthly retail gross sales psf recorded a 1.4% growth.

Despite the economic slowdown, "Food and Beverage" and "Supermarket and Foodstuff" trades recorded 2.1% and 4.5% year-on-year growth in gross sales psf, respectively. "General Retail" tenants gross sales psf dropped by 0.6% year-on-year.

For the reporting period, rent-to-sales ratio of our Hong Kong portfolio stood at 14.4% while those of "Food and Beverage", "Supermarket and Foodstuff" and "General Retail" tenants were 14.7%, 12.3% and 16.2%, respectively.

Trade Mix

(As at 30 September 2019)

Trade	By monthly rent %	By leased area %
Food and Beverage	28.9	29.4
Supermarket and Foodstuff	20.7	17.0
Markets/Cooked Food Stalls	13.6	8.5
Services	11.2	10.7
Personal Care/Medicine	5.8	3.9
Education/Welfare and Ancillary	0.9	7.1
Valuable Goods (jewellery, watches and clocks)	0.9	0.5
Others ⁽¹⁾	18.0	22.9
Total	100.0	100.0

Note:

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

Portfolio Lease Expiry Profile

(As at 30 September 2019)

	% of total area %	% of monthly rent %
2019/2020	11.9	12.9
2020/2021	21.8	24.5
2021/2022 and Beyond	58.9	58.4
Short-term Lease and Vacancy	7.4	4.2
Total	100.0	100.0

Car Parks

The continuous demand-supply imbalance has been supporting our car park portfolio of approximately 57,000 parking spaces. However, during the reporting period, our hourly parking was affected by a drop in weekend visits.

As a result, total car park revenue only recorded a year-on-year increase of 8.2% on a like-for-like basis. For the period ended 30 September 2019, car park income per space per month increased by 8.2% year-on-year to HK\$2,929.

Revenue Breakdown

	Six months ended 30 September 2019 HK\$'M	Six months ended 30 September 2018 HK\$'M	Year-on-year change %	Like-for-like basis year-on-year change %
Car park rentals:				
Monthly	759	745	1.9	10.8
Hourly	229	243	(5.8)	0.9
Expenses recovery and other miscellaneous revenue	1	2	(50.0)	(50.0)
Total revenue	989	990	(0.1)	8.2

Key Car Park Performance Indicators

Car park income per space per month (HK\$)	Six months ended 30 September 2019 2,929	Six months ended 30 September 2018 2,706
Total valuation (HK\$'M)	As at 30 September 2019 37,486	As at 31 March 2019 35,059
Average valuation per space (HK\$'000)	663	625

Expense Analysis

On a like-for-like basis, total property operating expenses increased mildly by 6.0% and net property income margin of Hong Kong portfolio stayed steady at 76.6% (six months ended 30 September 2018: 76.0%). Statutory minimum wage

was revised from HK\$34.5 per hour to HK\$37.5 per hour in May 2019. As a result, property managers' fees, security and cleaning expenses grew 9.2% during the reporting period on a like-for-like basis.

Property Operating Expenses Breakdown

	Six months ended 30 September 2019 HK\$'M	Six months ended 30 September 2018 HK\$'M	Year-on-year change %	Like-for-like basis year-on-year change %
Property managers' fees, security and cleaning	286	269	6.3	9.2
Staff costs	226	235	(3.8)	2.3
Repair and maintenance	98	99	(1.0)	4.3
Utilities	159	156	1.9	3.3
Government rent and rates	154	143	7.7	8.2
Promotion and marketing expenses	52	53	(1.9)	(3.8)
Estate common area costs	42	44	(4.5)	7.7
Other property operating expenses	90	72	25.0	17.6
Total property operating expenses	1,107	1,071	3.4	6.0

Mainland China Portfolio

Our Mainland China properties represent 12.5% of the portfolio by value, comprising five properties spanning across the four tier-one cities. During the reporting period, our Mainland China portfolio contributed total revenue of HK\$732 million and net property income of HK\$578 million, representing a 49.4% and 48.2% year-on-year increase, respectively.

The four retail properties in Mainland China were almost fully let with an average occupancy rate of 99.0% as at 30 September 2019. We are pleased to see our acquisitions have yielded promising results and we plan to rebrand all retail properties in Mainland China with a unified identity – Link Plaza. Our latest additions – Beijing Jingtong Roosevelt Plaza in Beijing Tongzhou and CentralWalk in Shenzhen Futian – performed satisfactorily and delivered good reversions during the period. Leasing demand for EC Mall and

Metropolitan Plaza continued to remain strong. The average reversion rate of the retail portfolio was maintained at a high level of 31.5% during the period. We will continue to enhance their asset qualities by active re-tenanting to meet the changing needs of shoppers and tenants. For CentralWalk, we are now planning an asset enhancement project to extract greater potential from this asset.

Located in Shanghai Jingan District with vibrant communities and multinational companies, our office property, Link Square 1 & 2, achieved satisfactory results with office occupancy rate standing at 95.1% as at 30 September 2019 and office reversion rate at 13.5%. We have decided to set up our Mainland China headquarters at Link Square to provide centralised management of our expanding portfolio in Mainland China.

Portfolio Lease Expiry Profile

(As at 30 September 2019)

	Retail		Office	
	% of total area %	% of monthly rent %	% of total area %	% of monthly rent %
2019/2020	9.9	14.3	9.3	10.5
2020/2021	16.6	22.7	19.7	21.0
2021/2022 and Beyond	72.5	63.0	66.1	68.5
Vacancy	1.0	–	4.9	–
Total	100.0	100.0	100.0	100.0

Enhancement

Link has explored various opportunities to upgrade its portfolio and promote organic growth throughout the years and we have completed 80 asset enhancement projects since IPO. Two projects – Nam Cheong Place and Choi Ming Shopping Centre – were completed in the reporting period with a total capex of HK\$278 million.

Located in Tseung Kwan O, Choi Ming Shopping Centre was refurbished to expand patronage from the local community. Apart from upgrading the common facilities, we have also downsized a Chinese restaurant and added new food and beverage outlets and retail shops to offer a wider variety. The newly-decorated façade, with its design concept

proposed by two local design school students, increased Choi Ming Shopping Centre's visibility and successfully differentiated the shopping centre from a mix of retail facilities nearby.

Looking ahead, our asset enhancement pipeline comprises projects at various stages. Albeit the base has become higher and large-scale enhancement projects have become more difficult, we will continue to look for asset enhancement opportunities and aim to achieve double-digit return on investment. Benefits from asset enhancement do not come just in the immediate rental uplift in the first leasing cycle, but will also be reflected in the stronger growth in the second leasing cycle and beyond.



Nam Cheong Place

A brand-new shopping and fresh market experience



Adjacent to Nam Cheong MTR station, Nam Cheong Place (formerly known as Fu Cheong Shopping Centre) has been transformed into a mass-mid market shopping centre that offers a brand-new shopping experience. Supported by a recently completed large-scale private residential and existing public housing estates in the vicinity, we have repositioned the shopping centre into a modernised community hub by relocating some G/F tenants to 1/F and converting the space into a new 42-stall fresh market. The fresh

market is well-received by our catchment as it offers a great variety of fresh produce, in-season seafood and light refreshment in a clean and welcoming environment. With a modernised façade, Nam Cheong Place enjoys synergistic effect with the mid-high discretionary shopping mall next door. A variety of mid-range food and beverage outlets plus ancillary goods and services are offered to complement the retail offerings nearby. We expect the growing catchment will continue to support local consumption, especially for non-discretionary spending.

Return on Investment of Asset Enhancement Projects Completed in the Six Months Ended 30 September 2019

	Total project capex HK\$'M	Estimated return on investment % ⁽¹⁾
Nam Cheong Place ⁽²⁾	174	14.0%
Choi Ming Shopping Centre	104	18.3%
Total	278	

Notes:

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

(2) Enhancement includes fresh market.

Asset Enhancement Pipeline

	Number of projects	Estimated costs HK\$'M
Underway	8	835
Under planning	>15	>900
Total	>23	>1,735

Approved Asset Enhancement Projects Underway

	Estimated costs HK\$'M	Target completion date
Tsz Wan Shan Shopping Centre	161	Late 2019
Fung Tak Shopping Centre ⁽¹⁾	60	Late 2019
Hin Keng Market ⁽¹⁾	73	Late 2019
Yiu On Shopping Centre	35	Late 2019
Sheung Tak Plaza ⁽¹⁾	166	Early 2020
Lok Fu Place	172	Mid 2020
Kai Tin Shopping Centre	139	Mid 2020
Choi Yuen Plaza	29	Early 2021
Total	835	

Note:

(1) Enhancement includes fresh market.

Acquisition and Divestment

We rolled out Vision 2025 last year as our medium-term target to propel us forward. We aim to deliver high single-digit portfolio growth and improve productivity by establishing a culture of excellence and creativity. Currently, Link owns 126 properties in Hong Kong and five properties in Mainland China. To extend the growth trajectory of Link,

we have increased our effort in finding suitable acquisition opportunities to drive inorganic growth.

As a long-term investor, we are focusing on opportunities that offer good growth potential and value accretion. While acquisition opportunities are limited in Hong Kong, we continue to look for potential investment opportunities

in Mainland China, targeting mass-mid retail properties and grade-A office buildings in the four tier-one cities and their surrounding river delta areas. Properties with good connectivity, limited competition, sizeable catchment and good growth potential are our key selection criteria. We will continue to be disciplined in selecting the right properties that are complementary to the existing portfolio, while remaining opportunistic to acquisition opportunities in other geographies and property types that may help extend the growth trajectory of Link.

In 2018/2019, we divested a batch of 12 properties to a consortium of institutional investors, achieving a 32.1% premium to the appraised values as of 30 September 2018. Sales proceeds have been deployed to new investment opportunities, debt repayment, return of capital and general corporate purposes. Capital recycling will continue to be one of Link's many value creation alternatives.

Development

Development allows us to be involved at the earliest stage of the property life cycle to design, build, and hold quality properties that deliver sustainable return. Upon completion of The Quayside development earlier this year, we now have up to 10% of our gross asset value that can be deployed to development projects in compliance with the threshold limit under the Code on Real Estate Investment Trusts (the REIT Code) and Link's trust deed (the Trust Deed). We will continue to explore and identify suitable development opportunities in Hong Kong.

Valuation Review

As at the end of the reporting period, total value of investment properties rose by 0.9% to HK\$220,434 million from HK\$218,496 million as at 31 March 2019.

The value of our Hong Kong retail properties and car parks rose by 1.9% to HK\$146,771 million (31 March 2019: HK\$144,096 million) and 6.9% to HK\$37,486 million (31 March 2019: HK\$35,059 million), respectively. The increase in value was mainly driven by the increase in net property income resulting from continuous asset management and higher rental achieved. The value of our Hong Kong office was valued at HK\$8,698 million as at 30 September 2019. Properties in Mainland China were valued at HK\$27,479 million (31 March 2019: HK\$28,793 million) whereas the decrease in valuation was due to Renminbi depreciation. Excluding the translation difference, value of our Mainland China properties recorded an increase of 1.0% in Renminbi terms.

Pursuant to the requirements of the REIT Code, Jones Lang LaSalle Limited will retire after serving a consecutive term of three years and completing the valuation as at 30 September 2019. Colliers International (Hong Kong) Limited will be appointed as the principal valuer of Link. It will start valuing Link's property portfolio from March 2020 using income capitalisation approach, cross-referencing market comparables via direct comparison approach. Adopting only one valuation methodology is in line with Hong Kong market practice of property valuation and the proposed change is compliant with the Trust Deed and the Manager's compliance manual.

Valuation

+0.9%
vs 31/3/2019



Valuation Approach

	As at 30 September 2019	As at 31 March 2019
Income capitalisation approach – capitalisation rate		
Hong Kong		
Retail properties	3.00% – 4.20%	3.00% – 4.20%
Car parks	3.00% – 4.80%	3.50% – 4.80%
Office property	3.00%	N.A.
Mainland China		
Retail properties	4.25% – 4.75%	4.25% – 4.75%
Office property	4.25%	4.25%

Capital Management

HK\$ Debt Portfolio
Effective Interest Rate
3.23%



Credit Ratings
A/A2/A
Stable



During the period under review, the US labour market and economic activity remained strong. However, amid the escalating US-China trade war, US business fixed investment and export weakened. Market expectation on interest rate outlook substantially reduced. The US Federal Reserve reduced interest rate two times for a total of 0.5%. 10-year US Treasury bond yield fell from 2.4% in March to 1.4% in August.

HK\$ market interest rate was more volatile than US\$ market interest rate during the period under review due to the large size initial public offerings in Hong Kong and the volatile capital markets. 1-month HIBOR touched 3.0% in early July before retreated to 1.9% at the end of September 2019.

In March 2019, Link announced the pricing of HK\$4 billion guaranteed green convertible bonds due 2024 at 1.6% per annum. It is the first ever green convertible bonds launched globally in the real estate sector and for Hong Kong issuers. The issue of the guaranteed green convertible bonds was completed on 3 April 2019.

In July 2019, management took advantage of the tightened bond yields and issued HK\$716 million 5-year notes at 2.28% per annum. In August 2019, Link further issued HK\$1 billion 7-year notes at 2.50% per annum.

Since June 2019, the social unrest and protests in Hong Kong continued to escalate. Although market sentiment was affected, the banking and credit markets in Hong Kong remained robust. Link closed a self-arranged 4-year club loan facility with 18 banks in September 2019 at an all-in interest cost of 0.8% over HIBOR per annum. The facility was upsized from the original amount of HK\$5 billion to HK\$12 billion due to the overwhelming market response. Our 18 relationship banks placed great confidence in Link's business resilience to economic cycles. The club loan facility will be used for general corporate purposes including the replenishment

of loans maturing in the next 12 months. Moreover, the upsized facility has further strengthened Link's funding and liquidity position to potentially capture suitable business opportunities in line with our Vision 2025.

As at 30 September 2019, the Group's total debt increased slightly to HK\$27.8 billion (31 March 2019: HK\$24.5 billion). The Group's available liquidity increased to HK\$25.0 billion (31 March 2019: HK\$16.1 billion), comprising HK\$6.3 billion cash and deposits (31 March 2019: HK\$6.8 billion) and HK\$18.7 billion undrawn committed facilities (31 March 2019: HK\$9.3 billion). The average life of committed debt facilities rose to 3.9 years (31 March 2019: 3.6 years). Gearing ratio mildly increased to 11.9% (31 March 2019: 10.7%).

As at 30 September 2019, the effective interest cost of the Group's HK\$ debt portfolio remained stable at 3.23% (31 March 2019: 3.12%). 64.7% of our HK\$ debt was maintained at fixed interest rate (31 March 2019: 69.8%). Average life of HK\$ fixed rate debt, a measure of the average period of interest rate protection provided by HK\$ fixed rate debt, remained stable at 5.1 years (31 March 2019: 4.8 years).

To better manage the Group's surplus cash to enhance returns to our Unitholders, we have invested about HK\$2 billion in investment-grade bonds with maturity of up to five years. As at 30 September 2019, the average number of years to maturity of our bond portfolio was 3.5 years. The average bond yield was 3.6% while the credit rating of the bond portfolio was about BBB+ on average.

In June 2019, we announced our intention to buyback up to 60 million units as part of our capital return programme to our Unitholders. Our ability to execute this buyback programme is however impacted by several factors including market condition, unit price, trading volume and other regulatory considerations. In the first half of the financial year, we bought back approximately 13 million units at an average unit price of approximately HK\$87.3 using a total

of approximately HK\$1.1 billion. In the second half of the financial year, we will continue our unit buyback programme when the market conditions and regulations permit.

Following the last divestment completed on 13 March 2019, we have budgeted a discretionary distribution – to top-up for the distribution per unit loss arising from the divestment to the extent the shortfall is not replaced by earnings from new acquisitions – of about HK14 cents per unit per year for three years. This discretionary distribution, along with the announced buyback, is funded by the divestment premium of HK\$2.8 billion achieved. Therefore, for this six-month period ended 30 September 2019, a discretionary distribution of HK\$145 million or HK6.93 cents per unit will be included in the interim distribution.

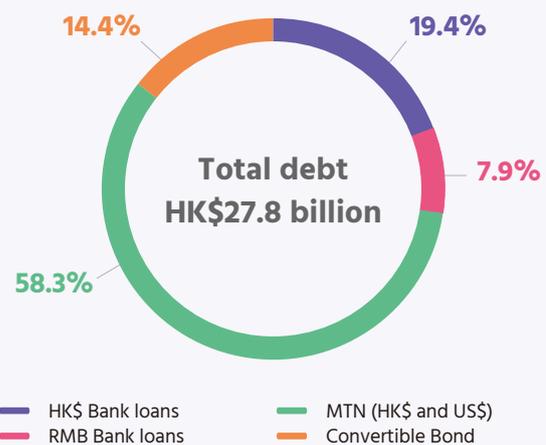
On foreign exchange management, we had arranged approximately RMB700 million forward contracts against HK\$ in March 2019 to fix our RMB denominated net income from Mainland China in HK\$ terms for the current financial year. We believe Link's distributable income in the current financial year is largely hedged from the RMB exchange rate fluctuation. As at 30 September 2019, approximately RMB350 million such forward contracts remained outstanding.

On our corporate credit ratings, Moody's reaffirmed Link's credit rating at "A2/Stable" on 27 June 2019 and further

loosened the key rating trigger on Link from 6.0-6.5 times Debt-to-EBITDA to 6.5 times Net Debt-to-EBITDA. The relaxed rating trigger from Moody's provides Link's with a larger debt headroom for potential acquisition of quality assets in the future. Standard and Poor's and Fitch Ratings both reaffirmed Link's rating at "A/Stable" on 13 August 2019 and 19 March 2019 respectively.

Funding Base

(as at 30 September 2019)



Committed Debt Facilities⁽¹⁾

(As at 30 September 2019)

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Utilised facilities	Undrawn facilities	Total committed facilities
Hong Kong					
Medium Term Notes (MTN)	11.0	5.2	16.2	–	16.2
Convertible bonds	4.0	–	4.0	–	4.0
HK\$ Bank loans	1.5	3.9	5.4	18.7	24.1
Sub-total	16.5	9.1	25.6	18.7	44.3
Mainland China					
RMB Bank loans	–	2.2	2.2	–	2.2
Sub-total	–	2.2	2.2	–	2.2
Total	16.5	11.3	27.8	18.7	46.5

Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Facility Maturity Profile ⁽¹⁾

(As at 30 September 2019)

(HK\$ billion)	MTN	Convertible bonds	HK\$ Bank loans	RMB Bank loans	HK\$ Undrawn facilities	Total
Due in 2019/2020	0.6	–	–	–	–	0.6
Due in 2020/2021	0.4	–	2.5	0.1	2.5	5.5
Due in 2021/2022	1.4	–	1.7	0.1	3.8	7.0
Due in 2022/2023	1.2	4.0	0.8	0.2	0.2	6.4
Due in 2023/2024 and beyond	12.6	–	0.4	1.8	12.2	27.0
Total	16.2	4.0	5.4	2.2	18.7	46.5

Note:

(1) All amounts are at face value.

Facility Maturity Profile ⁽¹⁾

(as at 30 September 2019)

HK\$ billion



Notes:

(1) All amounts are at face value.

(2) HK\$4B green convertible bonds have a maturity of 5 years with a 3-year put option.



The Quayside

A milestone accomplishment and the foundation of Link's Vision 2025



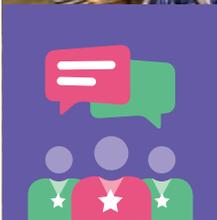
Completed in 2019, The Quayside in Kowloon East, Hong Kong, marks Link's first development project. This iconic, state-of-the-art grade-A office features a podium garden, a three-storey retail podium and 17 office floors. Situated along the waterfront, The Quayside offers stunning, unobstructed views of the famous Victoria Harbour.

Partially funded by the proceeds from the US\$500 million green bond we raised in 2016, The Quayside reinforces our commitment to building thriving low-carbon communities. In line with the requirements of Link's Green Finance Framework,

The Quayside has received LEED platinum, BEAM Plus platinum and WELL gold pre-certifications and was recently recognised as one of the greenest buildings in Hong Kong.

The Quayside also serves as the new site of Link's group headquarters, providing the necessary space to support the growth of our business and modern facilities that will strengthen productivity, inspire creativity and enhance talent attraction. With a host of world class tenants including JP Morgan, WeWork and Gammon, The Quayside provides the ideal community and foundation for Link to deliver Vision 2025.

Culture of Excellence



Link's New Headquarters at The Quayside

Develop a Strong Team

At Link, our employees are the foundation of our success and catalysts for a sustainable business. We monitor and measure the strength of our talent through diversity indicators, Linker satisfaction survey and attrition rate. We are committed to being a learning organisation by creating a resilient environment where our people excel and are empowered to achieve their career aspirations. As part of our Vision 2025 to create a culture of excellence, we are setting up our Mainland China headquarters in Shanghai where we will continue to look for more talent to support our growth in Mainland China.

Creating Learning Culture through Web-based Learning

Link advocates life-long learning through the use of technology. We strive to deliver a learning experience that is timely, flexible and easily accessible to our employees. From April 2019, we offered LinkedIn Learning subscriptions to 220 employees who were nominated by their respective departments, providing them with dedicated learning paths tailored to support their professional development needs. In September 2019, LinkREAD, a 24/7 e-library, was launched to provide unlimited access to articles, business journals, magazines, book summaries and quick access to Hong Kong public libraries to all employees at Link.

Strengthening Business Acumen

In April 2019, we invited the Property Council of Australia to deliver a half-day training session on "Turning local demographics into business potential", to enrich our team's business knowledge and commercial acumen. In addition, 32 attendees from our Asset Management department recently completed a two-day retail property industry diploma programme, where the latest business knowledge and best practices in retail and property management sectors were shared.

Staff (as at 30 September 2019)

973



"Lunch & Learn" Session
No. of Participants

~300



Cultivating Young Talent Pipeline

Building and developing a sustainable, fit-for-future talent pipeline is critical to Link's continued success and growth. The 2019 Management Associate Programme attracted an overwhelming number of applications where 440 local and overseas applicants attended our assessment day. In August 2019, we successfully recruited five Management Associates into the Finance and Asset Management departments, and their learning journey will be accelerated with well-structured job rotations. Attachment to our Mainland China assets and ongoing mentoring support from the leadership team will further enrich their exposure and career journey at Link.

In addition, we recruited over 40 summer interns from leading Hong Kong and overseas universities. From June to August 2019, our summer interns gained commercial knowledge and practical skills through on-the-job training, competency-based learning and group projects. At the graduation ceremony, they presented their ideas to our C-suite executives on leveraging technology to transform Link.

Retaining Talent

Link's strategy to talent retention is robust and progressive, one that has evolved to support the needs and motivations of Linkers at different stages of their careers. Almost immediately upon joining the team, all Linkers are eligible to participate in the Employee Unit Purchase Plan, which gives new hires an immediate and vested interest in supporting Link to do well. Currently, over 60% of eligible Linkers are participating in the Employee Unit Purchase Plan. As their careers progress, we have put in place a long-term incentive scheme that aligns our long-term strategic objectives with our talent retention strategy. These initiatives are complemented with our robust learning and development scheme that provides financial sponsorship for Linkers to take charge of their own professional development, whether it is through short courses, certification training or degree programmes. All of our efforts are put in place to enable Linkers to thrive and grow with the organisation.



Summer interns presented business proposals to top management



2019 Summer Interns Graduation Ceremony

Low
attrition rate of high
performing staff



Visionary Creativity



Nurturing Hong Kong Guide Dog Association's Guide Dog Programme through Link Together Initiatives

Thriving with our Tenants

Link works closely with tenants and helps them do better business by providing thriving operational environments as well as useful business insights. Tenant Academy continues to share knowledge and practical skills that will help our tenants grow and achieve greater success. In a recent seminar, a Hong Kong celebrity and professional instructors from The Hong Kong Institute of Financial Analysts and Professional Commentators were invited as guest speakers to share their entrepreneurial adventure and insights on investment strategies for the Hong Kong stock market. Through the seminar, tenants gained a deeper understanding on market outlook, which may facilitate their business operations and learned how to effectively diffuse complaints and turn them into opportunities, how to stay motivated as business owners and sharpen their selling techniques.

Strengthen our Community Bonding

Link continues to engage the community and support local charities through our flagship charity and community engagement programme, Link Together Initiatives. Each year, Link contributes an amount of up to 0.25% of its net property income from the previous financial year to support charitable organisations with causes related to youth empowerment, active ageing and resource management.

In August 2019, Link concluded the funding process for 2019/2020, with HK\$14.1 million earmarked for six projects and Link University Scholarship. Among the six projects, three projects are new with innovative concepts including inspirational drama programme for the elderly, a programme for youth to develop their street arts talents and a well-being programme to advocate an ageing-friendly community.

Energy consumption reduction in Hong Kong since 2010

28.1%⁽¹⁾



Note:

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

Together with the three projects from the previous year, Link grows with our community by connecting the non-governmental organisations we support with each other, our tenants and Linkers. Link strives to build an ecosystem, which synergises and amplifies their impact on the community.

In 2019/2020, 190 scholarships totalling HK\$3.8 million will be granted under the Link University Scholarship, which offers non-means-tested scholarships to students who are the first in three generations within their families to attend a local university. The Link University Scholarship interview day was held on 21 September 2019 with over 300 eligible applicants from 8 universities attending the interview. This year, a new selection criterion – social service participation – was added along with the other criteria of leadership and proactiveness, teamwork and communications, and logical reasoning and presentation. The interview was conducted by our 33-member selection panel who come from different sectors spanning the government and related organisations, education, media, non-governmental organisations, The Hong Kong Council of Social Service and Link.

As the extension of the living room of our communities, Link creates places for our visitors to shop, gather and socialise, where moments and memories are made. In the reporting period, we organised a series of marketing events, focusing on wellness and the environment, for people to explore and enrich their shopping experiences. “Lok Fu Ohlympics” was held to promote well-being concept. The event targeted physical and emotional well-being offering an immersive experience with physical activities designed for shoppers, bringing in newly-emerged sports and technology that are rarely seen in shopping centres.

Over the summer, T Town, Link’s biggest shopping centre in Tin Shui Wai, was transformed into a lively Amazon rainforest during T Town Green Adventure. This playful and educational event took visitors on a magical journey showcasing animal installations and immersive experiences that stimulated all the senses. To promote an animal and environmentally-friendly message on the principles of “adoption, education and conservation”, collaborative events including adoption and exhibition were held with a local charity and a reptile enthusiast.

Shaping Retail Experience with Technology and Innovation

Digital engagement not only enables us to create more value from existing visitors, but it also attracts new potential customers and business partners. During the six months under review, we continued to strengthen our digital efforts with customer activation programmes to support tenants’ businesses. Park & Dine app introduced an e-stamp function with digitalised and simplified sales redemption process to encourage customers to make recurring purchases. We also partnered with Visa to sponsor e-coupon redemption and engaged over 4,500 users with 10,000 tenant offers.

To expand customer engagement, a WeChat official account was launched at T.O.P This is Our Place, and now more than 3,000 users have followed T.O.P WeChat for up-to-date information. To raise awareness of T.O.P especially its F&B tenants, we set up an official account on a popular social platform “Dian Ping” in which T.O.P is ranked as Hong Kong’s No.1 shopping mall for “selfies”. We also partnered with AlipayHK and WeChat Pay on sales stimulation programmes and leverage their networks to promote spending in the shopping centre.



Maintaining Our Social License



As Link grows, we must ensure we continue to make a positive contribution to the community. We have worked diligently over the years to build strong trust, confidence and rapport with all of our stakeholders. It is even more important to preserve a social license in socially and politically challenging environments where actions and words can be easily misconstrued.

Since July 2019, we have increased our community engagement efforts in response to the deteriorating community sentiment in Hong Kong. We have

- Held over 150 face-to-face meetings with community stakeholders to hear and assess district-specific concerns

- Received and responded to over 530 rent relief requests from tenants
- Collaborated with over 10 industry organisations and third parties to define, develop and align industry-wide protocols on how to manage property security

As a result:

- Only two centres out of our 98 centres in Hong Kong were affected with early closures, amounting to approximately 60 hours of operations
- Tenant sales growth remains healthy during the period

Corporate Governance

Link is a collective investment scheme authorised by the SFC under section 104 of the SFO and a constituent of the Hang Seng Index. It is managed by Link Asset Management Limited. Link believes responsible governance should transcend mere fulfilling of regulatory requirements to becoming a value that is shared and upheld within Link for long-term success. Link's corporate governance framework is supported by checks and balances via risk management and internal controls, internal and external audit, and Trustee's and SFC's oversights.

Our Board and Board Committees

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

As at the date of this report, our Board has 11 members, including 9 INEDs, 1 NED and 1 ED (being the CEO). Mr Andy CHEUNG Lee Ming resigned as ED on 2 October 2019.

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

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

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

(C) = chairman

✓ = member

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

Updates on Directors' Information since Annual Report 2018/2019

- Mr Andy CHEUNG Lee Ming resigned as an ED of the Manager and ceased to be the authorised representative of Link under Rule 3.05 of the Listing Rules with effect from 2 October 2019.
- Ms May Siew Boi TAN was appointed as an independent non-executive director of Home Credit N.V. with effect from 4 September 2019.
- Ms Nancy TSE Sau Ling was appointed as the chairman of HSBC Provident Fund Trustee (Hong Kong) Limited with effect from 27 September 2019.

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

Corporate Governance Policy and Practices

The corporate governance policy and practices adopted during the six months ended 30 September 2019 remained in line with those in place for the financial year ended 31 March 2019 as disclosed in the corporate governance report in Link's annual report 2018/2019, including the modification to the rigid application of code provision A.4.2 of the Listing Rules Corporate Governance Code such that the ED is not subject to retirement by rotation at annual general meetings of Unitholders to preserve business continuity and longevity at top management level.

Regulatory Compliance

Throughout the six months ended 30 September 2019:

- Link and the Manager complied with the REIT Code, the SFO, applicable provisions of the Listing Rules, the Trust Deed and the Compliance Manual;
- Link and the Manager applied the principles and complied with, to the extent appropriate, the code provisions in the Listing Rules Corporate Governance Code;
- all the Directors, after making specific enquiry on each of them, confirmed that they complied with the required standards set out in the Link Securities Dealing Code, and its terms are regularly reviewed and updated (when required) to ensure that they are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules; and
- the Manager continued to adopt stringent internal procedures to preserve confidentiality of inside information and complied with the requirements of Part XIVA of the SFO.

Pursuant to the Link Securities Dealing Code, Directors, senior management and other relevant senior employees of the Manager wishing to deal in the securities of Link must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct as if such SFO provisions were applicable to Link. They must also refrain from dealing in the securities of Link if they are aware of, or are privy to, any negotiations or agreements relating to intended acquisitions or disposals, or have been otherwise in possession of unpublished inside information, until proper disclosure of the inside information in accordance with the REIT Code and the Listing Rules has been made. The Manager also imposes and enforces (when required) black-out on Directors and relevant staff members who have participated in the preparation of Link's interim and final results announcements and the related reports or are involved in corporate transaction activities or in possession of inside information in the manner as required by the Listing Rules, the inside information provisions of the SFO and the Compliance Manual. Staff members who are subject to black-out will be suspended from participating in the EUPP until the black-out is lifted.

Other Information Updates

Review by Audit and Risk Management Committee and Auditor

The condensed consolidated interim financial information of Link for the six months ended 30 September 2019 had been reviewed by the Audit and Risk Management Committee and Link's auditor.

Employee Unit Purchase Plan

During the period under review, 464 eligible employees of the Manager participated in the EUPP who together purchased 102,816 Units on the Stock Exchange through an independent third party intermediary (currently, Bank of China (Hong Kong) Limited) at a total consideration of approximately HK\$9,597,222, of which an amount of HK\$1,370,406 was subsidised by the Manager. The amount of subsidy for each eligible employee was determined in accordance with the rules of the EUPP with reference to such employee's length of service and appraised performance.

Link Together Initiatives

During the period under review, upon the recommendation of the selection committee, the Board approved charitable donations and sponsorships of approximately HK\$14.1 million under the Link Together Initiatives (i.e. the charity and community engagement programme of Link) for the 2019/2020 funding cycle, to sponsor six projects and Link University Scholarship. The themes of these projects and the scholarship are all in line with the aim of the programme to advance sustainable development in the communities served by Link with focus on youth empowerment, active ageing and resources management.

Issue of New Units

During the period under review, 477,632 new Units were issued to satisfy vesting of restricted unit awards granted pursuant to the 2007 LTI Plan. Based on 2,096,767,886 Units in issue as at 30 September 2019, the number of new Units issued during the period under review represents approximately 0.02% of the issued Units of Link.

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

During the period under review, the Manager (on behalf of Link) bought back a total of 13,031,000 Units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$1,137.5 million. Further details are set out as follows:

Month	Number of Units bought back	Purchase price per Unit		Approximate aggregate consideration (excluding expenses) HK\$'M
		Highest HK\$	Lowest HK\$	
2019				
August	3,544,000	88.50	86.20	308.0
September	9,487,000	89.40	86.00	829.5

All the Units bought back were cancelled prior to the end of the period under review. All Unit buy-backs by the Manager during the period under review were carried out pursuant to the general mandate to buy back Units granted by the Unitholders that was in force in the relevant time, and were made in the interest of Link and the Unitholders as a whole. The average cost (excluding expenses) of the Units bought back was approximately HK\$87.30 per Unit.

Save as disclosed above, neither the Manager nor any of Link's subsidiaries bought back, sold or redeemed any of Link's listed Units during the period under review.

Unitholders Statistics

As at 1 April 2019, there were 2,109,321,254 Units of Link in issue. During the period under review, 477,632 new Units were issued and 13,031,000 Units were bought back and cancelled. As at 30 September 2019, there were 2,096,767,886 Units of Link in issue, which were held by 22,486 registered Unitholders according to the register of Unitholders of Link. HKSCC Nominees Limited (through which most holders hold their Units in Link) remained as the single largest registered Unitholder holding 2,014,070,658 Units (approximately 96.06% of the issued Units of Link).

Based on the closing price of HK\$86.45 per Unit and 2,096,767,886 Units then in issue, the market capitalisation of Link as at 30 September 2019 was approximately HK\$181.3 billion. Please see Note 24 to the condensed consolidated interim financial information in this report for further details.

Public Float

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

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

Investor Relations

The Manager continually communicates with the investment community to ensure that analysts, retail and institutional investors are sufficiently informed, and to gauge their views on the business objectives, activities and future direction of Link. There are currently 17 equity research analysts actively covering Link. Since April 2019, the Manager participated in the following events:

Event	Number
Individual meetings and conference calls	247
Investors' conferences/corporate days	8
Post-results/non-deal roadshows to Asia, Australia, Europe and the United States	4
Site visits for interested parties	14

Acquisition and Disposal of Real Estate

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

As at 30 September 2019, Link's portfolio comprised 132 assets (including 126 investment properties and The Quayside (the occupation permit has been issued by the Buildings Department on 10 May 2019 and construction work has been completed during the period under review) in Hong Kong as well as 5 investment properties in Mainland China). Complete list and relevant details of those properties can be found on pages 143 to 171 of the "Governance, Disclosures and Financial Statements" report of Link's annual report 2018/2019.

Property Development and Related Activities

Link, through the joint venture with Nan Fung Development Limited on, respectively, 60% to 40% equity ratio, acquired a piece of land (N.K.I.L. 6512) for development of the property now known as The Quayside.

Update on the commercial development project pursuant to 7.2A of the REIT Code since Link's annual report 2018/2019 is as follows:

- The occupation permit has been issued by the Buildings Department on 10 May 2019 and construction work has been completed during the period under review.

Relevant Investments

On 25 July 2018, Unitholders approved the expansion of investment scope of Link's investment strategy to include investments in Relevant Investments.

The Relevant Investments made by Link as of 31 October 2019 is set out below:

Debt securities	Primary listing	Currency	Credit rating			Total cost HK\$'000	Mark-to-market value HK\$'000	Percentage of gross asset value ⁽¹⁾ %
			S&P's	Moody's	Fitch			
YUEXIU 4.875 04/19/21	SEHK	USD	–	Baa3	BBB–	23,345	23,335	0.01
YXREIT 4.75 04/27/21	SEHK	USD	BBB–	Baa3	–	124,171	124,197	0.06
COGO 4.875 06/01/21	SEHK	USD	BBB–	Baa2	BBB	11,064	11,071	0.005
HRINTH 3.25 06/03/21	SEHK	USD	BBB+	–	A	27,575	27,607	0.01
CHINAM Float 07/16/21	SEHK	USD	BBB+	Baa1	–	39,445	39,132	0.02
CHALHK 4.875 09/07/21	SEHK	USD	–	–	A–	18,537	18,545	0.008
HRINTH 3.625 11/22/21	SEHK	USD	BBB+	–	A	63,401	64,049	0.03
BCLMHK 4 01/22/22	SEHK	USD	A–	–	A	12,530	12,609	0.01
CHJMAO 3.6 03/03/22	SEHK	USD	BBB–	Baa3	BBB–	51,475	51,551	0.02
SINOCE 5.25 04/30/22	SEHK	USD	–	Baa3	BBB–	22,748	22,783	0.01
CICCHK 3.375 05/03/22	SEHK	USD	BBB	–	BBB+	47,067	47,683	0.02
CICCHK Float 05/03/22	SEHK	USD	BBB	–	BBB+	80,349	80,098	0.03
CATIC 3.5 05/31/22	SEHK	USD	–	Baa1	A–	47,082	47,723	0.02
LNGFOR 3.875 07/13/22	SGX	USD	–	–	BBB	15,125	15,112	0.01
HAOHUA 3.5 07/19/22	SGX	USD	BBB	–	A–	94,314	95,667	0.04
CJIANT 3.375 07/25/22	SEHK	USD	–	–	A+	156,185	158,066	0.07
CHIOLI 3.95 11/15/22	SEHK	USD	BBB+	Baa1	–	24,048	24,350	0.01
YUEXIU 4.5 01/24/23	SEHK	USD	–	Baa3	BBB–	29,206	29,432	0.01
POLYRE 3.95 02/05/23	SEHK	USD	BBB–	Baa3	BBB+	266,371	271,823	0.12
HAOHUA 4.625 03/14/23	SGX	USD	BBB	–	A–	65,204	66,186	0.03
VNKRLE 4.15 04/18/23	SEHK	USD	BBB	Baa2	BBB+	80,310	81,224	0.04
VNKRLE Float 05/25/23	SEHK	USD	BBB	Baa2	BBB+	7,853	7,878	0.003
PINGIN 4.375 09/10/23	SGX	USD	–	Baa2	–	65,035	65,882	0.03
POLYRE 4.75 09/17/23	SEHK	USD	BBB–	Baa3	BBB+	47,203	47,892	0.02
YUEXIU 5.375 10/19/23	SEHK	USD	–	Baa3	BBB–	80,689	81,704	0.04
HYNMTR 4.3 02/01/24	FRA	USD	BBB+	Baa1	–	204,052	207,048	0.09
VNKRLE 5.35 03/11/24	SEHK	USD	BBB	Baa2	BBB+	64,328	65,851	0.03
CHIOLI 5.95 05/08/24	SEHK	USD	BBB+	Baa1	A–	17,426	17,778	0.01
CCBL 3.5 05/16/24	SEHK	USD	A	–	A	156,630	161,089	0.07
SHGANG 4 05/23/24	SGX	USD	–	–	A–	94,278	97,802	0.04
YXREIT 3.6 05/28/24	Unlisted	HKD	–	Baa3	–	30,000	30,270	0.01
HRINTH 3.75 05/29/24	SEHK	USD	–	Baa1	A	39,421	40,236	0.02
VNKRLE 4.2 06/07/24	SEHK	USD	BBB	Baa2	BBB+	38,914	39,751	0.02
CHJMAO 4 06/21/24	SEHK	USD	BBB–	–	–	53,159	53,326	0.02
WB 3.5 07/05/24	SEHK	USD	BBB	Baa1	–	39,923	40,009	0.02
CNBG 3.375 07/16/24	SEHK	USD	BBB	–	A–	79,523	79,796	0.04
JOHNEL 4.125 07/30/24	SEHK	USD	BBB	Baa1	–	41,682	42,291	0.02
Total						2,359,670	2,390,848	1.04

Note:

(1) "Gross asset value" is calculated by reference to the latest published accounts of Link as adjusted for any distribution declared and change in valuation (if any) subsequent to the publication of the accounts. "Percentage of gross asset value" is calculated based on the mark-to-market value of the Relevant Investments.

Based on the above, the portfolio of Relevant Investments represented approximately 1.04% of the gross asset value of Link as of 30 September 2019 and is within the Maximum Cap. The combined value of the Relevant Investments together with the total costs of property development and related activities are within the Maximum Cap.

Issue of Guaranteed Green Convertible Bonds due 2024

During the period under review, Link 2019 CB Limited, a wholly-owned SPV of Link, issued HK\$4,000,000,000 1.60 per cent. guaranteed green convertible bonds due 2024 (the “**Convertible Bonds**”) which are convertible into new Units of Link at an initial conversion price of HK\$109.39 per Unit (subject to adjustment) for a maturity of five years. The Convertible Bonds were formally listed on the Stock Exchange on 4 April 2019 with stock code number 5936.

Link believes that the issue of the Convertible Bonds is in the best interest of Link and its Unitholders as a whole as the Convertible Bonds will replenish Link’s maturing facilities, diversify Link’s funding source, expand investor base and increase the trading liquidity of Units.

Based on the initial conversion price of HK\$109.39 per Unit, the number of new Units to be issued upon full conversion of the Convertible Bonds are approximately 36,566,413 Units.

Link intends to use the net proceeds (after deduction of fees, commissions and other related expenses) of approximately HK\$3,974,000,000 from the issue of the Convertible Bonds to refinance or fund, in whole or in part, existing and future eligible green projects selected in accordance with certain prescribed eligibility criteria as prescribed under and for general corporate purposes that fit Link’s green finance framework. During the period under review, the net proceeds were used to refinance or fund Link’s eligible green projects under and general corporate purposes that fit its green finance framework which received second opinion by Sustainalytics and the Hong Kong Quality Assurance Agency.

As of the date of this report, no conversion of the Convertible Bonds had been exercised by any holders of the Convertible Bonds and no redemption of the Convertible Bonds was made by Link 2019 CB Limited.

For details of the Convertible Bonds issue, please refer to the announcements dated 7 March, 8 March and 3 April 2019 issued by the Manager.

Change in Property Valuation Methodology

Link has been using two valuation methodologies – Income Capitalisation Approach (“**Income Cap Approach**”) and Discounted Cash Flow Approach (together, “**Previous Methodology**”) – for Link’s property valuation (except the properties of The Quayside and 700 Nathan Road) for Interim and Annual Reports since Link’s initial public offering in 2005.

Link will change from using two valuation methodologies to one valuation methodology by using Income Cap Approach only (cross-referenced to the Direct Comparison Approach) (“**New Methodology**”) for Link’s property valuation for Interim and Annual Reports starting from the Annual Report for the financial year ending 31 March 2020.

The using of Income Cap Approach (cross-referenced to the Direct Comparison Approach) is in line with market practice of property valuation for income-producing commercial assets which are the main asset class of Link. Income Cap Approach has been widely acceptable and well understood in the property market and investment market as a single valuation method by analysts, valuers, and property investors; and compared with Discounted Cash Flow Approach, Income Cap Approach involves less hypothetic assumptions. Key elements used in the Income Cap Approach, such as market rent and capitalisation rate, are derived from live transactions and current market data. It is also in the interest of Unitholders as comparison with other H-REITs is more straight-forward and on like-for-like basis.

No prior-year adjustment or re-statement to previous financial year financial statements is required. It is noted that the variances between the valuations prepared under Previous Methodology and New Methodology on a 10-year horizon ranges from –0.3% to 3.4%, with an average of 1.95%. Based on the above, the change in valuation methodology is not expected to have a material impact on the financial statements of Link.

The proposed change of valuation methodology is in compliant with Link’s Trust Deed and Compliance Manual. Trustee has no objection for the Manager to use only the Income Cap Approach in Link’s property valuation reports for its Annual Reports.

Changes after Financial Period End

This report has taken into account changes occurred since the end of the six-month period on 30 September 2019 up to the date of approval of this report by the Board on 13 November 2019.

Disclosures

Disclosure of Interests

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

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the following persons held an interest of 5% or more in the Units and underlying Units of Link as at 30 September 2019:

Name	Capacity	Number of Units/ underlying Units in long position (L)/ short position (S)	Approximate percentage of total Units in issue ⁽³⁾ %
Stichting Pensioenfonds ABP ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.41
State Street Corporation	Investment manager	(L) 126,273,034	6.02
The Capital Group Companies, Inc.	Interests of controlled corporations	(L) 147,312,470	7.02
BlackRock, Inc. ⁽²⁾	Interests of controlled corporations	(L) 190,923,853 ⁽²⁾ (S) 901,000 ⁽²⁾	9.10 0.04

Notes:

- (1) APG Asset Management N.V. is a wholly-owned subsidiary of APG Groep N.V. which itself is a non-wholly owned subsidiary of Stichting Pensioenfonds ABP. Therefore, APG Asset Management N.V., APG Groep N.V. and Stichting Pensioenfonds ABP were interested or deemed to be interested in the same batch of 113,471,409 Units as shown in the above table.
- (2) The long position interests of BlackRock, Inc. in 190,923,853 Units and short position interests in 901,000 Units were held through its various controlled corporations. The interests shown in the above table included certain long position interests (766,500 underlying Units) and certain short position interests (413,000 underlying Units) in cash settled unlisted derivatives.
- (3) The approximate percentages were calculated based on 2,096,767,886 Units in issue as at 30 September 2019 (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, there were no other persons having an interest of 5% or more in the Units and underlying Units of Link as at 30 September 2019.

Interests of Directors in Units

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the interests of the Directors in Units and underlying Units of Link as at 30 September 2019 were as follows:

Name	Number of Units				Interest in underlying Units ⁽²⁾	Total interest held at 30 Sep 2019	Approximate percentage of total Units in issue ⁽³⁾ %	Total interest held at 31 Mar 2019
	Personal interest ⁽¹⁾	Family interest	Corporate interest	Other interest				
Directors								
Chairman (also an Independent Non-Executive Director)								
Nicholas Charles ALLEN	88,750 ⁽¹⁾	-	-	-	48,394	137,144	0.0065	121,000
Executive Directors								
George Kwok Lung HONGCHOY	1,618,089	-	-	-	2,489,987	4,108,076	0.1959	3,169,047
Andy CHEUNG Lee Ming ⁽⁴⁾	792,300	-	-	-	776,188	1,568,488	0.0748	1,271,907
Non-Executive Director								
Ian Keith GRIFFITHS	72,220	-	-	-	14,828	87,048	0.0041	82,220
Independent Non-Executive Directors								
Christopher John BROOKE	-	-	-	-	11,328	11,328	0.0005	6,500
Ed CHAN Yiu Cheong	8,000	-	-	-	15,284	23,284	0.0011	21,500
Blair Chilton PICKERELL	8,500	-	-	-	15,438	23,938	0.0011	22,000
Poh Lee TAN	12,750	-	12,000	-	16,074	40,824	0.0019	35,500
May Siew Boi TAN	108,750	-	-	-	18,432	127,182	0.0060	121,000
Peter TSE Pak Wing	25,000	-	-	-	17,755	42,755	0.0020	37,000
Nancy TSE Sau Ling	20,750	-	-	-	16,074	36,824	0.0017	31,500
Elaine Carole YOUNG	15,750	-	-	-	16,034	31,784	0.0015	56,500

Notes:

- (1) Directors' personal interests in Units as stated above were long position interests. There was no short position interest held by any Director. The personal interest of Mr Nicholas Charles ALLEN in 63,750 Units was held in an account in joint name with his spouse.
- (2) Directors' interests in underlying Units as stated above were long position interests and represent the maximum number of Units which may be vested with the Directors under the Long-term Incentive Schemes. Please refer to the "Long-term Incentive Schemes" section on pages 38 to 43 of this report for details.
- (3) The approximate percentages were calculated based on 2,096,767,886 Units in issue as at 30 September 2019 (rounded down to four decimal places).
- (4) Mr Andy CHEUNG Lee Ming resigned as an ED on 2 October 2019.

Save as disclosed above and so far as the Manager is aware, none of the Directors or any of their respective associates held any interests in Units (or, as the case may be, shares) or underlying Units (or, as the case may be, underlying shares) or debentures of Link and/or its subsidiaries which were required to be disclosed pursuant to the provisions of Part XV of the SFO as at 30 September 2019.

Interests of Connected Persons in Units and Securities

After making reasonable enquiry and according to the information available to the Manager, as at 30 September 2019, the following persons (other than any Significant Unitholder and the Directors and any of their respective associates⁽⁴⁾) being connected persons (as defined in Chapter 8 of the REIT Code) to Link, held the following interests in the Units and securities issued by Link or its SPVs:

1 Interests in Units

Name	Number of Units held at 30 Sep 2019	Approximate percentage of total Units in issue ⁽³⁾ %	Number of Units held at 31 Mar 2019
The Hongkong and Shanghai Banking Corporation Limited (" HSBC ") and its subsidiaries ⁽¹⁾	10,239,473	0.49	6,296,499
Principal Financial Services, Inc. ⁽²⁾	1,000	0.00	Nil

Notes:

- (1) The Trustee is a direct subsidiary of HSBC and hence HSBC and its subsidiaries are connected persons to Link. Save as disclosed in the table above, a fellow subsidiary of HSBC was also interested in 447,744 Units as at 30 September 2019.
- (2) Principal Financial Services, Inc. is an associate of Mr Blair Chilton PICKERELL.
- (3) The approximate percentage was calculated based on 2,096,767,886 Units in issue as at 30 September 2019.
- (4) As at 30 September 2019, Link did not have any Significant Unitholder. The interests in Units held by the Directors (including the CEO and the COO (who has resigned as ED of the Manager on 2 October 2019), who are considered to be the senior executives of the Manager) as at 30 September 2019 are disclosed in the "Interests of Directors in Units" section above.

In addition, as at 30 September 2019, Mr Gary FOK Yip Sang (being a director of five subsidiaries of Link), Ms Peonie KONG Po Yan (being a director of two subsidiaries of Link), Ms Phyllis NG Yuen Fan (being a director of four subsidiaries of Link) and Mr Max WONG Hon Keung (being a director of a subsidiary of Link), together with their respective associates (as defined in the REIT Code) were interested in 115,085 Units, 276,471 Units, 55,527 Units and 105,230 Units respectively.

2 Interests in USD-denominated Green Bonds

(US\$500 million USD-denominated green bonds due 2026 issued on 21 July 2016 at 2.875% coupon rate by The Link Finance (Cayman) 2009 Limited, a subsidiary of Link, under the MTN programme ("**Green Bonds**")

Name	Nominal amount held at 30 Sep 2019 US\$	Approximate percentage of total nominal amount ⁽²⁾ %	Nominal amount held at 31 Mar 2019 US\$
Dah Sing Bank, Limited (" Dah Sing Bank ") ⁽¹⁾	49,700,000	9.94	36,500,000
HSBC and its subsidiaries	35,000	0.01	35,000

Notes:

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

3 Interests in USD-denominated Notes

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

Name	Nominal amount held at 30 Sep 2019 US\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2019 US\$
HSBC and its subsidiaries	34,921,000	6.98	34,171,000

Note:

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

4 Interests in Guaranteed Green Convertible Bonds due 2024

(HK\$4,000 million HKD-denominated green convertible bonds due 2024 issued on 3 April 2019 at 1.6% coupon rate by Link 2019 CB Limited, a subsidiary of Link ("**Convertible Bonds**"))

Name	Aggregate amount held at 30 Sep 2019 HK\$	Approximate percentage of total principal amount ⁽¹⁾ %	Aggregate amount held at 31 Mar 2019 HK\$
HSBC and its subsidiaries	33,000,000	0.83	N/A

Note:

(1) The approximate percentage was calculated based on the aggregate principal amount of HK\$4 billion of the Convertible Bonds.

Long-term Incentive Schemes

2017 LTI Scheme

The 2017 LTI Scheme was adopted on 10 July 2017 pursuant to which Awards may be granted to Directors and selected key employees of the Manager, the Manager's subsidiaries and SPVs of Link.

Awards which may be granted under the 2017 LTI Scheme comprise (i) Restricted Unit Awards (to be satisfied by purchase of Units through a third party intermediary from the open stock market upon vesting); and (ii) Conditional Cash Awards (to be satisfied by cash payment equal to the aggregate DPU over the vesting period multiplied by the actual number of Units that may finally vest).

A summary of the rules of the 2017 LTI Scheme were set out on pages 62 to 63 of the "Governance, Disclosures and Financial Statements" report in Link's annual report 2018/2019.

Movements of Restricted Unit Awards

Movements in Restricted Unit Awards⁽¹⁾ under the 2017 LTI Scheme during the six months ended 30 September 2019 and the balances at the beginning and the end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽²⁾	Granted during the period ⁽³⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁶⁾	Outstanding at 30 Sep 2019 ⁽²⁾	Values recognised during the period ⁽⁹⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁷⁾ HK\$000
Directors										
Nicholas Charles ALLEN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	11,250	-	(11,250)	-	-	-	211	1,236
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	11,250	-	-	-	-	11,250	146	858
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	10,500	-	-	-	-	10,500	219	585
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	10,500	-	-	-	-	10,500	146	390
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	8,072	-	-	-	8,072	87	87
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	8,072	-	-	-	8,072	58	58
George Kwok Lung HONGCHOY (Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	269,075	-	(11,981)	-	(157,094)	-	2,152	20,064
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	269,075	-	-	-	-	269,075	2,586	16,886
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	518,763	-	-	-	-	518,763	7,544	20,519
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	518,763	-	-	-	-	518,763	6,303	16,375
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	591,693	-	-	-	591,693	4,696	4,696
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	591,693	-	-	-	591,693	2,716	2,716
Andy CHEUNG Lee Ming ⁽⁸⁾	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	68,738	-	(28,607)	-	(40,131)	-	550	5,126
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	68,738	-	-	-	-	68,738	661	4,314
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	175,075	-	-	-	-	175,075	2,546	6,925
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	175,075	-	-	-	-	175,075	2,127	5,526
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	178,650	-	-	-	178,650	1,418	1,418
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	178,650	-	-	-	178,650	820	820

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽²⁾	Granted during the period ⁽³⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁵⁾	Outstanding at 30 Sep 2019 ⁽²⁾	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁷⁾ HK\$000
Ian Keith GRIFFITHS (Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,500	-	(3,500)	-	-	-	66	385
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,500	-	-	-	-	3,500	45	267
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,250	-	-	-	-	3,250	68	181
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,250	-	-	-	-	3,250	45	121
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,414	-	-	-	2,414	26	26
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,414	-	-	-	2,414	17	17
Christopher John BROOKE (Independent Non-Executive Director)	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,250	-	-	-	-	3,250	68	181
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,250	-	-	-	-	3,250	45	121
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,414	-	-	-	2,414	26	26
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,414	-	-	-	2,414	17	17
Ed CHAN Yiu Cheong (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,500	-	-	(3,500) ⁽⁸⁾	-	-	66	385
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,500	-	-	-	-	3,500	45	267
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,250	-	-	-	-	3,250	68	181
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,250	-	-	-	-	3,250	45	121
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,642	-	-	-	2,642	29	29
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,642	-	-	-	2,642	19	19
Blair Chilton PICKERELL (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,500	-	-	(3,500) ⁽⁸⁾	-	-	66	385
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,500	-	-	-	-	3,500	45	267
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,250	-	-	-	-	3,250	68	181
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,250	-	-	-	-	3,250	45	121
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,719	-	-	-	2,719	29	29
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,719	-	-	-	2,719	20	20
Poh Lee TAN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,750	-	(3,750)	-	-	-	70	412
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,750	-	-	-	-	3,750	49	286
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,500	-	-	-	-	3,500	73	195
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,500	-	-	-	-	3,500	49	130
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,662	-	-	-	2,662	29	29
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,662	-	-	-	2,662	19	19

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽²⁾	Granted during the period ⁽³⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁶⁾	Outstanding at 30 Sep 2019 ⁽²⁾	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁷⁾ HK\$000
May Siew Boi TAN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	4,250	-	(4,250)	-	-	-	80	467
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	4,250	-	-	-	-	4,250	55	324
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	4,000	-	-	-	-	4,000	83	223
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	4,000	-	-	-	-	4,000	55	149
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	3,091	-	-	-	3,091	33	33
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	3,091	-	-	-	3,091	22	22
Peter TSE Pak Wing (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	4,500	-	(4,500)	-	-	-	84	494
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	4,500	-	-	-	-	4,500	58	343
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,750	-	-	-	-	3,750	78	209
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,750	-	-	-	-	3,750	52	139
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,878	-	-	-	2,878	31	31
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,877	-	-	-	2,877	21	21
Nancy TSE Sau Ling (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,750	-	(3,750)	-	-	-	70	412
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,750	-	-	-	-	3,750	49	286
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,500	-	-	-	-	3,500	73	195
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,500	-	-	-	-	3,500	49	130
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,662	-	-	-	2,662	29	29
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,662	-	-	-	2,662	19	19
Elaine Carole YOUNG (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	3,750	-	(3,750)	-	-	-	70	412
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	3,750	-	-	-	-	3,750	49	286
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	3,500	-	-	-	-	3,500	73	195
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	3,500	-	-	-	-	3,500	49	130
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	2,642	-	-	-	2,642	29	29
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	2,642	-	-	-	2,642	19	19

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽²⁾	Granted during the period ⁽³⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁵⁾	Outstanding at 30 Sep 2019 ⁽²⁾	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁷⁾ HK\$000
Other participants										
In aggregate	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	458,686	-	(190,901)	-	(267,785)	-	3,226	33,763
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	457,948	-	-	-	(37,600)	420,348	4,040	26,379
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	539,343	-	-	-	(43,476)	495,867	7,211	19,613
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	539,343	-	-	-	(43,476)	495,867	6,024	15,653
	5 Jul 2019	5 Jul 2019 to 30 Jun 2021	-	557,546	-	-	(4,268)	553,278	4,391	4,392
	5 Jul 2019	5 Jul 2019 to 30 Jun 2022	-	557,546	-	-	(4,268)	553,278	2,540	2,540
Total			4,225,622	2,720,169	(366,239)	(7,000)	(598,098)	5,974,454	64,905	219,954

Notes:

- (1) The Restricted Unit Awards in the above table were all granted in conjunction with Conditional Cash Awards. The aggregate weighted average value carried by the outstanding Conditional Cash Awards attached to the outstanding Restricted Unit Awards at the end of the period was HK\$1.8153 per Unit.
- (2) These figures (except those relating to the NED and INEDs) represent the maximum number of Units that may be purchased in the grantee's favour on vesting of his/her relevant Restricted Unit Awards. The actual number of Units that will finally vest and be purchased for each relevant grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions (if any) are met. The Restricted Unit Awards relating to the NED and INEDs are tenure-based only.
- (3) The closing price of the Units on the business day immediately preceding the date of grant of the Restricted Unit Awards during the period was HK\$98 per Unit. On the assumption that the Restricted Unit Awards granted during the period were finally vested for the maximum number of Units, the estimated fair value of such Restricted Unit Awards would amount to approximately HK\$234.4 million as at 30 September 2019 based on the valuation of an independent valuer.
- (4) The closing price of the Units on the business day immediately preceding the date on which the relevant Restricted Unit Awards were vested during the period was HK\$96 per Unit. An amount of approximately HK\$1.9 million was paid for the Conditional Cash Awards vested simultaneously with the Restricted Unit Awards during the period.
- (5) These figures represent the maximum number of Units in respect of which the Restricted Unit Awards had lapsed or were cancelled during the period. The Conditional Cash Awards granted in conjunction with such Restricted Unit Awards had lapsed or were cancelled simultaneously.
- (6) Values recognised during the period under review represent the amounts recognised in the condensed consolidated income statement under Hong Kong Financial Reporting Standards for the six months ended 30 September 2019. The values are estimated by an independent external valuer based on valuation techniques and assumptions on Unit price, outstanding length of the Awards and other market conditions, if appropriate, and charged to the condensed consolidated income statement over the vesting period.
- (7) Aggregate of values recognised up to 30 September 2019 represents the aggregated amounts recognised in the financial statements under Hong Kong Financial Reporting Standards for the period from grant dates to 30 September 2019.
- (8) Mr Andy CHEUNG Lee Ming resigned as an ED on 2 October 2019.
- (9) Cash payment in lieu of Units were given to Mr Ed CHAN Yiu Cheong and Mr Blair Chilton PICKERELL pursuant to the 2017 LTI Scheme.

The Restricted Unit Awards and Conditional Cash Awards granted under the 2017 LTI Scheme are to be expensed through Link's consolidated income statement over the relevant vesting period. Further details of the 2017 LTI Scheme are set out in Note 19 to the condensed consolidated interim financial information.

2007 LTI Plan

The 2007 LTI Plan adopted on 23 July 2007 had expired on 22 July 2017 after being in operation for 10 years. After its expiry, no further award has been and none shall be granted under the 2007 LTI Plan. Awards granted and accepted prior to expiry but yet to vest shall continue to have effect and be governed by the rules of the 2007 LTI Plan. The last tranche of awards granted under the 2007 LTI Plan has been vested on 30 June 2019 after which vesting under the 2007 LTI Plan has exhausted.

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

Movements of Restricted Unit Awards

Movements in restricted unit awards⁽¹⁾ under the 2007 LTI Plan during the six months ended 30 September 2019 and the balances at the beginning and the end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽²⁾	Granted during the period	Vested during the period ⁽³⁾	Cancelled during the period	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2019	Values recognised during the period ⁽⁵⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁶⁾ HK\$000
Directors⁽⁷⁾										
Nicholas Charles ALLEN (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	13,750	-	(13,750)	-	-	-	132	1,467
George Kwok Lung HONGCHOY (Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	231,000	-	(143,737)	-	(87,263)	-	1,558	15,336
Andy CHEUNG Lee Ming ⁽⁸⁾	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	54,500	-	(33,912)	-	(20,588)	-	368	3,618
Ian Keith GRIFFITHS (Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,000	-	(4,000)	-	-	-	38	427
Ed CHAN Yiu Cheong (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,000	-	(4,000)	-	-	-	38	427
Blair Chilton PICKERELL (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,250	-	(4,250)	-	-	-	41	453
Poh Lee TAN (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	-	(4,500)	-	-	-	43	480
May Siew Boi TAN (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	5,000	-	(5,000)	-	-	-	48	533
Peter TSE Pak Wing (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	5,000	-	(5,000)	-	-	-	48	533
Nancy TSE Sau Ling (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	-	(4,500)	-	-	-	43	480

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2019 ⁽⁷⁾	Granted during the period	Vested during the period ⁽⁸⁾	Cancelled during the period	Lapsed during the period ⁽⁶⁾	Outstanding at 30 Sep 2019	Values recognised during the period ⁽⁵⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2019 ⁽⁶⁾ HK\$000
Elaine Carole YOUNG (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	-	(4,500)	-	-	-	43	480
Other participants										
In aggregate	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	403,472 ⁽⁹⁾	-	(250,483) ⁽⁹⁾	-	(152,989) ⁽⁹⁾	-	2,709	26,726
Total			738,472	-	(477,632)	-	(260,840)	-	5,109	50,960

Notes:

- (1) The restricted unit awards in the above table were all granted in conjunction with conditional cash awards.
- (2) These figures (except those relating to the NED and INEDs) represent the maximum number of Units that may be issued on vesting of the relevant restricted unit awards. The actual number of Units that will finally vest and be issued to each relevant grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions (if any) are met. The restricted unit awards relating to the NED and INEDs are tenure-based only.
- (3) The closing price of the Units on the business day immediately preceding the date on which the relevant restricted unit awards were vested during the period was HK\$96 per Unit. An aggregate amount of approximately HK\$3.6 million was paid for the conditional cash awards vested simultaneously with the restricted unit awards during the period.
- (4) These figures represent the maximum number of Units in respect of which the restricted unit awards had lapsed during the period. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed simultaneously.
- (5) Values recognised during the period under review represent the amounts recognised in the condensed consolidated income statement under Hong Kong Financial Reporting Standards for the six months ended 30 September 2019. The values are estimated by an independent external valuer based on valuation techniques and assumptions on Unit price, outstanding length of the awards and other market conditions, if appropriate, and charged to the condensed consolidated income statement over the vesting period.
- (6) Aggregate of values recognised up to 30 September 2019 represents the aggregated amounts recognised in the financial statements under Hong Kong Financial Reporting Standards for the period from grant dates to 30 September 2019.
- (7) Mr Christopher John BROOKE was not included in this table as he was appointed as an INED after the expiry of the 2007 LTI Plan.
- (8) Mr Andy CHEUNG Lee Ming resigned as an ED on 2 October 2019.
- (9) Included in these figures were outstanding restricted unit awards held by two former INEDs, including (i) restricted unit awards in respect of a maximum of 5,750 Units held by Mr William CHAN Chak Cheung at the beginning of the period, of which 2,604 Units were vested and issued and the remaining balance had lapsed during the period; and (ii) restricted unit awards in respect of a maximum of 4,750 Units held by Mr David Charles WATT at the beginning of the period, of which 3,357 Units were vested and issued, and the remaining balance had lapsed during the period.

The restricted unit awards and conditional cash awards granted under the 2007 LTI Plan are to be expensed through Link's consolidated income statement over the relevant vesting period. Further details of the 2007 LTI Plan are set out in Note 19 to the condensed consolidated interim financial information.

Connected Party Transactions

Connected Persons and Connected Party Transactions

The following table sets out income derived or expenses incurred by Link and/or its SPVs from or with connected persons (as defined under Chapter 8 of the REIT Code) named below in the period under review:

Name of connected person	Relationship with Link	Nature of the transactions	Income derived HK\$'M	Expenses incurred HK\$'M
Link Asset Management Limited	Manager	Management fee ⁽¹⁾	N/A	(406.0)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee ⁽²⁾	N/A	(11.7)
Jones Lang LaSalle Limited ("JLL") and its subsidiaries ⁽³⁾	Principal Valuer	Valuation fees	N/A	(0.8)
		Consultancy fees	N/A	(4.1)
		Property management services fees ⁽⁴⁾	N/A	(7.7)
		Fitter services fees ⁽⁵⁾	N/A	(7.0)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence ⁽⁶⁾	18.9 ⁽⁷⁾	N/A
		Interest income	9.7	N/A
		Interest expenses	N/A	(15.3)
		Arrangement fees/bank charges/transaction fees ⁽⁸⁾	N/A	(7.0)
Aedas Limited	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(0.8)
The Chamber of Hong Kong Listed Companies ("CHKLC") ⁽⁹⁾	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship fee	N/A	(0.08)
Dah Sing Bank	Associate of Mr Blair Chilton PICKERELL	Tenancy/licence ⁽⁶⁾	4.3 ⁽⁷⁾	N/A
		Bank charges	N/A	(0.005)
DBS Bank (Hong Kong) Limited ("DBS Bank")	Associate of Ms Nancy TSE Sau Ling	Licence ⁽⁶⁾	0.2	N/A

Notes:

- (1) The Manager recovers its expenses from Link on a cost recovery basis.
- (2) Trustee's fee was calculated at the rate of, respectively, 0.008% per annum and 0.03% per annum of the property values of Link's properties in and outside Hong Kong as determined in the latest annual valuation report prepared by the Principal Valuer, subject to a minimum of HK\$150,000 per month.
- (3) JLL retired as the Principal Valuer of Link on 17 November 2019 and accordingly, JLL has ceased to be the connected person of Link with effect from 17 November 2019.
- (4) This was the total fees paid to Beijing Jones Lang LaSalle Property Management Services Co., Ltd. (Shenzhen Branch) ("JLL Subsidiary") pursuant to a property management services contract entered into between a SPV of Link and JLL Subsidiary.
- (5) This fee was the fitter services fees incurred during the period under review pursuant to the fitter services contracts awarded to Jones Lang LaSalle Management Services Limited.
- (6) These included shops, ATMs, showcases and minor lettings at various locations within Link's properties.
- (7) Excluding deposits received.
- (8) Including transaction fees paid by the Manager for buy-back of Link's Units and other administration fees during the period under review.
- (9) Following the resignation of Mr Andy CHEUNG Lee Ming as ED on 2 October 2019, CHKLC ceased to be a connected person of Link with effect from 2 October 2019.

Lease Transactions with Connected Persons

The following tenancies were entered into during the period under review or still subsisted at the end of the period under review by Link's SPVs with the following connected persons with an annual rent exceeding HK\$1 million:

Name of tenant	Nature of the transactions	Lease term	Annual rent ⁽¹⁾ HK\$'M	Rental deposit received during the six months ended 30 September 2019 HK\$'M
Dah Sing Bank	Tenancy for shop nos. 1101 and 1102 at Lok Fu Place	Term of 2 years ending on 7 March 2021	3.2	N/A
	Tenancy for shop no. G3C at Temple Mall South	Term of 3 years ending on 9 June 2021	2.7	N/A
	Tenancy for shop no. L120 at Tin Shing Shopping Centre	Term of 6 years ending on 30 November 2021	1.4	N/A
Hang Seng Bank, Limited (" Hang Seng ")	Tenancy for shop no. 121A at Temple Mall South	Term of 2 years ended on 2 July 2019 and then renewed for another term of 2 years ending on 2 July 2021	3.4	1.0
HSBC	Tenancy for shop no. G202 at Lok Fu Place	Term of 3 years ending on 31 October 2019	3.5	N/A
	Tenancy for shop nos. L201 to L206 at Lok Fu Place	Term of 2 years ended on 21 August 2019 and then renewed for another term of 3 years ending on 21 August 2022	5.1	N/A
	Tenancy for shop no. N119 at Temple Mall North	Term of 2 years ended on 31 August 2019 and then renewed for another term of 2 years ending on 31 August 2021	1.3	N/A
	Tenancy for shop nos. 118 to 120 at Wing B of Hin Keng Shopping Centre	Term of 3 years ending on 12 December 2020	1.0	N/A
HSBC Bank (China) Company Limited (" HSBC Bank (China) "), Guangzhou Branch	Tenancy for shop no. 186 at Metropolitan Plaza, Guangzhou	Term of 2 years ended on 14 April 2019 and then renewed for another term of 1 year ending on 14 April 2020	4.2	N/A

Notes:

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

(2) During the period under review, no lease transactions was entered into between DBS Bank and Link's SPVs with an annual rent exceeding HK\$1 million.

Provision of Banking and Financial Services by Connected Persons

Link and/or its SPVs engaged the HSBC Group (including, among others, Hang Seng and HSBC Bank (China)) and Dah Sing Bank to provide ordinary course banking and financial services during the period under review. Further details are set out in Note 27 to the condensed consolidated interim financial information. The HSBC Group also provided services to SPVs of Link in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were also maintained with the HSBC Group and Dah Sing Bank for deposits and/or rent collection purposes during the period under review. During the period under review, DBS Bank did not provide any ordinary course banking and financial services to Link or any of its SPVs.

The Link Finance Limited (a wholly-owned SPV of Link) also maintained interest rate swap contracts with HSBC during the period under review. As at 30 September 2019, the total notional principal outstanding value in respect of such swap contracts with HSBC was HK\$5.4 billion.

On 30 September 2019, a facility agreement (the **"Facility Agreement"**) was entered into amongst The Link Finance Limited as the borrower, The Link Holdings Limited and Link Properties Limited (wholly-owned SPVs of Link) as the guarantors and syndicated banks as lenders including HSBC, Hang Seng and Dah Sing Bank which are connected persons of Link. Pursuant to the Facility Agreement, an aggregate sum of HK\$12,000 million, comprising a term loan facility of HK\$3,600 million and a revolving loan facility of HK\$8,400 million, be made available to The Link Finance Limited for use in or towards financing the general working capital requirements and the general corporate funding of the Group.

Other Transaction

During the period under review, Convertible Bonds as mentioned under the section headed "Issue of Guaranteed Green Convertible Bonds due 2024" of Corporate Governance section of this report were issued by Link 2019 CB Limited on 3 April 2019.

HSBC and J.P. Morgan Securities plc were acting as the joint lead managers (the **"Joint Lead Managers"**) severally underwrote the issue of the Convertible Bonds on the terms and conditions set out in the subscription agreement dated 7 March 2019 (the **"Subscription Agreement"**). The appointment of HSBC as one of the Joint Lead Managers was within the waiver granted by SFC in its waiver letter dated 8 November 2005 (the **"HSBC Waiver"**). It was conducted at arm's length on normal commercial terms. The Joint Lead Managers confirmed that the issue of the Convertible Bonds, including the entering into of the Subscription Agreement and the transactions contemplated thereunder, complied with all relevant conditions in the HSBC Waiver and restrictions and covenants set out in the section headed "Connected Party Transaction with HSBC and HSBC Waiver" of the announcement dated 8 March 2019 issued by the Manager.

The total fees payable to HSBC for acting as one of the Joint Lead Managers was HK\$9,600,000.

Waivers from Strict Compliance

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

Modifications of Waivers

The Manager applied for certain modification to the two waivers from strict compliance of 7.5(c) of the REIT Code granted by the SFC in favour of Link on:

- 1 April 2015 (the **"2015 (EC) Waiver"**) in connection with Link's acquisition of EC Mall Beijing (**"EC Mall"**); and
- 31 August 2015 (the **"2015 (LS) Waiver"**) in connection with Link's acquisition of Corporate Avenue 1 & 2 Shanghai (now known as **"Link Square"**).

(A) Modification of the 2015 (EC) Waiver

Link announced its acquisition of EC Mall on 24 March 2015. In connection with its acquisition of EC Mall – which was completed on 1 April 2015 – the SFC on Link’s application granted a waiver from strict compliance with 7.5(c) of the REIT Code, which is the 2015 (EC) Waiver. Unless otherwise stated, terms used in Link’s completion announcement dated 1 April 2015 (the **“EC Completion Announcement”**) shall have the same meaning when used herein.

One of the matters upon which the Manager applied for the 2015 (EC) Waiver was to enable 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.) – which would become a wholly-owned Link SPV following completion – to directly employ not more than 15 Core Function Employees for the Core Functions. The SFC granted the waiver regarding the Core Function Employees, which had been set out under (b) in the EC Completion Announcement.

In-sourcing more property services staff with field experience is critical for the Manager to raise the service level and competitiveness of EC Mall in the Beijing retail market. It is also a step towards standardising property services and procurement controls which help cost saving and brand-building of Link’s assets across China. The Manager therefore applied with the SFC for a modification of the 2015 (EC) Waiver such that 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.) would be permitted to directly employ (and continue to employ) up to 30 Core Function Employees, which the SFC granted on 13 September 2019. Other parts of the 2015 (EC) Waiver – being (a) and (c) as set out under heading “Waiver from strict compliance with 7.5(c) of the REIT Code” in the EC Completion Announcement – remain unchanged.

(B) Modification of the 2015 (LS) Waiver

Link announced its acquisition of Link Square on 23 July 2015. In connection with its acquisition of Link Square – which was completed on 31 August 2015 – the SFC on Link’s application granted a waiver from strict compliance with 7.5(c) of the REIT Code, which is the 2015 (LS) Waiver. Unless otherwise stated, terms used in Link’s completion announcement dated 31 August 2015 (the **“LS Completion Announcement”**) shall have the same meaning when used herein.

One of the matters upon which the Manager applied for the 2015 (LS) Waiver was to enable 上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.) – which would become a wholly-owned Link SPV following completion – to directly employ not more than 15 employees for the Core Functions. The SFC granted the waiver regarding the Core Function employees, which had been set out in the LS Completion Announcement.

In-sourcing more property services staff with field experience is critical for the Manager to raise the service level and maintain the competitiveness of Link Square in the Shanghai office market. It is also a step towards standardising property services and procurement controls which help cost saving and brand-building of Link’s assets across China. The Manager therefore applied with the SFC for a modification of the 2015 (LS) Waiver such that 上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.) would be permitted to directly employ (and continue to employ) up to 30 Core Function employees, which the SFC granted on 13 September 2019. Other parts of the 2015 (LS) Waiver – as set out in the LS Completion Announcement under heading “Waiver from strict compliance with 7.5(c) of the REIT Code” – remain unchanged.

Auditor's Review Report



羅兵咸永道

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

Introduction

We have reviewed the interim financial information set out on pages 49 to 76, which comprises the condensed consolidated statement of financial position of Link Real Estate Investment Trust ("**Link**") and its subsidiaries (together, the "**Group**") as at 30 September 2019 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, consolidated statement of distributions, condensed consolidated statement of changes in equity and net assets attributable to Unitholders and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 13 November 2019

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Condensed Consolidated Income Statement

For the six months ended 30 September 2019

	Note	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Revenue	4	5,332	4,930
Property operating expenses	6	(1,261)	(1,171)
Net property income		4,071	3,759
General and administrative expenses		(201)	(151)
Change in fair values of investment properties		3,662	6,702
Interest income		95	59
Finance costs	7	(233)	(302)
Profit before taxation and transactions with Unitholders	8	7,394	10,067
Taxation	10	(677)	(732)
Profit for the period, before transactions with Unitholders		6,717	9,335
Distributions paid to Unitholders		(2,964)	(2,758)
		3,753	6,577
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		2,278	4,690
Amount arising from exchange reserve and cash flow hedging reserve movements	25	1,500	1,778
Non-controlling interest		(25)	109
		3,753	6,577
Profit for the period, before transactions with Unitholders attributable to			
– Unitholders (Note)	11	6,742	9,226
– Non-controlling interest		(25)	109
		6,717	9,335

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2019

	Before transactions with Unitholders (Unaudited) HK\$'M	Transactions with Unitholders (Note (i)) (Unaudited) HK\$'M	After transactions with Unitholders (Note (ii)) (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
Six months ended 30 September 2019					
Profit for the period	6,742	(5,242)	1,500	(25)	1,475
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(7)	–	(7)	–	(7)
– Exchange reserve	(1,493)	–	(1,493)	–	(1,493)
Total comprehensive income for the period	5,242	(5,242)	–	(25)	(25)
Six months ended 30 September 2018					
Profit for the period	9,226	(7,448)	1,778	109	1,887
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(24)	–	(24)	–	(24)
– Exchange reserve	(1,754)	–	(1,754)	–	(1,754)
Total comprehensive income for the period	7,448	(7,448)	–	109	109

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$2,964 million (2018: HK\$2,758 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$2,278 million (2018: HK\$4,690 million).
- (ii) In accordance with the Trust Deed, the units of Link Real Estate Investment Trust contain contractual obligations to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

Consolidated Statement of Distributions

For the six months ended 30 September 2019

	Note	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Profit for the period, before transactions with Unitholders attributable to Unitholders		6,742	9,226
Adjustments:			
– Change in fair values of investment properties attributable to Unitholders		(3,644)	(6,591)
– Change in fair values of derivative components of convertible bonds		(58)	–
– Deferred taxation on change in fair values of investment properties attributable to Unitholders		65	145
– Change in fair values of financial instruments		(225)	35
– Depreciation and amortisation of real estate and related assets		13	–
– Other non-cash income		(72)	(56)
Discretionary distribution (Note (i))		145	–
Total Distributable Amount (Note (i))		2,966	2,759
Interim distribution for the period, to be paid to the Unitholders (Note (ii))		2,966	2,759
Units in issue at 30 September	24	2,096,767,886	2,111,986,754
Distribution per unit for the period (Note (ii))		HK141.47 cents	HK130.62 cents

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Under the terms of the Trust Deed, Link Real Estate Investment Trust is required to distribute to Unitholders no less than 90% of its distributable income for each financial year. Distributable income, according to the Trust Deed, is the Group's consolidated profit after taxation attributable to Unitholders, as adjusted to eliminate the effect of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year. For the six months ended 30 September 2019, the Manager has decided to distribute 100% (2018: 100%) of its distributable income to Unitholders. In addition, the Manager recommended a capital return in the form of a discretionary distribution (2018: Nil). Together with the discretionary distribution, Total Distributable Amount represented 105% (2018: 100%) of the distributable income of the Group for the six months ended 30 September 2019.
- (ii) The interim distribution per unit of HK141.47 cents (2018: HK130.62 cents) for the six months ended 30 September 2019 is calculated based on the interim distribution of HK\$2,966 million (2018: HK\$2,759 million) for the period and 2,096,767,886 units (2018: 2,111,986,754 units) in issue as at 30 September 2019, without taking into account any change in the number of units in issue subsequent to the approval of the condensed consolidated interim financial information. The interim distribution will be paid to Unitholders on 10 December 2019.

Condensed Consolidated Statement of Financial Position

As at 30 September 2019

	Note	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Non-current assets			
Goodwill	12	426	433
Investment properties	13	220,434	218,496
Property, plant and equipment	14	1,412	138
Financial assets at amortised cost	15	2,009	–
Derivative financial instruments	22	118	36
		224,399	219,103
Current assets			
Trade and other receivables	16	1,113	933
Deposits and prepayments		114	106
Derivative financial instruments	22	23	6
Bank deposits	17	3,700	4,095
Cash and cash equivalents	17	2,553	2,694
		7,503	7,834
Total assets			
		231,902	226,937
Current liabilities			
Trade payables, receipts in advance and accruals	18	2,740	2,585
Security deposits		1,796	1,751
Provision for taxation		529	321
Current portion of long-term incentive schemes provision	19	125	102
Interest bearing liabilities	20	3,516	3,367
Derivative financial instruments	22	1	–
		8,707	8,126
Net current liabilities			
		(1,204)	(292)
Total assets less current liabilities			
		223,195	218,811

Condensed Consolidated Statement of Financial Position

As at 30 September 2019 (Continued)

	Note	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive schemes provision	19	56	98
Interest bearing liabilities	20	20,253	20,850
Convertible bonds	21	3,979	–
Derivative financial instruments	22	49	246
Deferred tax liabilities		3,322	3,191
Other non-current liabilities	23	5,048	5,100
		32,707	29,485
Total liabilities, excluding net assets attributable to Unitholders			
		41,414	37,611
Non-controlling interest			
		562	587
Net assets attributable to Unitholders			
		189,926	188,739
Units in issue	24	2,096,767,886	2,109,321,254
Net assets per unit attributable to Unitholders		HK\$90.58	HK\$89.48

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

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

Nicholas Charles ALLEN
Chairman
13 November 2019

George Kwok Lung HONGCHOY
Chief Executive Officer
13 November 2019

Condensed Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders

For the six months ended 30 September 2019

	Note	Net assets attributable to Unitholders (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M
At 1 April 2019		188,739	580	587
Issuance of units under the 2007 LTI Plan		47	-	-
Units bought back for cancellation		(1,138)	-	-
Profit for the six months ended 30 September 2019, before transactions with Unitholders		6,742	-	(25)
Distributions paid to Unitholders – 2019 final distribution		(2,964)	-	-
Change in fair values of cash flow hedges	25	-	28	-
Amount transferred to the condensed consolidated income statement	25	-	(35)	-
Exchange loss on translation of financial statements	25	-	(1,493)	-
Amount arising from exchange reserve and cash flow hedging reserve movements	25	(1,500)	1,500	-
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2019, excluding issues of new units and units bought back		2,278	-	(25)
At 30 September 2019		189,926	580	562
At 1 April 2018		178,594	580	474
Issuance of units under the 2007 LTI Plan		101	-	-
Units bought back for cancellation		(3,007)	-	-
Profit for the six months ended 30 September 2018, before transactions with Unitholders		9,226	-	109
Distributions paid to Unitholders – 2018 final distribution		(2,758)	-	-
Change in fair values of cash flow hedges		-	58	-
Amount transferred to the condensed consolidated income statement		-	(82)	-
Exchange loss on translation of financial statements		-	(1,754)	-
Amount arising from exchange reserve and cash flow hedging reserve movements		(1,778)	1,778	-
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2018, excluding issues of new units and units bought back		4,690	-	109
At 30 September 2018		180,378	580	583

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2019

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Operating activities		
Net cash generated from operating activities	3,318	2,832
Investing activities		
Payment of consideration payables of businesses acquisition	(38)	–
Additions to investment properties	(615)	(1,297)
Additions to property, plant and equipment	(193)	(16)
Purchase of financial assets at amortised cost	(2,006)	–
Interest income received	50	42
Decrease in bank deposits with original maturity of more than three months	395	5,875
Net cash (used in)/generated from investing activities	(2,407)	4,604
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	7,919	4,877
Repayment of interest bearing liabilities	(8,523)	(8,432)
Proceeds from convertible bonds, net of transaction costs	3,974	–
Increase in amount due to non-controlling interest	95	237
Interest expenses paid on interest bearing liabilities	(320)	(260)
Distributions paid to Unitholders	(2,964)	(2,758)
Units bought back for cancellation	(1,138)	(3,007)
Net cash used in financing activities	(957)	(9,343)
Net decrease in cash and cash equivalents	(46)	(1,907)
Cash and cash equivalents at 1 April	2,694	3,164
Effect on exchange rate changes on cash and cash equivalents	(95)	(57)
Cash and cash equivalents at 30 September	2,553	1,200

The notes on pages 56 to 76 are an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 Corporate Information

Link Real Estate Investment Trust ("**Link**") is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Link is governed by a trust deed entered into on 6 September 2005 (as amended and supplemented by 12 Supplemental Deeds dated 4 November 2005, 8 November 2005, 16 January 2006, 21 November 2006, 13 July 2007, 23 July 2007, 5 October 2009, 23 July 2010, 25 July 2012, 18 February 2014, 15 January 2015 and 25 July 2018) (together the "**Trust Deed**").

The principal activity of Link and its subsidiaries (the "**Group**") is investing in real estate (other than real estate of a residential, hotel or serviced apartment nature) and undertaking property development and related activities in respect of all types of developments that contain retail and/or commercial portions. The addresses of the registered offices of the Manager, Link Asset Management Limited, and the Trustee, HSBC Institutional Trust Services (Asia) Limited, are 20/F., Tower 1, The Quayside, 77 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong and 1 Queen's Road Central, Hong Kong, respectively.

2 Basis of Preparation

The condensed consolidated interim financial information for the six months ended 30 September 2019 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2019.

As at 30 September 2019, the Group's current liabilities exceeded its current assets. The Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the condensed consolidated interim financial information.

3 Accounting Policies

The accounting policies adopted are consistent with those set out in the audited consolidated financial statements for the year ended 31 March 2019, except for the adoption of the following new standards, amendments and interpretation issued by the HKICPA which became effective or available for early adoption for the six months ended 30 September 2019.

HKAS 19 Amendments	Plan Amendment, Curtailment or Settlement
HKAS 28 Amendments	Long-term Interests in Associates and Joint Ventures
HKFRS 3 Amendments	Definition of a Business
HKFRS 9 Amendments	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK (IFRIC) – Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to HKFRSs 2015-2017 Cycle	

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

3 Accounting Policies (Continued)

The following new standards and amendments, which have been published but are not yet effective, have not been early adopted in the condensed consolidated interim financial information. These are effective for the Group's accounting periods beginning on or after 1 April 2020.

HKAS 1 and HKAS 8 Amendments	Definition of Material ⁽¹⁾
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾
HKFRS 17	Insurance Contracts ⁽²⁾
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting ⁽¹⁾

⁽¹⁾ effective for accounting periods beginning on or after 1 January 2020

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

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

The Group is in the process of making an assessment of the impact of these new and revised Hong Kong Financial Reporting Standards ("HKFRSs") upon initial application. So far, the Manager has concluded that while the adoption of the new or revised HKFRSs may result in new or amended disclosures, these are unlikely to have a significant impact on the financial performance and financial position of the Group.

4 Revenue

Revenue recognised during the period comprises:

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Rentals		
– Retail and commercial properties	4,116	3,744
– Car parks	988	988
	5,104	4,732
Other revenue		
– Air conditioning service fees	188	173
– Other property related revenue	40	25
	228	198
Total revenue	5,332	4,930

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$63 million (2018: HK\$60 million) and have been included in the rental income.

5 Segment Information

	Hong Kong retail properties HK\$'M	Hong Kong car parks HK\$'M	Mainland China retail properties HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended 30 September 2019 (Unaudited)					
Revenue	3,586	989	558	199	5,332
Segment results	2,736	763	426	(55)	3,870
Change in fair values of investment properties	1,729	1,739	196	(2)	3,662
Interest income					95
Finance costs					(233)
Profit before taxation and transactions with Unitholders					7,394
Taxation					(677)
Profit for the period, before transactions with Unitholders					6,717
Capital expenditure	534	176	13	454	1,177
Depreciation	–	–	–	(28)	(28)
As at 30 September 2019 (Unaudited)					
Segment assets	147,467	37,551	20,550	17,505	223,073
Goodwill					426
Financial assets at amortised cost					2,009
Derivative financial instruments					141
Bank deposits					3,700
Cash and cash equivalents					2,553
Total assets					231,902
Segment liabilities	2,417	125	664	1,330	4,536
Provision for taxation					529
Long-term incentive schemes provision					181
Interest bearing liabilities					23,769
Convertible bonds					3,979
Derivative financial instruments					50
Deferred tax liabilities					3,322
Other non-current liabilities					5,048
Total liabilities, excluding net assets attributable to Unitholders					41,414
Non-controlling interest					562
Net assets attributable to Unitholders					189,926

For the six months ended 30 September 2019, revenue of HK\$732 million (2018: HK\$490 million) is attributable to external customers from Mainland China and HK\$4,600 million (2018: HK\$4,440 million) is attributable to external customers from Hong Kong.

As at 30 September 2019, specified non-current assets (which include investment properties, property, plant and equipment, and goodwill) of HK\$27,637 million (31 March 2019: HK\$28,956 million) is located in Mainland China and HK\$194,635 million (31 March 2019: HK\$190,111 million) is located in Hong Kong.

5 Segment Information (Continued)

	Hong Kong retail properties HK\$'M	Hong Kong car parks HK\$'M	Mainland China retail properties HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended 30 September 2018 (Unaudited)					
Revenue	3,450	990	312	178	4,930
Segment results	2,615	754	235	4	3,608
Change in fair values of investment properties	4,146	1,699	309	548	6,702
Interest income					59
Finance costs					(302)
Profit before taxation and transactions with Unitholders					10,067
Taxation					(732)
Profit for the period, before transactions with Unitholders					9,335
Capital expenditure	733	25	25	923	1,706
Depreciation	-	-	-	(9)	(9)
As at 31 March 2019 (Audited)					
Segment assets	144,741	35,132	21,493	18,307	219,673
Goodwill					433
Derivative financial instruments					42
Bank deposits					4,095
Cash and cash equivalents					2,694
Total assets					226,937
Segment liabilities	2,337	143	643	1,213	4,336
Provision for taxation					321
Long-term incentive schemes provision					200
Interest bearing liabilities					24,217
Derivative financial instruments					246
Deferred tax liabilities					3,191
Other non-current liabilities					5,100
Total liabilities, excluding net assets attributable to Unitholders					37,611
Non-controlling interest					587
Net assets attributable to Unitholders					188,739

6 Property Operating Expenses

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	306	282
Staff costs	264	258
Repair and maintenance	106	104
Utilities	176	168
Government rent and rates	154	143
Promotion and marketing expenses	60	56
Estate common area costs	43	45
Real estate taxes in Mainland China	49	36
Other property operating expenses	103	79
	1,261	1,171

7 Finance Costs

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities	398	357
Interest expenses on convertible bonds (Note 21)	63	-
Other borrowing costs (Note (i))	32	(14)
	493	343
Less: capitalised under investment properties (Note (ii))	(42)	(131)
	451	212
Change in fair values of derivative components of convertible bonds (Note 21)	(58)	-
Fair value (gain)/loss on non-controlling interest put option obligation (Note 23)	(160)	90
	233	302

Notes:

- (i) Other borrowing costs include HK\$55 million (2018: HK\$45 million) interest expenses to non-controlling interest, HK\$35 million (2018: HK\$82 million) net gains on interest rate swap contracts designated as cash flow hedges, HK\$3 million net losses (2018: HK\$13 million net gains) on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 3.3% (2018: 3.2%) per annum.

8 Profit before Taxation and Transactions with Unitholders

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

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Staff costs (Note 9)	400	375
Depreciation of property, plant and equipment	28	9
Trustee's fee	12	10
Valuation fee	1	1
Auditor's remuneration		
Audit and audit-related assurance services	2	1
Other	–	–
Total auditor's remuneration	2	1
Bank charges	3	3
Commission to property agents	4	3
Donations	14	14
Exchange gain	(56)	(53)
Operating lease charges	12	18
Other legal and professional fees	6	4

9 Staff Costs

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Wages and salaries	359	328
Contributions to mandatory provident fund scheme (Note (i))	7	7
Long-term incentive schemes awards	70	76
	436	411
Less: capitalised under investment properties	(36)	(36)
Staff costs (Note 8)	400	375

Note:

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

10 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period. Corporate income tax in Mainland China has been provided for at the applicable rate on the estimated assessable profit for the period.

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

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Current taxation		
– Hong Kong	413	400
– Mainland China	88	86
Deferred taxation	176	246
Taxation	677	732

11 Earnings Per Unit Based upon Profit for the Period, before Transactions with Unitholders Attributable to Unitholders

	Six months ended 30 September 2019 (Unaudited)	Six months ended 30 September 2018 (Unaudited)
Profit for the period, before transactions with Unitholders attributable to Unitholders for calculating basic earning per unit	HK\$6,742 million	HK\$9,226 million
Adjustment for dilutive convertible bonds	(HK\$5 million)	–
Profit for the period, before transactions with Unitholders attributable to Unitholders for calculating diluted earnings per unit	HK\$6,737 million	HK\$9,226 million
Weighted average number of units for the period for calculating basic earnings per unit	2,108,821,279	2,140,748,585
Adjustment for dilutive contingently issuable units under long-term incentive schemes and dilutive convertible bonds	36,566,414	433,450
Weighted average number of units for the period for calculating diluted earnings per unit	2,145,387,693	2,141,182,035
Basic earnings per unit	HK\$3.20	HK\$4.31
Diluted earnings per unit	HK\$3.14	HK\$4.31

12 Goodwill

	Carrying value (Unaudited) HK\$'M
At 1 April 2019	433
Exchange adjustments	(7)
At 30 September 2019	426

13 Investment Properties

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

	Completed properties (Unaudited) HK\$'M	Property under development (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2019	207,948	10,548	218,496
Exchange adjustments (Note (e))	(1,598)	–	(1,598)
Additions	436	554	990
Transfer to property, plant and equipment (Note (g))	–	(1,116)	(1,116)
Transfer to completed properties	9,986	(9,986)	–
Change in fair values	3,662	–	3,662
At 30 September 2019	220,434	–	220,434

(b) Valuation Process

The investment properties were revalued on a market value basis as at 31 March and 30 September 2019 by Jones Lang LaSalle Limited, an independent firm of professional qualified valuers and the principal valuer of Link.

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

(c) Valuation Techniques

Completed properties were appraised by the principal valuer, using the income capitalisation approach and discounted cash flow analysis as its primary approaches, while cross-referencing to the direct comparison method. Residual approach was applied to the property under development.

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

The discounted cash flow analysis requires periodic net cash flows to be forecasted over the life of the investment and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value. The discounted cash flow analysis takes into consideration the yearly net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth projections, vacancies, rent frees, replacement reserve, non-recoverable outgoings and leasing costs. The discounted cash flow analysis incorporates an assumed 10-year holding period and the reversionary value in Year Eleven, discounted by an appropriate discount rate to derive at a net present value.

The residual valuation method involves firstly the assessment of gross development value, which is the value of the proposed development, as if completed, at the date of valuation. Estimated outstanding cost of the development including costs of construction, professional fee, finance costs and associated costs, plus an allowance for developer's risk and profit are deducted from the gross development value. The resultant figure is the residual value.

The investment properties are included in Level 3 (31 March 2019: Level 3) of the fair value hierarchy.

13 Investment Properties (Continued)

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

Link acquired 77 Hoi Bun Road in Kowloon East for commercial development, Beijing Jingtong Roosevelt Plaza in Beijing and CentralWalk in Shenzhen, the completion of which were on 23 February 2015, 23 January 2019 and 14 March 2019 respectively, while the commercial development at 77 Hoi Bun Road, now known as The Quayside was completed during the period. In accordance with the REIT Code, Link is prohibited from disposing of its properties for at least two years from either the time such properties are acquired or the dates of the completion of the development of the properties, unless the Unitholders approved the proposed disposal by way of special resolution passed in accordance with the Trust Deed.

(e) Exchange Adjustments

The exchange loss is attributable to the Group’s investment properties in Mainland China as a result of the depreciation of Renminbi. This translation difference is included in exchange reserve as set out in Note 25.

(f) Security for the Group’s Loan Facilities

On 30 September 2019, certain investment properties of the Group in Mainland China, amounting to approximately HK\$10,153 million (31 March 2019: HK\$10,701 million), were pledged to secure Group’s loan facilities of HK\$2,227 million (31 March 2019: HK\$2,580 million).

(g) Transfer to Property, Plant and Equipment

During the period, the Group has occupied two floors of The Quayside for self-used office, the value of which was transferred from investment properties to property, plant and equipment.

14 Property, Plant and Equipment

	Land, building and leasehold improvements (Unaudited) HK\$’M	Motor vehicles (Unaudited) HK\$’M	Equipment (Unaudited) HK\$’M	Total (Unaudited) HK\$’M
At 1 April 2019	15	2	121	138
Additions	164	–	23	187
Transfer from investment properties	1,116	–	–	1,116
Disposals	(1)	–	–	(1)
Depreciation charge for the period	(14)	–	(14)	(28)
At 30 September 2019	1,280	2	130	1,412
At 30 September 2019				
Cost	1,318	6	277	1,601
Accumulated depreciation	(38)	(4)	(147)	(189)
Net book value	1,280	2	130	1,412

15 Financial Assets at Amortised Cost

Financial assets at amortised cost include the following debt investments:

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Listed corporate bonds	1,979	–
Unlisted corporate bonds	30	–
	2,009	–

16 Trade and Other Receivables

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Trade receivables	125	117
Less: provision for impairment of trade receivables	(13)	(6)
Trade receivables – net	112	111
Other receivables	1,001	822
	1,113	933

The carrying amounts of these receivables approximate their fair values.

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

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

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
0–30 days	102	105
31–90 days	11	7
Over 90 days	12	5
	125	117

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

17 Cash and Cash Equivalents and Bank Deposits

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Cash at bank	2,133	1,955
Bank deposits with original maturity of less than three months	420	739
Cash and cash equivalents	2,553	2,694
Bank deposits with original maturity of more than three months	3,700	4,095
	6,253	6,789

18 Trade Payables, Receipts in Advance and Accruals

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Trade payables	174	192
Receipts in advance	280	285
Accruals	2,286	2,108
	2,740	2,585

The carrying amounts of these payables approximate their fair values.

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

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
0–30 days	150	178
31–90 days	18	9
Over 90 days	6	5
	174	192

19 Long-term Incentive Schemes Provision

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Long-term incentive schemes provision	181	200
Less: current portion of long-term incentive schemes provision	(125)	(102)
Non-current portion of long-term incentive schemes provision	56	98

2007 LTI Plan

A long-term incentive plan (the “**2007 LTI Plan**”) was adopted on 23 July 2007 and expired on 22 July 2017 after being in operation for 10 years. After its expiry, no further awards shall be granted under the 2007 LTI Plan. Nonetheless, awards granted and accepted prior to its expiry but yet to vest shall continue to have effect and be governed by the rules of the 2007 LTI Plan.

Under the 2007 LTI Plan, the Manager might grant three types of awards – restricted unit award, unit option and conditional cash award – to directors and key employees of the Manager. No unit option has ever been granted under 2007 LTI Plan since its adoption up till expiry.

For those restricted unit awards granted with performance goals, the eventual numbers of new units to be issued to the relevant grantees on vesting are linked to the performance of Link in terms of total Unitholders return (“**TUR**”) and net property income (“**NPI**”) or certain vesting conditions. Conditional cash awards are granted in conjunction with restricted unit awards, bestowing upon each grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions during the vesting period.

During the period, the Group issued 477,632 units (2018: 1,407,782 units) for restricted unit awards which have vested in accordance with the 2007 LTI Plan.

2017 LTI Scheme

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

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

During the period, the Group purchased 366,239 units (2018: 8,000 units) from the open stock market for restricted units awards which have vested in accordance with the 2017 LTI Scheme.

19 Long-term Incentive Schemes Provision (Continued)

During the vesting period, a liability is recognised representing the estimated value of the awards granted under both the 2007 LTI Plan and the 2017 LTI Scheme and the portion of the vesting period expired as at the reporting date. The value of the awards was estimated at the reporting date by Towers Watson Hong Kong Limited, an independent external valuer based on valuation techniques and assumptions on unit prices, outstanding length of the awards, distribution pay-out rates and other market conditions, if appropriate. The change in value of the outstanding awards was charged to the condensed consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

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

Date of grant	Vesting period	Outstanding as at 1 April 2019	Granted during the period	Vested during the period ⁽ⁱ⁾	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2019	Maximum to be vested on vesting date ⁽ⁱⁱ⁾
2007 LTI Plan								
14 November 2016	14 November 2016 to 30 June 2019	399,236	-	(341,937)	-	(57,299)	-	-
2007 LTI Plan subtotal		399,236	-	(341,937)	-	(57,299)	-	-
2017 LTI Scheme								
14 July 2017	14 July 2017 to 30 June 2019	380,679	-	(264,560)	(7,000)	(109,119)	-	-
	14 July 2017 to 30 June 2020	380,365	-	-	-	(16,000)	364,365	799,911
4 July 2018	4 July 2018 to 30 June 2020	566,500	-	-	-	(18,500)	548,000	1,231,455
	4 July 2018 to 30 June 2021	566,500	-	-	-	(18,500)	548,000	1,231,455
5 July 2019	5 July 2019 to 30 June 2021	-	597,249	-	-	(1,816)	595,433	1,355,817
	5 July 2019 to 30 June 2022	-	597,248	-	-	(1,816)	595,432	1,355,816
2017 LTI Scheme subtotal		1,894,044	1,194,497	(264,560)	(7,000)	(165,751)	2,651,230	5,974,454
Subtotal		2,293,280	1,194,497	(606,497)	(7,000)	(223,050)	2,651,230	5,974,454
Additional units vested over 100% of restricted unit award granted		-	-	(237,374) ⁽ⁱⁱⁱ⁾	-	-	-	-
Total		2,293,280	1,194,497	(843,871)	(7,000)	(223,050)	2,651,230	5,974,454

Notes:

- (i) Restricted unit award vesting percentages during the period ranged from 54% to 200%.
- (ii) If certain vesting conditions are met.
- (iii) Additional units over 100% of restricted unit award granted were vested pursuant to the relevant vesting conditions.

20 Interest Bearing Liabilities

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Unsecured bank borrowings	5,338	6,732
Secured bank borrowings	2,227	2,580
Medium term notes	16,204	14,905
	23,769	24,217
Less: current portion of interest bearing liabilities	(3,516)	(3,367)
Non-current portion of interest bearing liabilities	20,253	20,850

20 Interest Bearing Liabilities (Continued)

Interest bearing liabilities are repayable as follows:

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Due in the first year		
Unsecured bank borrowings	2,495	1,998
Secured bank borrowings	70	63
Medium term notes	951	1,306
	3,516	3,367
Due in the second year		
Unsecured bank borrowings	1,629	2,491
Secured bank borrowings	106	93
Medium term notes	202	350
	1,937	2,934
Due in the third year		
Unsecured bank borrowings	797	1,030
Secured bank borrowings	129	128
Medium term notes	1,765	1,438
	2,691	2,596
Due in the fourth year		
Unsecured bank borrowings	417	797
Secured bank borrowings	151	160
Medium term notes	698	1,226
	1,266	2,183
Due in the fifth year		
Unsecured bank borrowings	–	416
Secured bank borrowings	162	175
Medium term notes	4,677	–
	4,839	591
Due beyond the fifth year		
Secured bank borrowings	1,609	1,961
Medium term notes	7,911	10,585
	9,520	12,546
	23,769	24,217

Notes:

- (i) Except for medium term notes of HK\$7,763 million (31 March 2019: HK\$7,481 million) which are denominated in United States Dollars and bank borrowings of HK\$2,227 million (31 March 2019: HK\$2,580 million) which are denominated in Renminbi, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) All of Link's borrowings denominated in United States Dollars are fully hedged into Hong Kong Dollars.
- (iii) The effective interest rate of the interest bearing liabilities which are denominated in Hong Kong Dollars and United States Dollars (taking into account cross currency swap contracts and interest rate swap contracts) at the reporting date was 3.25% (31 March 2019: 3.12%) and that of the interest bearing liabilities which are denominated in Renminbi was 5.57% (31 March 2019: 5.71%).

21 Convertible Bonds

On 3 April 2019, the Group issued HK\$4 billion convertible bonds at 1.6% per annum due 2024. These bonds are convertible into new Link units at an initial conversion price of HK\$109.39 per unit at the option of the holder.

	Carrying value (Unaudited) HK\$'M
Liability components	
At 1 April 2019	–
Issuance of convertible bonds	3,817
Finance costs (Note 7)	63
At 30 September 2019	3,880
Derivative components	
At 1 April 2019	–
Issuance of convertible bonds	157
Change in fair value (Note 7)	(58)
At 30 September 2019	99
	3,979

The effective interest rate of the convertible bonds at the reporting date was 3.12%.

22 Derivative Financial Instruments

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Derivative assets		
Current items		
Designated as fair value hedge		
– interest rate swap contracts	1	6
Not designed as hedging instrument		
– foreign exchange forward contracts	22	–
	23	6
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	6	15
Designated as fair value hedge		
– cross currency swap contracts	106	21
– interest rate swap contracts	6	–
	118	36
	141	42
Derivative liabilities		
Current item		
Designated as cash flow hedge		
– interest rate swap contract	(1)	–
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	(4)	(7)
Designated as fair value hedge		
– cross currency swap contracts	(45)	(236)
– interest rate swap contracts	–	(3)
	(49)	(246)
	(50)	(246)
Net derivative assets/(liabilities)	91	(204)

Notes:

- (i) The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 of the fair value hierarchy.
- (ii) The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. Cross currency swap contracts and interest rate swap contracts are included in Level 2 (31 March 2019: Level 2) of the fair value hierarchy. During the six months ended 30 September 2018 and 2019, there were no transfers between the three levels of the fair value hierarchy.

22 Derivative Financial Instruments (Continued)

The Group uses cross currency swap contracts (swapping from foreign currencies to Hong Kong Dollars) and interest rate swap contracts to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. The fair values of these cross currency swap contracts and interest rate swap contracts are classified as non-current items should the remaining maturities of the hedged items extend for more than 12 months. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the condensed consolidated income statement. A net amount of HK\$7 million (2018: HK\$24 million) had been debited to the hedging reserve during the period as further set out in Note 25.

As at 30 September 2019, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 5.24 years on HK\$1,500 million borrowings (31 March 2019: 3.59 years on HK\$6,000 million borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 30 September 2019 were HK\$1,500 million (31 March 2019: HK\$6,000 million) and 1.77% (31 March 2019: 1.82%) respectively. The notional principal amount of the outstanding floating rates to floating rates interest rate swap contracts as at 30 September 2019 was HK\$2,000 million (31 March 2019: HK\$3,000 million).

As at 30 September 2019, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars fixed rate and floating rates interest bearing liabilities. The notional principal amounts of the outstanding cross currency swap contracts and interest rate swap contracts qualifying as fair value hedges as at 30 September 2019 were HK\$7,753 million (31 March 2019: HK\$7,753 million) and HK\$700 million (31 March 2019: HK\$1,400 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 25) as at 30 September 2019 will be released to the condensed consolidated income statement.

As at 30 September 2019, the Group has outstanding forward contracts of selling Renminbi 351 million (31 March 2019: Renminbi 702 million) against Hong Kong Dollars. These forward contracts were entered for the purpose of locking in part of the Group's future Renminbi denominated net income in Mainland China in Hong Kong Dollars term, and are not designated for hedge accounting.

23 Other Non-current Liabilities

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Amount due to non-controlling interest	3,702	3,552
Non-controlling interest put option obligation	630	790
Retention amount for acquisition of a business	716	758
	5,048	5,100

Notes:

- (i) On 23 February 2015, the Group through a non-wholly owned subsidiary (the "Project Company", in which Link has an indirect 60% interest and Nan Fung Development Limited ("Nan Fung") has an indirect 40% interest) acquired 77 Hoi Bun Road in Kowloon East for commercial development. For the purpose of funding the commercial development, Nan Fung, a non-controlling interest of the Project Company has contributed cash in proportion to the shareholding ratio to the Project Company. The amount due to non-controlling interest is unsecured, interest bearing at an effective interest rate of 3.3% (31 March 2019: 3.2%), has no fixed repayment term and is not repayable within one year. Such amount due to non-controlling interest including any accrued interest will be repaid from the Project Company's surplus cash after meeting its payment obligations.
- (ii) Pursuant to the shareholders' agreement, Nan Fung has a right to exercise a put option to require Link to purchase all the issued shares Nan Fung holds in the Project Company at the then fair market value, after the second anniversary of the completion of the commercial property development and certain conditions have been satisfied. The non-controlling interest put option obligation was recognised as a financial liability based on a valuation performed by Crowe Horwath First Trust Appraisal Pte Ltd, an independent firm of professional qualified valuers. The value has used discounted cash flow as the valuation technique. The valuation is based on various assumptions and calculated by reference to a number of unobservable inputs, including the estimated fair value of the equity interests of the Project Company at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used. The Manager held discussions with the valuer and reviewed all significant inputs used. Discussions of the valuation processes and results at each reporting date are held between the Manager and the valuer. Fair value of the put option obligation is included in Level 3 (31 March 2019: Level 3) of the fair value hierarchy. If the estimated fair value of the equity interests of the Project Company at the time of exercise is higher, the fair value of the put option obligation would also be higher. If the expected time of exercise is later or if the discount rate is higher, then the fair value of the put option obligation would be lower.
- (iii) Pursuant to the Framework Agreement dated 20 February 2019 in relation to the acquisition of the entire equity interest of 保怡物業管理(深圳)有限公司 (Baoyi Property Management (Shenzhen) Company Limited), a retention amount of RMB650 million (equivalent to approximately HK\$716 million) shall be retained by the Group, and shall be paid by the Group to the seller on or before the second anniversary of the transaction completion date subject to certain conditions.

23 Other Non-current Liabilities (Continued)

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

	Fair value (Unaudited) HK\$'M
At 1 April 2019	790
Recognised in the condensed consolidated income statement:	
– Fair value gain (Note 7)	(160)
At 30 September 2019	630

24 Units in Issue

	Number of units (Unaudited)
At 1 April 2019	2,109,321,254
Units bought back for cancellation	(13,031,000)
Units issued under the 2007 LTI Plan	477,632
At 30 September 2019	2,096,767,886

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 13,031,000 units (2018: 39,480,000 units) at an aggregate price of HK\$1,138 million (2018: HK\$3,007 million). All units bought back were cancelled during the period.

Closing price of the units as at 30 September 2019 was HK\$86.45 (31 March 2019: HK\$91.80) per unit. Based on 2,096,767,886 units in issue as at 30 September 2019 (31 March 2019: 2,109,321,254 units), market capitalisation was HK\$181,266 million (31 March 2019: HK\$193,636 million).

25 Reserves

	Other reserve (Unaudited) HK\$'M	Hedging reserve (Unaudited) HK\$'M	Exchange reserve (Unaudited) HK\$'M	Earnings retained for exchange and cash flow hedge adjustments (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M
At 1 April 2019	(580)	8	(384)	376	(580)
Cash flow hedges:					
– Change in fair values	–	28	–	–	28
– Amount transferred to the condensed consolidated income statement (Note (i))	–	(35)	–	–	(35)
	–	(7)	–	–	(7)
Exchange loss on translation of financial statements	–	–	(1,493)	–	(1,493)
Net assets attributable to Unitholders:					
– Amount arising from exchange reserve and cash flow hedging reserve movements (Note (ii))	–	–	–	1,500	1,500
At 30 September 2019	(580)	1	(1,877)	1,876	(580)

Notes:

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

26 Capital Commitments

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the period	866	1,159

27 Connected Party Transactions and Significant Related Party Transactions and Balances

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

(a) Nature of Relationship With Connected/Related Parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and the nature of their relationship with the Group as at 30 September 2019:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee") *	The Trustee of Link Associates # of the Trustee
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the "HSBC Group") *	
Jones Lang LaSalle Limited (the "Principal Valuer")	The Principal Valuer of Link Associate # of the Principal Valuer
Jones Lang LaSalle Management Services Limited	Associate # of the Principal Valuer
Beijing Jones Lang LaSalle Property Management Services Company Limited Shenzhen Branch	
Aedas Limited *	Associate # of director
Dah Sing Bank, Limited	Associate # of director
DBS Bank (Hong Kong) Limited	Associate # of director
The Chamber of Hong Kong Listed Companies	Associate # of director
The Hong Kong Institute of Directors Limited	Associate # of director

* These connected parties are also considered as related parties of the Group.

"Associate" has the meaning ascribed to it under the REIT Code.

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

(b) Transactions with Connected/Related Parties

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

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(12)	(10)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	(22)	(23)
Rental income from the HSBC Group on leasing of retail units	19	19
Interest income from the HSBC Group on bank deposits	10	4
Transactions with the Principal Valuer (Note (iii))		
Valuation fee	(1)	(1)
Consultancy services fees	(2)	(2)
Charges for provision of fitter services paid and payable to Jones Lang LaSalle Management Services Limited (Note (iii))	(7)	(8)
Property management fee paid and payable to Beijing Jones Lang LaSalle Property Management Services Company Limited Shenzhen Branch (Note (iii))	(11)	-
Architectural/renovation consultancy services fees paid and payable to Aedas Limited (Notes (iii) and (iv))	(1)	(4)
Rental income from Dah Sing Bank, Limited on leasing of retail units (Notes (iii) and (v))	4	4

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreements governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee's fee (calculated and paid monthly) at rates ranging from 0.008% per annum to 0.03% per annum of the latest property value as determined in the latest annual valuation report of an independent property valuer recommended by the Manager and appointed by the Trustee for and on behalf of Link from time to time, subject to a minimum of HK\$150,000 per month.
- (iii) The transactions were entered into at arm's length on normal commercial terms.
- (iv) Aedas Limited is an associate of Mr Ian Keith GRIFFITHS.
- (v) Dah Sing Bank, Limited is an associate of Mr Blair Chilton PICKERELL.

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

(c) Balances with Related Parties

Balances with related parties are set out below:

	30 September 2019 (Unaudited) HK\$'M	31 March 2019 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(2)	(2)
Interest bearing liabilities with the HSBC Group	(1,385)	(1,940)
Agency fee payable to the HSBC Group	–	(55)
Net interest payable to the HSBC Group	(4)	(3)
Security deposits from the HSBC Group	(3)	(3)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	6	(123)
Deposits placed with the HSBC Group	1,752	2,002

(d) Key Management Compensation

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

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Fees	4	4
Basic salaries, allowances and other benefits	117	109
Long-term incentive schemes awards	54	52
	175	165

28 Approval of the Condensed Consolidated Interim Financial Information

The condensed consolidated interim financial information was authorised for issue by the Board on 13 November 2019.

Five Year Performance Summary

Financial Data

	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Condensed consolidated income statement					
Revenue	5,332	4,930	4,949	4,608	4,185
Property operating expenses	(1,261)	(1,171)	(1,182)	(1,168)	(1,089)
Net property income	4,071	3,759	3,767	3,440	3,096
General and administrative expenses	(201)	(151)	(185)	(157)	(163)
Change in fair values of investment properties	3,662	6,702	9,432	2,978	5,785
Interest income	95	59	2	2	4
Finance costs	(233)	(302)	(288)	(275)	(216)
Gains on disposals of investment properties	–	–	–	586	–
Profit before taxation and transactions with Unitholders	7,394	10,067	12,728	6,574	8,506
Taxation	(677)	(732)	(589)	(517)	(466)
Profit for the period, before transactions with Unitholders	6,717	9,335	12,139	6,057	8,040
Distributions paid to Unitholders	(2,964)	(2,758)	(2,581)	(2,404)	(2,138)
	3,753	6,577	9,558	3,653	5,902
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	2,278	4,690	10,228	3,138	5,767
Amount arising from cash flow hedging reserve and exchange reserve movements	1,500	1,778	(677)	411	104
Non-controlling interest	(25)	109	7	104	31
	3,753	6,577	9,558	3,653	5,902
Consolidated statement of distributions					
Profit for the period, before transactions with Unitholders attributable to Unitholders	6,742	9,226	12,132	5,953	8,009
Adjustments:					
– Change in fair values of investment properties attributable to Unitholders	(3,644)	(6,591)	(9,424)	(2,874)	(5,754)
– Change in fair values of derivative components of convertible bonds	(58)	–	–	–	–
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	65	145	48	8	17
– Change in fair values of financial instruments	(225)	35	–	–	–
– Depreciation and amortization of real estate and related assets	13	–	–	–	–
– Other non-cash income	(72)	(56)	(83)	(36)	(42)
– Depreciation charge on investment properties under China Accounting Standards	–	–	(69)	(42)	(24)
– Gains on disposals of investment properties, net of transaction costs	–	–	–	(557)	–
Discretionary distribution	145	–	69	42	24
Total distributable amount	2,966	2,759	2,673	2,494	2,230
Distribution per unit (HK cents)					
Interim DPU	141.47	130.62	121.50	111.75	98.99

Financial Data (Continued)

		As at 30 September 2019 (Unaudited)	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)	As at 31 March 2017 (Audited)	As at 31 March 2016 (Audited)
Assets and liabilities						
Investment properties	HK\$'M	220,434	218,496	203,091	174,006	160,672
Other non-current assets	HK\$'M	3,965	607	811	669	1,816
Current assets, excluding investment properties held for sale	HK\$'M	7,503	7,834	12,502	1,265	964
Total assets	HK\$'M	231,902	226,937	216,404	175,940	163,452
Current liabilities	HK\$'M	8,707	8,126	7,225	4,046	4,387
Non-current liabilities	HK\$'M	32,707	29,485	30,111	33,397	31,624
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	41,414	37,611	37,336	37,443	36,011
Non-controlling interest	HK\$'M	562	587	474	256	54
Net assets attributable to Unitholders	HK\$'M	189,926	188,739	178,594	138,241	127,387
Total borrowings to total assets	%	11.9	10.7	11.9	15.6	16.5
Total liabilities to total assets	%	17.9	16.6	17.3	21.3	22.0
Valuation of investment properties	HK\$'M	220,434	218,496	203,091	174,006	160,672
Valuation capitalisation rate						
– Hong Kong						
– Retail	%	3.00–4.20	3.00–4.20	3.00–4.20	3.00–5.20	3.40–5.20
– Car park	%	3.00–4.80	3.50–4.80	3.50–4.80	3.80–5.70	3.80–6.00
– Office	%	3.00	N/A	N/A	N/A	N/A
– Mainland China						
– Retail	%	4.25–4.75	4.25–4.75	4.50–4.75	4.50	4.50–5.00
– Office	%	4.25	4.25	4.25	4.25	4.00
Net assets per unit attributable to Unitholders	HK\$	90.58	89.48	83.06	62.47	56.79
Closing price per unit	HK\$	86.45	91.80	67.00	54.45	46.00
Market capitalisation	HK\$'M	181,266	193,636	144,054	120,498	103,185
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	(4.6)	2.6	(19.3)	(12.8)	(19.0)
Units in issue		2,096,767,886	2,109,321,254	2,150,058,972	2,213,002,276	2,243,148,136

Portfolio Data

		Six months ended 30 September 2019 (Unaudited)	Six months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	Six months ended 30 September 2015 (Unaudited)
Hong Kong Retail and Car Park Portfolio						
Average monthly unit rent at period end	HK\$ psf	69.6	65.7	59.0	52.5	47.4
Average monthly unit rent excluding self use office, Education/Welfare and Ancillary at period end	HK\$ psf	74.3	70.2	63.0	56.2	51.1
Reversion rate						
– Shops	%	18.9	20.4	28.5	21.2	29.5
– Overall	%	18.1	22.5	26.8	21.0	23.6
Occupancy rate at period end	%	96.9	95.5	96.3	95.9	95.1
Net property income margin	%	75.9	75.9	76.0	74.3	74.0
Number of turnover rent leases (excluding ancillary) at period end		4,414	4,538	5,039	5,035	5,199
Car park income per space per month	HK\$	2,929	2,706	2,463	2,206	1,986
Mainland China Portfolio						
Reversion rate						
– Retail	%	31.5	43.2	40.7	41.9	33.7
– Office	%	13.5	0.2	17.2	8.3	N/A
Occupancy rate at period end						
– Retail	%	99.0	98.8	96.9	98.2	100.0
– Office	%	95.1	98.9	98.1	98.4	98.5
Performance Data						
Net assets attributable to Unitholders at period end	HK\$'M	189,926	180,378	147,634	129,871	122,165
Net assets per unit attributable to Unitholders at period end	HK\$	90.58	85.41	67.11	58.20	54.24
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	9.22	N/A	N/A	0.10	N/A
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(5.58)	(19.61)	(12.91)	(13.10)	(13.74)
Closing price per unit at period end	HK\$	86.45	77.05	63.30	57.00	42.50
Net yield per unit (Note (ii))	%	1.6	1.7	1.9	2.0	2.3
Net yield (annualised) per unit	%	3.3	3.4	3.8	3.9	4.7
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	27.5	25.4	23.6	21.7	19.2

Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$99.80 (2018: HK\$78.65) and HK\$85.00 (2018: HK\$65.80) respectively on The Stock Exchange of Hong Kong Limited during the period.
- (ii) Net yield per unit is calculated based on distribution per unit for the six months ended 30 September 2019 of HK\$141.47 cents (2018: HK\$130.62 cents) over the closing price as at 30 September 2019 of HK\$86.45 (2018: HK\$77.05).

Investor Information

Listing of the Units

Link's Units are listed on the Main Board of the Stock Exchange (stock code: 823) and currently traded in board lot size of 500 Units. The Board has announced on 13 November 2019 that the board lot size of the Units will be changed from 500 Units to 100 Units with effect from 9:00 a.m. on Thursday, 2 January 2020.

There were 2,096,767,886 Units in issue as at 30 September 2019. Further details of Units in issue are set out in Note 24 to the condensed consolidated interim financial information in this report.

Financial Calendar

Interim results announcement for the six months ended 30 September 2019	13 November 2019
Ex-interim distribution date	27 November 2019
Closure of register of Unitholders	29 November to 3 December 2019 (both days inclusive)
Record date for interim cash distribution	3 December 2019
Interim cash distribution payment date	10 December 2019
Final results announcement for the financial year ending 31 March 2020	June 2020

In order to qualify for the interim cash distribution of HK141.47 cents per Unit for the six months ended 30 September 2019, 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 Thursday, 28 November 2019.

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

Investor Relations Contact

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Corporate Communications Contact

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Customer Service Contact

Hotline: (852) 2122 9000

Websites

Linkreit.com (corporate website)

Linkhk.com (customer website)

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index Series
FTSE Global Equity Index Series
FTSE Global Minimum Variance Index Series
FTSE EPRA⁽¹⁾ NAREIT⁽²⁾ Index Series
FTSE RAFI Index Series
Russell Global Index

GPR⁽³⁾ 250 (World) Index
GPR⁽³⁾ 250 Asia Index
GPR⁽³⁾ 250 Asia Pacific Index
GPR⁽³⁾ 250 Hong Kong Index
GPR⁽³⁾ 250 REIT (World) Index
GPR⁽³⁾ 250 REIT Asia Index
GPR⁽³⁾ 250 REIT Asia Pacific Index
GPR⁽³⁾ 250 REIT Hong Kong Index
GPR⁽³⁾ General (World) Index
GPR⁽³⁾ General Asia Index
GPR⁽³⁾ General Hong Kong Index
GPR⁽³⁾ General Quoted (World) Index
GPR⁽³⁾ General Quoted Asia Index
GPR⁽³⁾ General Quoted Hong Kong Index
GPR⁽³⁾ Global 100 Index
GPR⁽³⁾ IPCM LFFS Sustainable GRES Index

Hang Seng Index
Hang Seng REIT Index
Hang Seng Corporate Sustainability Index

MSCI⁽⁴⁾ All Country World Index
MSCI⁽⁴⁾ All Country Asia ex-Japan Index
MSCI⁽⁴⁾ World Index
MSCI⁽⁴⁾ Hong Kong Index

GPR⁽³⁾/APREA⁽⁵⁾ Composite Index
GPR⁽³⁾/APREA⁽⁵⁾ Composite Hong Kong Index
GPR⁽³⁾/APREA⁽⁵⁾ Composite REIT Index
GPR⁽³⁾/APREA⁽⁵⁾ Composite REIT Hong Kong Index
GPR⁽³⁾/APREA⁽⁵⁾ Investable 100 Index
GPR⁽³⁾/APREA⁽⁵⁾ Investable 100 Hong Kong Index
GPR⁽³⁾/APREA⁽⁵⁾ Investable REIT 100 Index

Notes:

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

Definitions and Glossary

2007 LTI Plan	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007 and expired on 22 July 2017
2017 LTI Scheme	the long-term incentive scheme of Link adopted by the Board on 10 July 2017
average monthly unit rent	the average base rent plus management fee per month psf of leased area
Award(s)	Restricted Unit Award(s), or Conditional Cash Award(s), or a combination of both granted under the 2017 LTI Scheme
base rent	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
Board or Board of Directors	board of directors of the Manager
Board Chairman or Chairman	Chairman of the Board (unless the context requires otherwise)
Board Committees	the committees of the Board to discharge the duties set out in their respective terms of reference as approved by the Board which, as at the date of this report, include the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Finance and Investment Committee, and “ Board Committee ” refers to any one of them
CEO	Chief Executive Officer of the Manager
CFO	Chief Financial Officer of the Manager
China or Mainland China or PRC	The People’s Republic of China and if the context requires, exclude Hong Kong
Compliance Manual	the compliance manual of the Manager which sets out (among others) the key processes, systems and measures in respect of Link’s operations and the corporate governance policy of Link
Conditional Cash Award(s)	conditional right to receive cash payment(s) granted to a participant in accordance with the rules of the 2017 LTI Scheme and the relevant grant letter(s)
COO	Chief Operating Officer of the Manager
Director(s)	director(s) of the Manager
DPU	distribution per Unit in respect of the total distributable amount of Link for a financial year/period
ED(s)	Executive Director(s) of the Manager (unless the context requires otherwise)
EUPP	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing, through an independent third party intermediary, Units of Link in the open market in accordance with the rules of the plan
GAV	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 PRC
Hong Kong Stock Exchange or Stock Exchange or SEHK	The Stock Exchange of Hong Kong Limited
INED(s)	Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise)
KPI	key performance indicator
lease	a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the properties granted to a tenant
like-for-like	excluding any properties acquired, divested and/or newly operational (as applicable) during the periods under analysis
Link	Link Real Estate Investment Trust
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors and senior management of the Manager
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Listing Rules Corporate Governance Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
Long-term Incentive Schemes	2007 LTI Plan and 2017 LTI Scheme
Manager	Link Asset Management Limited, which is the manager of Link
market capitalisation	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Stock Exchange
Maximum Cap	25% of Link's GAV as a cap to the total sum of: (i) Link's aggregate development costs (has the meaning ascribed to it in the Trust Deed); and (ii) the combined value of the Relevant Investments together with other non-real estate assets of Link calculated in accordance with the REIT Code
MTN	note(s) issued or to be issued from time to time pursuant to the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009
NED	Non-Executive Director of the Manager (unless the context requires otherwise)
NPI	net property income, being total revenue less direct property related expenses
occupancy rate	the aggregated leased area as a percentage of total leasable area
Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link
psf	per square foot
REIT(s)	real estate investment trust(s)

REIT Code	Code on Real Estate Investment Trusts issued by the SFC
Relevant Investments	the financial instruments permissible from time to time under the REIT Code for Link to invest in, including (without limitation): (i) securities listed on the Stock Exchange or other internationally recognised stock exchanges; (ii) unlisted debt securities; (iii) government and other public securities; and (iv) local or overseas property funds
Restricted Unit Award(s)	conditional right to receive Units granted to a participant in accordance with the rules of the 2017 LTI Scheme and the relevant grant letter
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 psf average unit rent between old and new leases on the same unit
RMB	Renminbi, the lawful currency of the PRC
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Significant Unitholder	has the meaning of “significant holder” under 8.1(d) of Chapter 8 of the REIT Code (i.e. holder of an interest of 10% or more in the Units of Link)
SPV(s)	special purpose vehicle(s) (within the meaning of the REIT Code and the Trust Deed)
sq ft	square feet
tenant	a lessee, a tenant or a licensee (as the case may be) under a lease
total distributable amount	total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable
total distributable income	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
Trust Deed	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, as amended and supplemented by 12 supplemental deeds
Trustee	trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited
turnover rent	rent calculated and charged by reference to a pre-determined percentage of a tenant’s gross sales turnover in excess of the base rent
Unit(s)	unit(s) of Link (unless the context requires otherwise)
Unitholder(s)	holder(s) of Unit(s) of Link
yoy	year-on-year

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⁽¹⁾
(Chief Operating Officer)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE
Ed CHAN Yiu Cheong
Blair Chilton PICKERELL
Poh Lee TAN
May Siew Boi TAN
Peter TSE Pak Wing
Nancy TSE Sau Ling
Elaine Carole YOUNG

Chief Financial Officer of the Manager

NG Kok Siong

Company Secretary of the Manager

Kenneth WONG Tai Lun⁽²⁾
Ricky CHAN Ming Tak⁽³⁾

Responsible Officers of the Manager⁽⁴⁾

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

Authorised Representatives⁽⁵⁾

George Kwok Lung HONGCHOY⁽⁶⁾
Kenneth WONG Tai Lun⁽²⁾
Andy CHEUNG Lee Ming⁽¹⁾
Ricky CHAN Ming Tak⁽³⁾

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Colliers International (Hong Kong) Limited⁽⁷⁾
Jones Lang LaSalle Limited⁽⁸⁾

Registered Office of the Manager

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77 Hoi Bun Road,
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) Resigned on 2 October 2019

(2) Appointed on 28 August 2019

(3) Stepped down on 28 August 2019

(4) Required by the SFO

(5) Required by the Listing Rules

(6) Appointed on 2 October 2019

(7) Appointed on 17 November 2019

(8) Retired on 17 November 2019



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