



The Link Real Estate Investment Trust
SUSTAINABILITY REPORT 2012

DELIVERING SUSTAINABLE GROWTH





CHOI YUEN PLAZA



TAI YUEN MARKET



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About This Report

This is The Link's second sustainability report. We provide information about how we manage sustainability and our achievements in the past financial year. We have also outlined our commitment to our stakeholders and provided targets for the coming financial year.

Report Scope

This report describes our economic, environmental and social performance for the fiscal year from 1 April 2011 to 31 March 2012 ("FY 2011/12"). The term 'The Link' refers to assets owned by The Link Real Estate Investment Trust and its subsidiaries, and managed by The Link Management Limited. These assets consist of retail and car park facilities within Hong Kong. As of 31 March 2012, we owned and managed 182 properties and this report provides data applicable to them. The Link currently has no business interest outside Hong Kong.

Reporting Framework

This report is based on the Global Reporting Initiative ("GRI") G3.1 Sustainability Reporting Framework and complies with the GRI-G3.1 Level B+ criteria. Our

previous report was Level C, and the move to Level B+ is consistent with improved performance and an increase in transparency. A GRI Index can be found on p.46.

Report Application Level

Bureau Veritas has provided independent assurance of the level to which the GRI Framework has been applied and has assessed this report as achieving B+ GRI grade according to the extent of coverage and information provided. A copy of the letter from Bureau Veritas can be found on p.47.

Reporting Approach

The content of this report is the result of a process in which key stakeholders, including our tenants, staff, welfare organisations and investors have helped identify key issues of concern. A materiality exercise has enabled us to focus on relevant issues as defined by key stakeholders.



Stakeholders' Concerns and Our Responses

Stakeholders' Concerns	Our Responses
Addressing different stakeholders' interests	<ul style="list-style-type: none"> We will consider the diversity of stakeholders that will be impacted by The Link's operations or activities and develop plans to engage with all these stakeholders over a long term basis For details, please visit p.14-17 of this report
Rent rise and impact on smaller businesses and tenant portfolio	<ul style="list-style-type: none"> We revitalise shopping centres according to the characteristics of the surrounding community and we differentiate different shopping centres by varying trade mix We have organised marketing events to increase foot traffic The Link Tenant Academy organises seminars regularly to enhance tenants' competitiveness For details, please visit p.18-23 of this report
Growing environmental and social consciousness and expectations	<ul style="list-style-type: none"> We constantly identify ways to reduce energy consumption, improve environmental protection and seek suggestions from professionals and welfare organisations We are developing more community care and environmentally-friendly flagship projects and will collaborate with relevant stakeholders For asset enhancement initiatives ("AEIs"), we communicate with concerned parties such as tenants, politicians, residents before and during the renovations about the latest updates of each project and how we minimise the impact on each party For details, please visit p.18-43 of this report
Strategic direction for community programmes	<ul style="list-style-type: none"> We develop long-term community flagship programmes such as food banks and job fairs with tenants and welfare organisations, to support the disadvantaged, and food waste collection in fresh markets For details, please visit p.38-43 of this report
Progress for upgrading barrier free access (" BFA ") facilities	<ul style="list-style-type: none"> We invited 11 rehabilitation organisations as members of the Access Advisory Group to solicit their views at the planning stage and conducted site visits for Group members to monitor progress We release progress reports of the BFA upgrade projects on our website every quarter We organise trainings for staff to increase their awareness of the needs of disabled people and how they can offer help For details, please visit p.39-40 of this report

Progress Against FY 2011/12 Targets

In our first sustainability report, we listed four key sustainability targets. Thanks to our staff efforts, we have made significant progress, as indicated in the following table.

Targets	Status
Commit not less than HK\$200 million to upgrade our facilities for BFA until 2016	Commenced upgrading works for BFA facilities in 49 of our properties
Target to spend up to HK\$800 million on AEIs each year	Completed 4 AEIs in FY 2011/12 involving a total investment of approximately HK\$587 million
Support minimum wage and reimburse contractors to pay for rest-days and meal-breaks for outsourced workers	Complied with this additional measure starting 1st May 2011
Install 26 energy efficient chillers and other hardware in FY 2011/12	Completed installation of 37 energy efficient chillers in FY 2011/12

Message from CEO



The Link believes that a sustainable enterprise provides not only financial returns for investors, but also serves its stakeholders and enhances the communities in which it operates.

In our second sustainability report, we outline our commitments and activities contributing to sustainable development. This year we have broadened our coverage to attain a B+ rating against the GRI indicators. This is also the first time that we have invited an independent verifier, Bureau Veritas, to provide assurance of the information we disclose.

During the year we enhanced our sustainability efforts through the formation of a Sustainability Committee to oversee policies and practices on issues relating to our social and environmental performance. Responsibilities of the Committee include setting our priorities, guiding our practices and setting targets for sustainability issues.

Central to our approach is engagement with stakeholders. To ensure that we address issues in a timely manner, we have enhanced our communications. In particular, we have held dialogues with interested parties on key challenges associated with AEIs and BFA. In January 2012, we launched our corporate newsletter – “Channel 823”, which is named after our stock code – to enhance information flow and understanding between us and our stakeholders.

Our extensive portfolio of community-oriented retail and car park facilities are at the doorsteps of over 40% of Hong Kong’s households. Our commitment to the communities we serve are of upmost importance to us. Over the past year, we have completed AEI upgrades of four of our properties, provided better services for local communities through a conscientious effort to improve customer service and property management with the new Mystery Shopper Programme, offered concessionary rents to welfare organisations, continued in our improvements for BFA at our properties, organised staff volunteering initiatives and collaborated with stakeholders on community projects.

With AEIs, we bring more customers into our shopping centres and fresh markets, thus increasing the profits of our tenants and providing improved revenues for us. We have also launched a number of initiatives to help tenants and to provide them with skills and information needed to enhance their business performance. With concerns over the environment and climate change in mind, we have committed to manage our electricity consumption by investing in energy reduction initiatives. We also manage waste generated in daily operations and have implemented waste recycling initiatives in our shopping centres. We educate our staff on environmental management and help raise community awareness about environmental issues.

Last but not least, we value our employees as our greatest asset. I wish to personally acknowledge the contribution they have made to The Link's success and thank them for all their hard work. Our new Employee

Assistance Programme, Staff Work Life Balance Centre and e-learning platform "LinkUp" are in place to enhance their well-being and satisfaction in the workplace.

This report outlines our commitment to sustainable development and the many activities that we are undertaking to serve our numerous stakeholders. I value any feedback that readers may wish to provide us in order to improve our performance yet further.

Mr George Hongchoy

Chief Executive Officer

The Link Management Limited

As manager of The Link Real Estate Investment Trust



ABOUT THE LINK

The Link is Hong Kong's first and largest real estate investment trust ("**REIT**"). We have been listed on The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") (stock code: 823) since November 2005 by acquiring 180 properties from the Hong Kong Housing Authority. Since then we have acquired two other assets (commercial podium of Nan Fung Plaza in July 2011 and Maritime Bay Shopping Centre in January 2012) making a total of 182 properties.

- The only internally - managed REIT in Asia, with integrated leasing, project development, asset management, property and facility management capabilities
- Owned and directly managed 182 properties with approximately 11 million square feet of retail space by internal floor area ("**IFA**") and approximately 80,000 car park spaces
- Approximately 60% of our total retail shops in our portfolio are small tenants (with shop space of less than or equals 1,000 square feet)
- Employed 833 direct employees and approximately 4,000 contract workers in Hong Kong

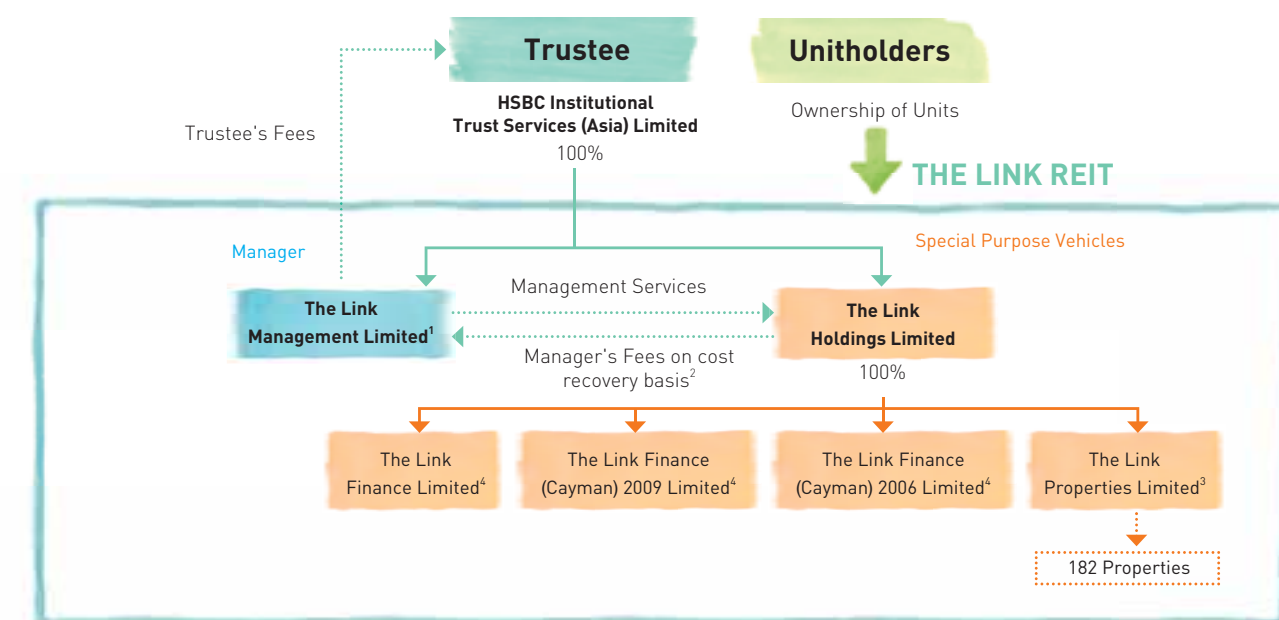


Tin Shui Shopping Centre is one of the AEIs completed in FY 2011/12

Corporate Structure of The Link

The Link adopts an internalised management structure, such that The Link Management Limited (the manager of The Link REIT) and The Link Holdings Limited (the special purpose vehicle which indirectly wholly owns all 182 properties and other special purpose vehicles established for

arranging financing for The Link) are connected. An independent trustee, HSBC Institutional Trust Services (Asia) Limited, is the registered holder, in trust for all unitholders of The Link REIT (**"Unitholders"**), of all shares of both The Link Management Limited and The Link Holdings Limited, for which it is paid a fee.



Our Business Model

Our assets are at the doorsteps of over 40% of Hong Kong's households. Spread across the territory, they are clustered in areas in which many inhabitants live in public housing estates and require daily necessities such as food and beverage, fresh food, groceries and other services. We acknowledge our responsibility to serve these communities and strive to improve asset management in order to do so. We have also embarked on AEIs to provide them with better shopping experiences and a wider mix of retail choices. Currently, small tenants⁵ account for 60% of our total retail shops in our portfolio. Our trade mix (by monthly rent as of 31 March 2012) comprised approximately 13.2% fresh market stalls selling

competitively priced goods and fresh produce. Shop occupancy rate has increased to 95.2% while overall retention rate has risen to 79.2%, suggesting strong support from retailers.

A substantial portion of our portfolio comprises community centres serving mainly local catchment and shoppers. We also own and manage a number of regional centres such as Lok Fu Plaza and Stanley Plaza which have relatively larger spaces, more variety of tenants and unique/broader product mix to serve a wider range of shoppers beyond the centres' immediate vicinity.

Note 1: Licensed under section 116 of the SFO to conduct the regulated activity of asset management and acting as the Manager of The Link REIT.

Note 2: No fee is charged on acquisition, disposal, or as a percentage of assets under management or performance-based.

Note 3: Special purpose vehicle owns directly and indirectly all the 182 properties of The Link REIT.

Note 4: Special purpose vehicles for arranging financing for The Link REIT.

Note 5: Being tenants with shop IFA less than or equals 1,000 square feet, excluding top 50 tenants by monthly base rent and trades such as councillor office, post office, department store, bank, off course betting centre, elderly centre and single operator shopping centre.

Economic Value Generated by The Link

To enhance our assets and improve services for customers and tenants, we have invested HK\$216 million to maintain and upgrade our facilities during FY 2011/12. In this year, we also completed 4 AEIs involving an aggregate capital expenditure of approximately HK\$587 million, thereby creating an estimated 2,735 temporary job opportunities for a range of consultants and employees in numerous companies involved in such works¹.

The table² below provides an overview of the economic values generated directly by our business operations over the past three years.

(HK\$'M)	For the fiscal years ended 31 March		
	2012	2011	2010 ³ (Restated)
Direct economic values generated			
Revenue	5,932	5,353	4,990
Net property income	4,185	3,644	3,328
Direct economic values distributed			
Staff costs	277	251	176
Property manager's fees, security and cleaning	494	428	474
Government rent and rates	172	166	127
Other property expenses	804	864	885
Taxation	596	503	458
Total distributable income	2,922	2,458	2,134
CAPEX for completed AEIs	587	776	484
Economic values as at 31 March			
Market capitalisation	65,383	54,356	42,147
Net asset value	62,735	54,975	41,145

Corporate Memberships

The Link actively participates and maintains corporate memberships in external organisations. Our participation ensures our continuous engagement in the public discourse of various issues pertaining to The Link's business, as well as relating to the retail and real estate industries.



Asia Pacific Real Estate Association

Business Environment Council

CSR Asia Strategic Partnership Programme

Employers' Federation of Hong Kong

Equal Opportunities Commission (EO Club)

Hong Kong General Chamber of Commerce

Hong Kong Green Building Council

Hong Kong Management Association

Hong Kong Retail Management Association

Institute of Shopping Centre Management

International Council of Shopping Centers

Note 1: Assuming for every HK\$1 million spent, 95% is used in contractor costs which generate 4.61 temporary jobs and 5% is used in consultant costs which generate 5.61 temporary jobs.

Note 2: Refer to Annual Reports for more details.

Note 3: Comparative figures have been restated as a result of the early adoption of the amendments to the Hong Kong Accounting Standard 12 "Deferred Tax: Recovery of Underlying Assets".

Awards

Awards	Corporate / Events	Date
Corporate Social Responsibility and Green Initiatives		
Hong Kong Public Relations Excellence Award	"Eco Terrace" Community Engagement Project at Lok Fu Plaza	April 2011
Certificate of the Caring Company Scheme	Corporate	May 2011
Corporate Social Responsibility Awards	Corporate	May 2011
Certificate of Commendation Scheme for Commercial and Industrial Waste	Corporate	August 2011
Asian CSR Awards in Environmental Excellence – Revitalisation Project of Tai Yuen Market	Corporate	October 2011
International Council of Shopping Centers Asia Pacific Shopping Centre Gold Award in Cause Related Marketing	"Eco Terrace" Community Engagement Project at Lok Fu Plaza	November 2011
HKQAA-HSBC CSR Advocate Mark	Corporate	November 2011
Second Hong Kong Outstanding Corporate Citizenship Award	Corporate	December 2011
U Green Awards 2011	Corporate	May 2012
2011 Hong Kong Awards for Environmental Excellence, Property Management (Certificate of Merit)	Corporate	May 2012
Caring Company Certificate for 5th Year in a Row	Corporate	May 2012
BCI Asia FuturArc Green Leadership Award 2012 – Citation, Commercial Architecture for Tai Yuen Market	Corporate	June 2012
Corporate Governance		
Asia Pacific Entrepreneurship Awards' Outstanding Entrepreneurship Award	Chief Executive Officer and Executive Director	July 2011
Directors of the Year Awards:		November 2011
• Non-Executive Directors Categories	Chairman	
• Executive Directors Categories	Chief Executive Officer and Executive Director	
Hong Kong Outstanding Enterprise Awards	Corporate	December 2011
Corporate		
Hong Kong Esteemed Brands Awards	Corporate	December 2011
Hong Kong's Most Popular Cooked Food Stall, 12th China Restaurants Golden Horse Awards	Wong Tai Sin Cooked Food Stall	March 2012
AsianInvestor's 2012 Investment Performance Awards, Reits, Asia Pacific	Corporate	May 2012
Finance Asia – Best Managed Companies Poll 2011: Hong Kong – Most committed to a Strong Dividend Policy (ranked 1st) – Best Managed Company (ranked 2nd) – Best CEO (Runner-up) – Best Investor Relations (ranked 2nd) – Best Corporate Social Responsibility (ranked 3rd) – Best Corporate Governance (ranked 4th)	Corporate	May 2012



OUR MANAGEMENT FRAMEWORK

Sustainability is an essential component of our core business at The Link and the way in which we make business decisions. We will continue to demonstrate a clear commitment and vision for the future, consistent with sustainable development practices.

- Clear Vision, Mission and Values to guide our business
- Over 70% of our Board members are independent non-executive directors
- Board met 8 times in FY 2011/12; corporate governance framework well exceeding market average and minimum requirements
- Established Sustainability Committee in FY 2011/12
- Conducted risk management exercise across 15 departments



Vision, Mission and Values

Our daily operations are guided by our Vision, Mission and Values (“**VMV**”).

Our Vision is to be a world class real estate investor and manager serving and improving the lives of those around us. The Link recognises that to be a successful real estate investor and manager, we must make decisions that provide financial returns to Unitholders as well as value to our customers, communities and other stakeholders.

Our Mission is to build relationships with our stakeholders through providing value and quality service, partnering with local communities, and delivering sustainable growth.

Our Values are Respect, Excellence, Integrity and Teamwork. They outline the way we conduct business in the interests of the broader Hong Kong community.


Our Handbook stems from our values and outlines the behaviours we value and expect from our staff, such as listening, team spirit, taking ownership, honesty, non-discrimination and not tolerating any form of harassment.

Our Sustainability Framework furthers our VMV by outlining the seven key areas of sustainability which are particular and important to us, namely tenant, asset/brand, corporate governance, staff, community, economy and environment. We recognise the relationship between financial returns to investors and sustainable growth to all stakeholders and the community, thus our sustainability framework is based on our VMV and puts sustainable growth and responsible business practices at the heart of our business operations. This framework guides our sustainability focus by ensuring our principles are more clearly identified and policies are clearly defined. It enables us to set clear and quantifiable sustainability objectives and performance indicators, and helps establish and integrate sustainability deliverables into our future strategy.



The Chairman and the members of the Board of Directors attending the annual general meeting

Corporate Governance and Risk Management



Good corporate governance is one of the cornerstones of sustainability.

Mr George Hongchoy
Chief Executive Officer
The Link Management Limited

Listed on the Hong Kong Stock Exchange since November 2005, The Link complies with relevant regulations pertaining to listed REITs from the Hong Kong Stock Exchange and the Securities and Futures Commission. In addition to compliance to applicable rules and regulations, we also embed several important elements of good governance including the role of independent non-executive directors on the board; robust set of internal control monitoring system, auditing and risk management; and effective internal and external feedback mechanism.

Oversight by a Largely Independent Board

Our Board of Directors (“**Board**”) comprises a total of 11 members, of which there are two executive directors, one non-executive director, and eight independent non-executive directors (including the Chairman). The members represent a broad array of expertise including construction, real estate, surveying, finance, academia, legal, accounting and other areas relevant to The Link’s business. The proportion of independent non-executive directors is high among listed companies in Hong Kong and provides us with an unusually independent point of view.

There are five Board Committees that assist the Board in discharging its responsibilities. These include the Audit Committee, Finance and Investment Committee, Human Resources and Compensation Committee, Nomination Committee and Remuneration Committee.

Continuous Proactive Monitoring

Auditing, internal control and monitoring systems are important elements of good corporate governance. Our Internal Audit team independently reviews key operational functions, highlights control weaknesses and risk management issues, and provides recommendations for rectification and improvement. Audit reports are sent directly to the Chairman of the Audit Committee, who is an independent non-executive director, and summaries of audit findings and recommendations are discussed quarterly at Audit Committee meetings to identify actions and areas for improvement. We also have a control mechanism to oversee connected party transactions, and all Board members must report directorship in other companies and disclose with The Link during the reporting period.

We have a well-developed process to identify risks of various aspects of The Link and establish appropriate mitigation measures to eliminate, transfer, treat or assume these risks. Risk management workshops have been conducted across 15 departments, the results of which will be finalised in FY 2012/13.

Effective Feedback Mechanism

We also provide convenient feedback mechanism and actively seek feedback from both internal and external stakeholders to ensure we meet their expectations for good corporate governance. In particular, we have a Whistleblowing Policy, Escalation Policy and a designated email for the Chief Executive Officer where staff can directly report incidents and make recommendations to senior management and Chairman of the Audit Committee.



Procurement

According to our risk assessment, procurement is relatively more vulnerable to corruptive practices. To ensure that our staff acts with integrity, we have developed a Code of Conduct detailing our anti-corruption policies and procurement practice. To ensure compliance and increase staff awareness to the policy, comprehensive procurement procedures together with a centrally managed procurement system were implemented. We also provide an anti-corruption induction programme, anti-corruption policies and procedure trainings to all new staff. As a result, there has been no reported case of corruption since our listing in 2005.

Sustainability Committee

One of the most important milestones in FY 2011/12 was the formation of The Link Sustainability Committee to oversee policies and practices on issues relating to sustainable development. Our Chief Executive Officer, Mr George Hongchoy, chairs the Committee which is composed of senior members of the management team across The Link.

Responsibilities of the Sustainability Committee include reviewing and endorsing priorities, policies, practices and targets on key sustainability issues, considering regulatory trends and listening to stakeholders on corporate behaviour contributing to sustainable development. It also oversees our performance in relation to sustainability and reviews the annual sustainability report.

Chairman

Mr George Hongchoy

Executive Director and Chief Executive Officer

Members

Mr Andy Cheung

Executive Director and
Chief Financial Officer

Mr Ricky Chan

Director (Legal) &
Company Secretary

Mr Hubert Chak

Director (Corporate
Development)

Mr Tony Lam

Director (Human Resources)

Mr K T Poon

Director (Corporate
Communications)

Mr Dennis Chan

Head of Strategy

Ms Amy Ho

Head of
Asset Management

Ms Peionie Kong

Head of Leasing

Mr Michael Lo

Head of Operations

Mr Gordon Wu

Head of Property
Management & Operations

Coordinator

Mr Eric Yau

General Manager –
Corporate Finance



For more details of The Link's corporate governance framework, please refer to the Corporate Governance Report in the Annual Report.

OUR ENGAGEMENT WITH STAKEHOLDERS

The Link engages and communicates with stakeholders in order to understand and respond to their needs, concerns and expectations. We consider the diversity of stakeholders impacted by our operations or activities and develop plans to engage with all these stakeholders over a long term basis.

- Attended over 780 meetings with district councillors, politicians, resident groups and local leaders at district level in FY 2011/12
- Answered 314 media enquiries and issued 80 press releases
- Handled 10,969 calls and 687 emails at the call centre
- Held quarterly meetings with BFA Advisory Group
- Launched Channel 823, our bi-monthly newsletter
- Started an intranet discussion forum - YourVoice.com for staff to voice their opinions and concerns



A member of Access Advisory Group tried using the "Induction Loop System", an amplifier device for the hearing-impaired installed at the customer service counter in Wo Che Plaza

To ensure that we address stakeholder issues in a timely manner, we enhance communication with stakeholder groups on specific sustainability issues by increasing the frequency and scope of our dialogue.

BFA

We value the views expressed by members of our community with physical disabilities. We have increased our dialogue with relevant stakeholders, including forming an Access Advisory Group on BFA that includes 11 rehabilitation groups. We also participate in meetings with Housing Authority, and Legislative Council's Improvement of BFA Committee. Staff are encouraged to take prompt action to resolve requests and maintain communication with relevant parties.



AEIs

Our AEIs bring more shoppers into shopping centres and fresh markets, thus increasing tenant business and also providing sustainable revenue for us. To communicate such benefits, the rationale behind the AEI, design of the construction, project timetable and progress of the project, we conduct on-going communications with relevant stakeholders. In properties where we are about to commence enhancements, we engage with our tenants and the community on the upcoming renovation works through various communication channels, including group briefings, newsletters and meetings.



Channel 823

We launched Channel 823 (named after our stock code 823) a new corporate newsletter in January 2012 to deliver our latest news to and improve interaction with our stakeholders. The publication is distributed via hard copies to a wide array of stakeholders, as well as electronically through our website. It not only features the latest corporate news and activities, but also highlights our small tenants as an additional effort to promote them to our stakeholders. Staff are also Channel 823's key audience. It aims to enhance communication among colleagues and also helps to cultivate pride and sense of belonging.

Stakeholder Engagement Strategy

Stakeholders

Ways to Engage

General



- Our Customer Service Hotline allows tenants and shoppers to engage us with any queries or complaints. We have pledged to respond to every query within three business days.
- Our Divisional Relationship Managers and frontline Asset Management staff maintain regular communication with retailers and other local district-level stakeholders.
- We operate both corporate and customer websites to disseminate information to stakeholders.
- We launched our newsletter – Channel 823 – in January 2012 as an alternative means to proactively disseminate corporate information to stakeholders, through both on-line and printed versions.
- Our Incident Registry System is deployed to facilitate central recording, handling and retrieval of requests and complaints from stakeholders.

Tenants



- The Link Tenant Academy assists retailers to enhance their business skills and keep them abreast of latest industry trends.
- We maintain regular contact with tenants through Leasing and Property Management teams.
- Letters were sent out to existing tenants soon after we announced the acquisition of the commercial portions of Nan Fung Plaza and Maritime Bay, highlighting our commitment to working with tenants to enhance the business environment.

The public, including residents and shoppers



- Our customer service personnel on site are our frontline representatives.
- We arrange promotional activities and community engagement programmes for the local residents.
- Letters were sent out to Owners' Committees ("OC") of Nan Fung Plaza and Maritime Bay to confirm our partnership. We also maintain regular communication with the respective OCs to resolve issues of concern to the residents.

Legislative and District Councillors, political groups, tenant groups and concern groups



- We meet with external groups on an as-needed basis to resolve issues and promote mutual understanding.
- Meetings are organised at different levels from senior management to front-line staff.
- We endeavour to reply promptly to their enquiries.

Investors



- Our annual general meeting provides a forum for investors to meet our Board and senior management.
- Board and senior management also participate in road shows and investor conferences to explain our business performance and strategy going forward.

Staff



- We organise regular staff town hall meetings for management to share latest developments and business updates.
- We have an intranet discussion forum – YourVoice.com – to ensure staff at all levels have a means to voice their opinions and concerns publicly within The Link in a safe, anonymous manner.
- We conduct staff surveys to understand staff opinions and receive additional feedback.

Media



- We hold media functions to introduce our business and sustainability initiatives.
- We issue press releases to disseminate corporate information if and when needs arise.
- We endeavour to reply promptly to media enquiries.



OUR TENANTS

The Link has launched a wide range of initiatives to support and enhance our tenants' business operations. These include our AEIs that upgrade facilities and marketing promotion programmes to increase traffic flow and generate sales through our shopping centres. The Link Tenant Academy aims to help tenants to sharpen their competitive edge and to keep pace with the changing times. Our Mystery Shopper Programme aims to improve service standards. These initiatives help tenants develop profitable businesses and contribute to sustainable growth for us.

- Recorded significant increase in customer satisfaction levels before and after AEIs
- Organised nine seminars and workshops in FY2011/12 through The Link Tenant Academy for over 1,200 tenants or their staff
- Conducted three rounds of assessment on 102 shopping centres as part of the Mystery Shopper Programme



Tenant briefing to provide update of our AEI at Tin Shui Shopping Centre

AEIs

The Link endeavours to provide a better shopping environment through ongoing refurbishment to rejuvenate and revitalise our shopping centres. To gauge the satisfaction level of shoppers and to understand the changes in shopping behaviour after AEIs, we engaged external consultants to conduct customer opinion surveys. In FY2011/12, we conducted a post-AEI customer survey for Lok Fu Plaza, our flagship shopping centre which completed its AEI in April 2011. Results indicate that the Lok Fu Plaza AEI has led to increased number of shoppers and improved overall business environment for our tenants.

Lok Fu Plaza after AEI



Visiting frequency
per month

+14%



Spending amount
per month

+27%

Promoting our Small Tenants

Many of our small tenants have limited channels to market their goods or services. We have embarked on a strategy to increase awareness of these businesses in our shopping centres and fresh markets. Some of our shopping centres are located near the cycling routes, by providing innovative free bike-lending service at our shopping centres, it turns shopping centres into supply stations for cyclists, at the same time generate consumption inside shopping centres.



Our corporate newsletter has a dedicated section to promote our small tenants.

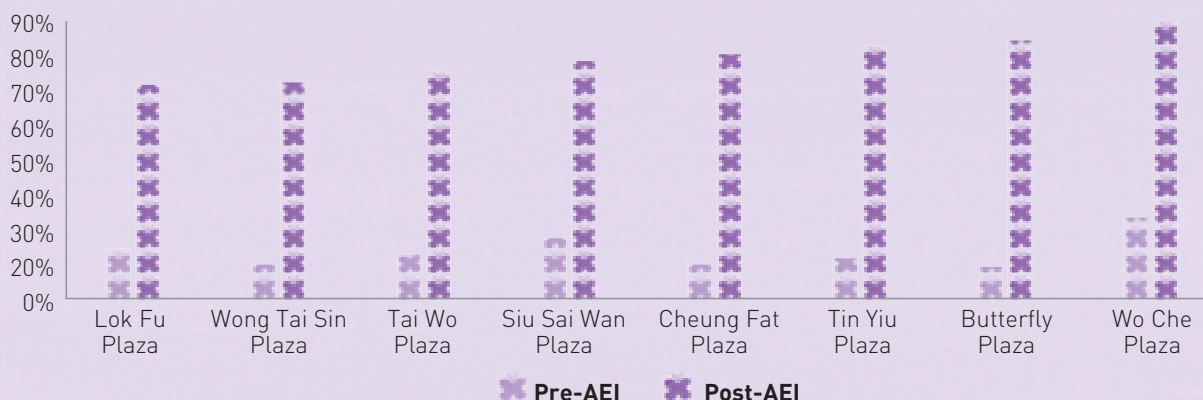
These small tenants have a long history and have preserved invaluable cultural heritage through their businesses. We brand them "The Link's Hero Tenants" and produce videos of them which are broadcasted on our corporate website and Youtube. These Hero Tenants are also featured in the Tenant Corner of *Channel 823* which reserves a two-page spread in each issue for this purpose.



For more information about "The Link's Hero Tenants", please visit <http://www.thelinkreit.com/EN/news/Pages/Video-Gallery.aspx?keyword=The+Link's+Hero+Tenants&column=Filter> or use this QR Code with your smart phone



Customer Satisfaction Levels Before and After AEIs



Note: Figures representing percentage of respondents with satisfaction level in the top two scores on a five-point scale survey.

The Link Tenant Academy

The Link Tenant Academy organises regular seminars and workshops that provide tenants with timely and useful information to help them run their businesses more effectively. The goal is to improve our tenants' competitiveness and business, thereby improving our

shopping centres' occupancy rates and generating higher rental income. Since the launch of The Link Tenant Academy in 2008, over 47 seminars and workshops have attracted over 6,700 tenants and their staff. Attendees have demonstrated high levels of satisfaction.

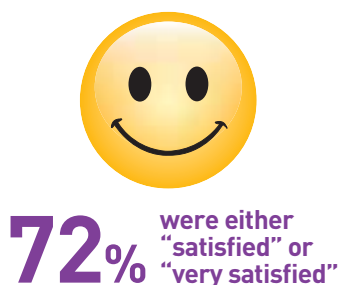
Key themes for The Link Tenant Academy workshops and seminars



Total number of participants in FY 2011/12:



Feedback on the workshops from participants:



Percentage of repeated enrolment:



Sample Seminar of The Link Tenant Academy: Walter Kei in Tai Yuen Market

In December 2011, renowned gourmet Walter Kei delivered a talk to the tenants of Tai Yuen Market. Walter shared his ideas on healthy diet through a cooking demonstration of Chinese shellfish with olive oil and parsley. He focused on the latest food trends, since the eating habit and international food culture will affect fresh produce consumption. He also encouraged over 30 fresh market tenant participants to stay tuned to market changes, increase their competitiveness through creative ideas, and provide new shopping experience for customers.



Mystery Shopper Programme

Our Mystery Shopper Programme was established in 2011 with the objective to enhance shopping experience for our customers. The programme also serves to recognise the achievements of frontline staff.

In FY 2011/12, we conducted three rounds of assessments covering 102 shopping centres selected by an independent organisation, the Hong Kong Quality Assurance Agency. The award provides recognition for outstanding staff, raises customer service quality and establishes a customer-first culture.

In order to provide a more comprehensive service, we plan to extend the Mystery Shopper Programme to an assessment of BFA facilities, customer services for the disabled and car parking facilities in FY 2012/13.

Judging Criteria

Facilities

Common area, washroom, lift/escalator, customer service counter, fire safety facilities and access

Customer Service

Service level of customer service ambassador, security guard, cleaner and fitter

Statistics

Number of shopping centres assessed	102
Number of visits to shopping centres	900
Number of contacts with staff	1,200
Number of staff trained	797

The winner of the Mystery Shopper Programme Best Managed Cluster Gold Award was Cluster 15 (consisting of Sau Mau Ping, Lok Wah, Po Tat, Hiu Lai, Lok Nga Court, Shun Tin, Shun Lee, Shun On Shopping Centres) which received the highest scores for facilities management and customer service.



Everyone wins in the Mystery Shopper Programme. Customers win, tenants win and employees win. Service and facility levels have improved and this resulted in a better shopping environment that in turn leads to increased spending, which eventually benefits tenants.

The improvement in service has led to an improved relationship with customers, which in turn leads to a more satisfied community.



Mr Tse Yeung Hoi
Tenant
Oi Man Shopping Centre



My observation is that through internal competition, the capabilities of frontline workers have improved considerably. I really admire the abilities of staff to overcome challenges and motivate themselves to do a better job.



Mr Cheung Chi Chuen
Vice Chairman of the Tenant Association
Po Tat Shopping Centre

AEI Case Study

Tai Yuen Market

Before renovation commenced in June 2010, Tai Yuen Market was a typical Hong Kong fresh market with smells, unattractive conditions and wet and slippery floors from the live poultry and seafood. The fresh market had been suffering from low patronage as younger consumers prefer to shop at brighter and cleaner environment. In order to bring them back to Tai Yuen Market and improve business for stall holders, we embarked on an ambitious project.



Tai Yuen Market before its repositioning

The Tai Yuen Market repositioning project aims to provide the 300,000 residents in Tai Po District with access to quality groceries and daily necessities at affordable prices. We strive to offer to the community a pleasant shopping experience whilst preserving Hong Kong Chinese traditions and culinary culture.

Stakeholder Engagement

In 2008, we started planning how to infuse the fresh market with new life. After careful consultation with tenants, we found that tenants and stakeholders were looking forward to a dry and tidy environment with air-conditioning, a modern external outlook, diversified floor plans, and facilities to improve BFA. The team also conducted a study trip to visit successful fresh markets in Spain, the UK and Hungary. We concluded that mere refurbishment was just a stop gap measure; a complete overhaul was needed.

Project Design

The original floor plan shows a traditional fresh market layout, with a number of stalls disadvantaged by dead corners and too many corridors in a grid-like format which make it a relatively unexciting shopping environment. The redesigned floor plan offers a variety of stall sizes catering for different types of businesses, curved corridors for better visibility as it becomes easier to see through the fresh market and make visual contact with shop fronts from the entrance, and generally a more attractive outlook.

This new design integrates the best ideas from the European fresh markets with traditional Hong Kong fresh markets. We retain the vibrancy and mix of fresh and dry products found in Hong Kong fresh markets and introduce a new design, retail mix and elements that will enhance the shopping experience. Two of the enhancements are firsts for fresh markets in Hong Kong. The inclusion of a cooking studio where one of Hong Kong's top chefs (Master Chef Kenny Chan, winner of the Apprentice Chef Series, a TV show) will give cooking classes starting in 2012. The second is the introduction of the Octopus e-payment service, which over 90% of tenants have installed. These innovations provide convenience and value-added service to customers.



Customers using Octopus e-payment for the first time at The Link's fresh market



Old Layout



New Layout

Tai Yuen Market's new design transformed the old grid-like layout into a more vibrant and modern setting for the fresh market

Environment

Tai Yuen Market's AEI also incorporates many green features. The new design utilises skylight and eco-friendly lighting to reduce energy costs and greenhouse gas emissions. Poultry stalls have been located adjacent to the back of house corridor to reduce waste and smell. Dedicated seawater pipe was installed between the loading bay and seafood stalls to reduce spillage and safety hazards arising from slippery floors.

Tai Yuen Market is implementing an innovative self-contained ecological cycle through the introduction of a food waste composting system. Under this system, food waste is turned into organic fertiliser to be used in an organic farm established on the roof-top of the fresh market. The organic-produce harvested is then used at the cooking studio for on-site cooking demonstrations. All food waste will also be recycled.



Community

The Link employs customer service ambassadors from local housing estates on a part-time basis to assist customers in need and in promotional activities. This provides approximately 21 additional part time job opportunities for local residents.

Success of this project can be measured in several ways:

1. Most of the stall owners report increased sales turnover and employment of more staff, and are proud of these achievements.
2. The number of shoppers has almost doubled. Local residents are drawn to the better variety of choices and a more hygienic fresh market.
3. The Tai Yuen Market repositioning project won the Environmental Excellence Award of the Asian CSR Awards 2011, organised by the Asian Institute of Management and the BCI Asia FuturArc Green Leadership Award 2012 – Citation, Commercial Architecture organised by BCI Asia.

OUR ENVIRONMENTAL PERFORMANCE

The Link sees environmental stewardship as a core business responsibility. We strive to improve environmental performance and efficiency of the buildings we manage. We commit to manage our electricity consumption by investing in energy reduction initiatives. We have initiated waste recycling initiatives and educated our staff on environmental management. We helped raise community awareness on environmental issues by organising education workshops and exhibitions for them.

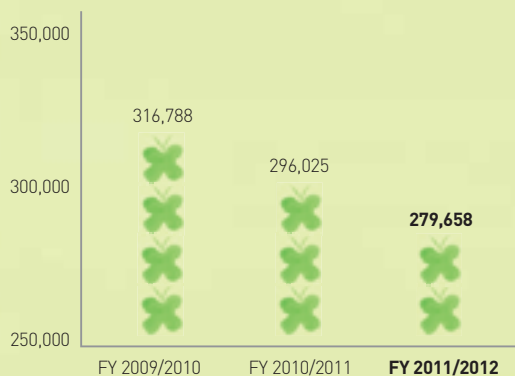
- Achieved energy savings of about 16,400 MWh resulting in the reduction of approximately 9,695.5 tonnes of greenhouse gas emissions
- Collected 157,006 kg waste paper, 1,318 kg plastic and 760 kg aluminium at 14 shopping centres
- Offers 55 electric vehicles charging bays in our car parks
- Offers free bike and toolkit lending service in three of our shopping centres



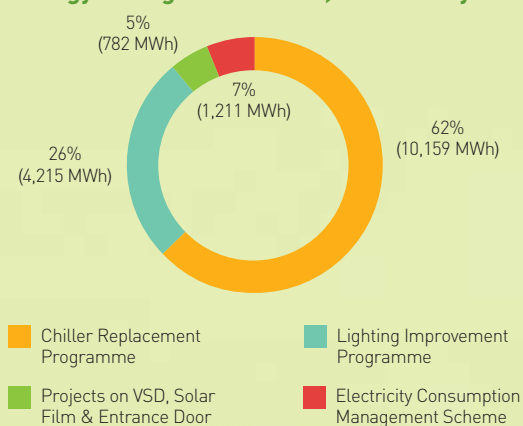
Our staff with a little souvenir from attending an in-house seminar on "Care of Our Trees and Slopes"

Energy Management

Energy Consumption (MWh)



Energy Savings Of About 16,400 MWh By Source



Reducing our electricity usage not only lowers our greenhouse gas emission and carbon footprint, it also saves on our energy bills. We have implemented programmes to improve energy performance and in FY 2011/12, we invested over HK\$95 million in energy reduction initiatives and achieved energy savings of about 16,400 MWh. Major savings were achieved through our Chiller Replacement Programme, with 37 chillers replaced in 25 shopping centres and fresh

markets. The Lighting Improvement Programme also resulted in the replacement of lighting fixtures in 51 car parks with more energy efficient T5 fluorescent lamps and LED EXIT signs lamps. Additional energy savings were achieved as a result of installing Variable Speed Drives ("VSD") in air handle units that controlled air-volume flow rate, installing doors at air-conditioned premises and applying solar film on skylights and glass walls.

Investment in Energy Reduction Initiatives

	FY 2011/12 (HK\$ million)	FY 2010/11 (HK\$ million)	FY 2009/10 (HK\$ million)
Chiller replacement programme	83.5	64.6	56.7
Lighting improvement programme	7.2	10.6	7.3
Other improvement programmes	4.9	4.6	3.1
TOTAL	95.6	79.8	67.1

Environmental Performance of our Shopping Centres and Car Parks



Energy Usage
279,658 MWh



Electricity Indirect CO₂ Emission
168,713.9 tonnes



Water Usage
1,815,788 m³

Energy Usage Monitoring and Control

To better monitor and control our energy usage, we implemented the Electricity Consumption Management Scheme (“**ECMS**”) and are in the process of installing a Building Management System. Our ECMS identifies viable energy management measures to lower energy consumption and operating costs for our facilities. The ECMS was completed for 28 properties in FY 2011/12, with another 32 properties to be completed in FY 2012/13.

Air and Water Quality

We maintain good air and water quality to ensure people using our buildings experience a healthy and pleasant environment. In 2012, we have completed the application for the Indoor Air Quality Certification Scheme for six shopping centres. In eight shopping centres, we have continued our participation in the

Water Recognition Scheme for Buildings organised by the Water Supplies Department.

Supporting the Use of Electric Vehicles

Since 2009, The Link has been one of the key supporters to promote the use of electric vehicles (“**EVs**”) to contribute to the lowering of vehicle emissions in Hong Kong. In FY 2011/12, we further promoted the use of EVs by increasing the number of charging systems from 46 to 55 EV charging bays in 10 of our car parks, allowing EVs users across the territory access to charging bays. We have also established an “EV Pass” programme in which EV owners can enjoy free parking at car parks with such installation while their EVs are being charged.

The Link EV Charging Bays

NEW TERRITORIES

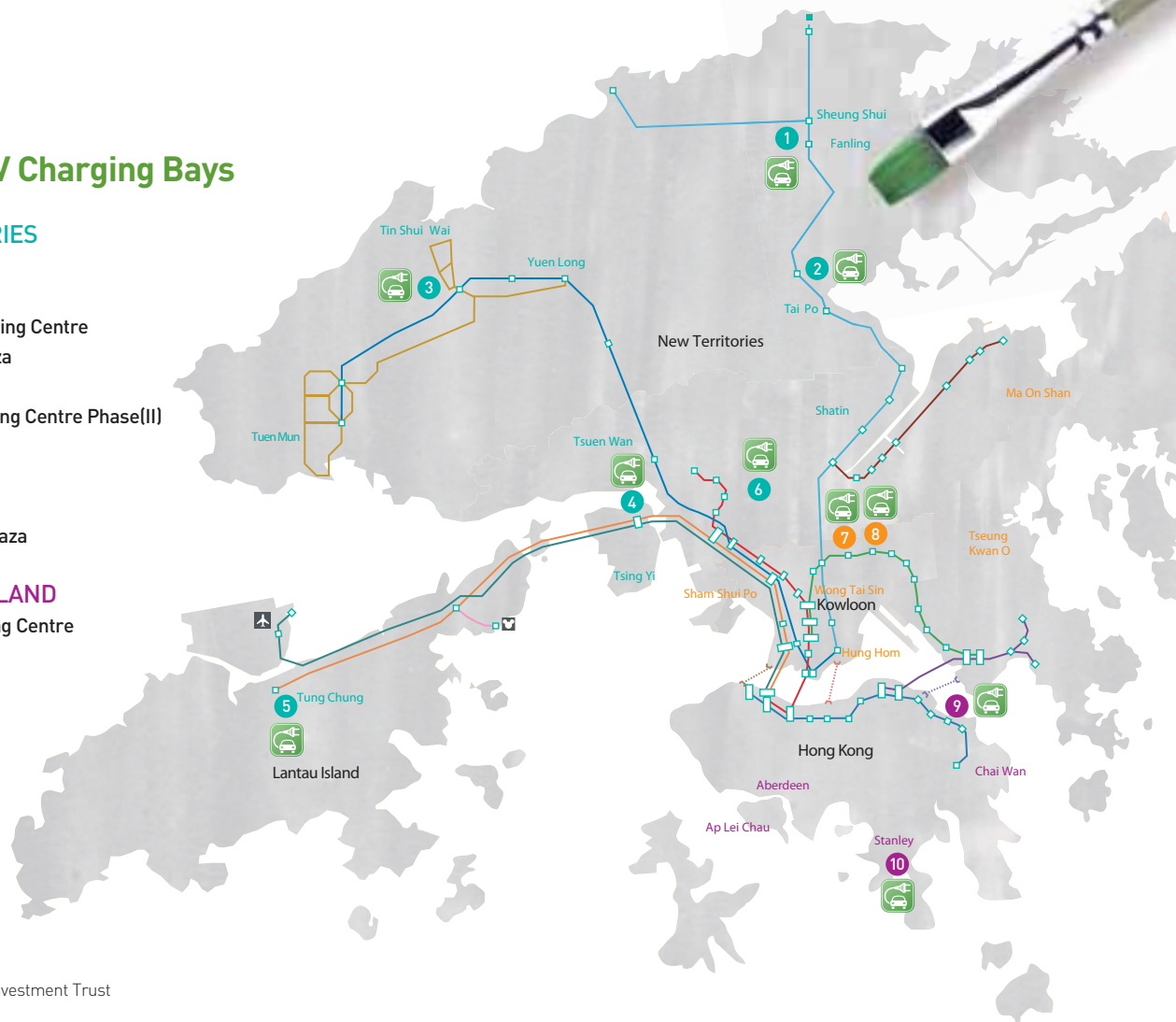
- 1 Choi Yuen Plaza
- 2 Tai Wo Plaza
- 3 Tin Shing Shopping Centre
- 4 Cheung Fat Plaza
- 5 Fu Tung Plaza
- 6 Shek Lei Shopping Centre Phase(II)

KOWLOON

- 7 Lok Fu Plaza
- 8 Lung Cheung Plaza

HONG KONG ISLAND

- 9 Oi Tung Shopping Centre
- 10 Stanley Plaza



Promoting a Green Culture

We are committed to raise community awareness about environmental issues by providing knowledge that can be applied to daily life through promotions and education.

Link the Bike

For promoting green living and sports culture in Hong Kong, we partnered with the bicycle brand STRiDA to develop a strategic marketing plan - Link the Bike. This was Hong Kong's first ever free bicycle lending service organised by shopping centres. An important part of the plan was to upgrade several of our shopping centres with facilities that appeal to cyclists, turning shopping centres into supply stations for them.

The programme started with three shopping centres: Stanley Plaza, Maritime Bay in Tseung Kwan O and Tin Shui Shopping Centre in Tin Shui Wai. Customers can borrow a special edition foldable bike, The Link x STRiDA, as well as tyre pumps, racks, locks and repair kit at no charge.

We also produced a booklet for cyclists with route maps and detailed information to help cyclists plan their route.



The Link Wetland Everywhere Roadshows

To enhance public awareness about wetland conservation and to celebrate Hong Kong Wetland Park's fifth anniversary, we have partnered with the Park to organise a series of "Wetlands Everywhere" roadshows at four shopping centres in Tin Shui Wai. The public could learn more about the wonders of wetlands through the exhibitions.

Community Recycling Programmes

In order to enhance public participation in recycling, we collaborated with welfare organisations to organise different types of community recycling programmes. We made use of our extensive network to provide convenient collection points to encourage the public to participate in recycling initiatives.



Lai See Packet Recycling Programme

The Link has joined hands with Greeners Action to organise Lai See Packet Recycling Programme for three consecutive years. To encourage people to recycle and reuse red packets, lai see recycling collection boxes were set up in 50 shopping centres. Collected packets were distributed to non-profit organisations for reuse.

Of the 3.5 tonnes of lai see packets collected through this programme in 2012, approximately 1.5 tonnes were collected from The Link's shopping centres, equivalent to approximately 600,000 lai see packets in total.

Computer Recycling Programme

In order to encourage elderly people to use computers, The Link donated 150 used

computers to Caritas Hong Kong in June 2011. Caritas then distributed the computers in batches to their elderly centres and other senior citizens according to community need.

Food Waste Recycling Programme

Since 2010, we have been one of the participants of the "Food Waste Recycling Partnership Scheme" organised by the Environmental Protection Department. Through this scheme, The Link and other participants promote awareness of food waste reduction and recycling. We developed best practices for reduction and source separation of unavoidable food waste in Kam Ying Court Fresh Market and Tsz Wan Shan Fresh Market. Food waste collected from the fresh markets are delivered to Kowloon Bay Pilot Composting Plant and converted into organic compost.



Waste Management

Our properties are focal points for communities and we have an important role to play in raising public awareness about waste issues. We work with our tenants, customers and communities to implement various waste programmes by promoting the 4Rs of Reduce, Replace, Reuse and Recycle.

Integral to our waste management approach is the provision of a waste management infrastructure in our premises to allow for effective waste separation, collection and disposal. Recycling bins can be found in 14 of our shopping centres.

Our Recycling Performance in FY 2011/12



Paper
157,006 kg



Plastic
1,318 kg



Aluminium
760 kg

Landscape Improvement

A green landscape can improve the Hong Kong urban environment and enhance the aesthetics of the environment. In FY 2011/12, we established a new Slope and Tree Maintenance Team to take care of over 40 slopes, 5,840 trees and 956,000 square feet of landscaped area in our portfolio. The team aims to provide technical support and carry out regular inspections and maintenance work to ensure slopes, trees and plants are in a healthy and safe condition. The team has also initiated a landscape improvement programme and will work with arborists and landscape architects to improve tree and plant growth. A total of HK\$16 million investment is planned for the next two years for landscaping improvement works.

- Use of environmentally-friendly bricks produced from recycled industrial waste in renovation works
- Use of paper endorsed by Forest Stewardship Council for our financial reports
- Effective control of lighting and air-conditioning systems, making the best use of natural wind and sunlight, installing sensors to control the rating of systems and operation hours
- Use of refuse collection bins made of biodegradable plastic and fiberglass
- Use of biodegradable chlorine-free recycled toilet paper
- The Link's lai see packets, calendars and note-pads are made of recycled paper and soy ink

In-house Environmental Initiatives

We adopt various environmentally-friendly measures in our operations to minimise impact to the environment.

In 2011, we submitted an application for the Wastewise Label, a scheme under the Hong Kong Awards for Environmental Excellence that recognises waste reduction efforts at our Kwun Tong head office.

AEI Case Study

Stanley Plaza

Stanley is a must see location for tourists and a regular destination for locals. Well known for the Stanley Market, the historic Murray House, and numerous restaurants and bars, the area not only attracts large numbers of tourists but is home to a diverse mix of professional residents. Our Stanley Plaza, which incorporates Murray House, is a flagship development that caters to both locals and overseas tourists.



Stanley Plaza before AEI

Originally built in 1999, Stanley Plaza had become architecturally incongruous with its surroundings. To improve this, our HK\$227 million asset enhancement work had two major objectives. The first objective was to ensure that a renovated Stanley Plaza was in greater harmony with the surrounding environment. The second was to incorporate a range of eco-friendly designs that would reduce energy use and waste. Upon completion, Stanley Plaza achieved the Hong Kong Building Environmental Assessment Method ("BEAM") Platinum Standard. This is a demanding environmental assessment for buildings that includes over 100 items in six categories including site, materials, energy use, water use, indoor

environmental quality, and innovation additions. The asset enhancement works of Stanley Plaza has also been named as a finalist of the Existing Building Category (Completed Building) – Hong Kong under the Green Building Award 2012.



Tree Preservation

We maintained two old banyan trees at Stanley Plaza's entrance. Specialist care was provided for these large and historical banyan trees. Also, we worked with professionals such as Professor Jim Chi Yung of the University of Hong Kong to introduce a new feature green roof on Level 3 and Team 73 HK Limited to protect existing greenery which resulted in 48 existing trees preserved and introduced many new plants for the new planters. Some of the new plants introduced are native species that require no irrigation.



The banyan trees at Stanley Plaza's entrance

Environmental Harmony

Our new timber-like façade provides an eco-friendly look, as the exterior design takes the shape of wood-tone blinds of varying angles for sun-shading. The warm wood tone echoes the surrounding natural landscape.

Waste Management

Our decision to renovate an existing building rather than demolishing and building a new structure was a major step in minimising waste. As the renovation proceeded, all waste was sorted and segregated, which led to 79% of all construction waste being recycled. After Stanley Plaza reopened, we provide waste recycling facilities for collection, sorting, storage and disposal of waste and recovered materials.

Energy Savings

Reductions in energy use and greenhouse gas

emissions have been achieved through the inclusion of a green roof, glass atrium and a range of eco-friendly fittings. The green roof, consisting of a rooftop garden, reduces heat generated by sunlight. The glass atrium saves energy by introducing natural light into the corridors. Other eco-friendly fittings, including LED lighting, wind and solar-powered external lamps, and environmentally friendly construction material have all led to savings.



One of the wind and solar powered lamps at Stanley Plaza

Dog Friendly Facilities

Stanley Plaza is the first dog friendly shopping centre with designated dog and dog owner lift access and dedicated features such as "Dog Parking" facility.



Stanley Plaza's green roof helps reduce heat and electricity consumption

OUR PEOPLE

With over 800 direct employees, The Link understands the importance of ensuring our staff are motivated, loyal and productive. Our Board has a Human Resource and Compensation Committee that oversees all human resource issues, and the Director (Human Resources) reports to the Committee. We aim to become the Employer of Choice through training, good communication, work life balance initiatives, equal opportunities, competitive benefits and remuneration, cooperative management relations and advanced health and safety practices.

- Directly employed 833 permanent staff (as at 31 March 2012), a 4.4 % increase in headcount in FY 2011/12
- Over HK\$1.2 million spent in education subsidies
- Approximately 520 staff attended The Link Staff Academy for a total of over 1,260 hours
- Launched e-learning platform (LinkUp) which attracted 7,090 page views in the first five months
- Offered Employee Assistance Programme, including a 24-hour counselling hotline and wellness courses
- Introduced 3-day paternity leave for male staff



Our highly-spirited dragonboat team

We acknowledge that employees are the greatest asset and key contributors to our success. We have worked hard on a range of initiatives designed to make The Link the Employer of Choice.

We offer competitive compensation and benefit packages and we are improving our performance management and reward systems to enhance productivity. This includes the adoption of a balanced scorecard approach to assess performance against key indicators. Remuneration is adjusted annually on the basis of this assessment.

We have complied with all relevant legislations relating to workplace in Hong Kong outlined in the Employment Ordinance, Employees' Compensation Ordinance, Occupational Safety and Health Ordinance and the Minimum Wage Ordinance. We exceed regulatory requirements of the minimum wage legislation and offer out-sourced workers paid lunch break and rest days and have committed to reimburse the additional expenditures incurred to contractors. We operate in compliance with the Sex Discrimination Ordinance and all other relevant ordinances pertaining to employee

compensation, safety, insurance and retirement provisions, and the prevention of discrimination against employees on the basis of disability and family status.

Equal Opportunity and Local Hiring

During the staff recruitment process, we focus solely on the competency of potential candidates and do not discriminate on gender, age, ethnicity, family status, physical ability or any other factor unrelated to the ability to perform. Once employed, we provide equal opportunities and fair treatment for all employees when it comes to remuneration, benefits, promotion and compensation. Male and female employees of the same rank have the same basic salary packages and The Link is one of the few employers in Hong Kong that offers 3-day paternity leave for male staff.

We regularly benchmark our employment terms against market norms. Our staff enjoy benefits such as medical, maternity, paternity and annual leave and retirement benefits based on their tenure of service. Because we are based in Hong Kong, we provide opportunities mainly for local people.



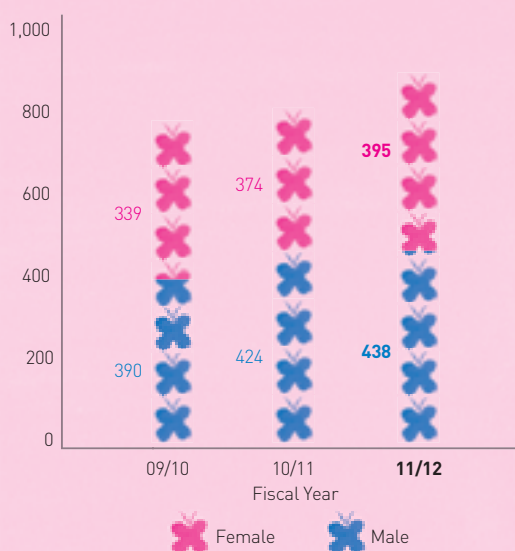
New staff at the staff orientation programme

Staff Profile

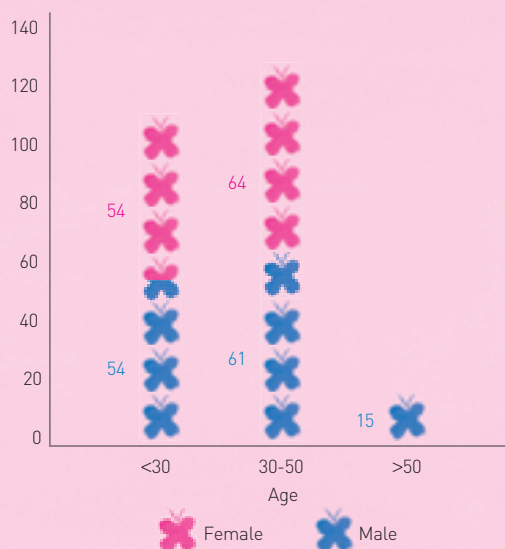
As of 31 March 2012, we had 833 staff, representing a 4.4% growth in headcount mostly represented by additional frontline staff employed for property management. Staff turnover rate in FY 2011/12 was 21.6%. We note that the turnover rate for FY 2011/12 was considerably higher than in previous years which

were at approximately 15%. According to external research, Hong Kong's property market voluntary staff turnover rates in 2011 also experienced a similar increase, evidence of a buoyant labour market in Hong Kong during the period. Thus, The Link's staff turnover figure was in line with the general industry trend.

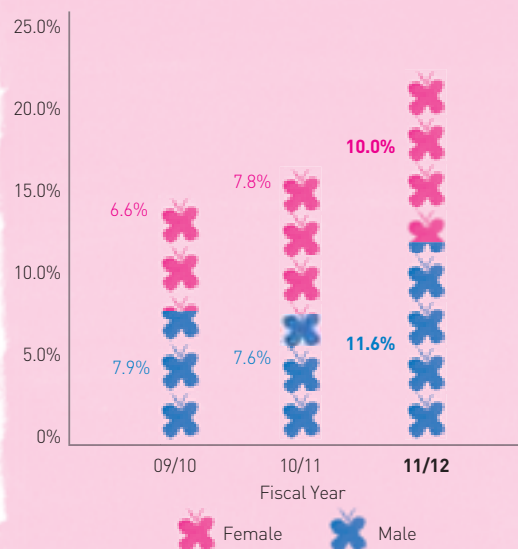
Diversity of Employees by Gender



New Employee Hire by Age and Gender in FY 2011/12



Staff Turnover Rate



LinkUp

In 2011, we launched LinkUp, an e-learning platform through which staff can enrol in a variety of courses and register for staff events. The platform is an effective tool for self-managed learning and exchange of views. Within the first five months of its operation, LinkUp has attracted a total of 7,090 page views.

The Link Staff Academy

Since 2010, we have increased investments in workforce training and development. We established The Link Staff Academy, headed by a “Principal”, an industry veteran with over 30 years of shopping centre management experience. The Link Staff Academy provides a comprehensive training programme designed specifically for property management. Through a structured learning curriculum, attendees learn how to be market leaders in their profession. The curriculum focuses on how to improve technical skills relevant to our daily operations.

Other Training Programmes

Other staff training and individual development programmes are offered to promote professionalism and personal growth. They include skills related to supervision, performance management, languages, computer system operations and industry best practice. We also provide overseas site visits and outdoor team building workshops, and have set aside a budget for staff to apply for sponsorships to enrol in training seminars and courses. 570 staff applied for our education sponsorship in FY 2011/12 which involved approximately HK\$1.2 million in education subsidies.

Employee category	Average hours of training
Senior management	8.6
Middle management	13.6
Operational staff	12.7

As part of our succession planning, we have a university recruitment programme, through which we hired four graduate management trainees in 2011. We hope the programme will help develop a group of home-grown talent who will eventually rise to senior management roles.



The Link Staff Academy in operation

Staff Care and Benefits

Employee Assistance Programme

As one of our key initiatives in caring for staff, we have introduced an Employee Assistance Programme to all staff members and their families. An independent service provider has been appointed to provide one-stop professional services in preventing, identifying and resolving concerns, difficulties or problems, whether they are personal, family or work related.



Our staff also formed various sports teams, such as dragon boat, football, bowling and hiking. We encourage our staff to participate in physical activities to promote a healthier lifestyle and to form a stronger bond among colleagues.

Labour-management Relations

We are committed to a corporate culture based on open communication and transparency. Proactive staff engagement is illustrated by the introduction of the corporate blog site – YourVoice.com – established in November 2010. Employees post anonymously on a wide range of topics including questions about year-end bonuses, proposals for establishing The Link football team and suggestions on nearby restaurants for lunch. Since its establishment, YourVoice.com has recorded approximately 1,850 postings. The posts are actively monitored by the Human Resources Department, who alert relevant departments or divisions when a response is needed. So far, management has accepted several suggestions from users including paternity leave, discounted staff petrol cards, staff parking discounts and sports teams.

Staff Work Life Balance

In 2011, we had the soft launch of the Staff Work Life Balance Centre ("Centre"). The Centre aims to provide staff with a space to mingle and relax. The fully-equipped Centre offers game rooms, gym and yoga space, and is managed by an experienced external provider. Once the Centre becomes fully operational, it will house offsite meetings, parent-child activities and a range of classes for employees free of charge. The target completion date of the Centre is mid-2012.



Our Staff Work Life Balance Centre will become fully operational by mid-2012

Employee Health and Safety

We strive to provide a safe environment for our tenants, customers and staff. We aim to build an incident-free culture and apply it to all our premises so that hazards and risks at the workplace can be

controlled and eliminated. During the year under review, there were no fatality incurred, while our operations had an average injury rate of 6 per 1,000 employees.

Period	Number of work injuries (a)	Number of days off due to injury	Average number of staff ¹ (b)	Annual injury rate (a) / (b)
FY 2008/09	2	0.5	451	0.4%
FY 2009/10	2	223.0	592	0.3%
FY 2010/11	8	41.5	778	1.0%
FY 2011/12	5	328.5 ²	818	0.6%

We recognise the importance of ensuring the health and safety of not only our direct employees, but also of contract workers. We provide occupational health and safety training programmes, including green card training and emergency response procedure training for all property management staff and contract workers. We ensure a thorough understanding of health and safety roles and responsibilities by highlighting the risks and necessary controls associated with daily operations. All new employees are required to take awareness training about health and safety hazards and risks associated with their jobs and working environment.

During the year, we arranged eight health and safety trainings which over 300 people attended. Key programmes included safety, health and environmental supervisor training for property management staff, and emergency response training and first-aid training for all staff levels.

To ensure the safety performance of our shopping centres and car parks, we conduct regular workplace inspections jointly with our contractors' representatives. In FY 2011/12, we conducted approximately 450 joint workplace inspections with contractors to gauge safety performance and identify areas for improvement to eliminate, manage and avoid hazards and risks in the workplace.

Note 1: The average number of staff is calculated based on the number of directly employed staff at the beginning and at the end of each financial year.

Note 2: A staff was injured in FY 2010/11 and continued to take the injury leave into FY 2011/12 (total of 164 days).

THE LINK AND THE COMMUNITY

The Link's extensive portfolio of community-oriented retail and car park facilities are at the doorstep of over 40% of Hong Kong's households. We seek to promote social and economic regeneration through assisting the under-privileged in our communities and partnering with local institutions.

Our community involvement ranges from concessionary rents to welfare organisations, investments in BFA facilities in our assets, staff volunteering initiatives and collaboration with stakeholders on projects focusing on community development, youth, arts and culture.

- Leased 8% of our floor area to welfare organisations at concessionary rates
- Kicked start the BFA installation works at 49 properties
- Sponsored over 2,300 days to welfare organisations and 430 days to government bodies for free or discounted rental of venues to host events
- Provided food collection boxes in 34 shopping centres for the public to donate food to Food Bank



The Eden Trio, a visually-impaired choir group from Taiwan, performing at Lok Fu Plaza

Support to Welfare Organisations

In FY 2011/12, we let approximately 8% of our floor area to charity organisations at concessionary rates.

	FY 2011/12	FY 2010/11	FY 2009/10
Number of welfare leases	163	160	158
Total IFA at concessionary rates (Includes vacant premises)	883,000 square feet	881,000 square feet	884,000 square feet

In addition, we offer full waiver or discount on letting fees for welfare organisations and government bodies to organise community events in our shopping centres. During the year, we received and approved 1,803 applications from welfare organisations and 218 applications from the Government to waive venue fees. Sponsorship of charitable letting accounts for a total of around 2,307 days to welfare organisations and 433 days to government bodies in FY 2011/12. Our support reduces the financial burden on these organisations and allows them to focus on serving the local communities.

Update on BFA

In order to provide an accessible environment, we have committed in early 2011 to deploying not less than HK\$200 million to upgrade our retail facilities for BFA. This comprehensive upgrade programme is being rolled out in three phases over five years, with anticipated completion of the last phase in 2016. Our BFA upgrades will benefit the community as a whole, expose our tenants to more customers, improve our relationships with a broader range of stakeholders and add value to our brand.

Based on the Best Practicable Principle, we adopt the standards set out in the Buildings Department's "Design Manual: Barrier Free Access 2008" and other associated international guidelines for the design of our BFA upgrade. The upgrade focuses on eight major BFA facilities including tactile guide paths and warning strips, accessible service counters, accessible toilets, Braille layout maps and signage, visual fire alarms, accessible parking spaces, ramps and accessible lifts.



On site inspection of BFA facilities

To ensure our BFA upgrades benefit target groups, we established an Access Advisory Group which comprises 11 rehabilitation organisations. We solicit ideas from the Access Advisory Group on how to implement our BFA investments and receive feedback on our upgrading process.



We have begun to upgrade 49 of our properties in FY 2011/12 and quarterly progress reports are available on our website (http://www.thelinkreit.com/EN/Pages/20110801_BFA.aspx) or via this QR Code for smart phone users.



Additional Support for People with Disabilities

Parking Incentives

We encourage the integration of those who are mobility-challenged into society by providing opportunities for them to explore outside of their confinements at home or work. We offer half-price discount for holders of a “Disabled Person’s Parking Permit” or “Parking Certificate for Drivers Who Carry People with Mobility Disabilities”, so that they have more incentive to travel around the community. In FY 2011/12, the programme resulted in subsidies amounting to approximately HK\$5.6 million.

Sign Language Workshop

To enhance the service from our Customer Service Ambassadors (“CSA”), we arranged for more than ten CSAs to attend a Sign Language Workshop organised by “Silence”, an welfare organisation serving people with hearing disabilities. The objective of the workshop was to train our CSAs with basic knowledge of sign language, so they could serve customers with hearing disabilities. Thanks to members of the Access Advisory Group for providing professional views on the teaching materials, we also offer a on-line e-learning programme.

We also hosted a “Care for people with hearing disabilities” Carnival at Lok Fu Plaza in January 2012. Our CSAs hosted a game booth to teach basic sign language and also performed drama using sign language on stage.

Feedback from participant

After I attended the Sign Language Workshop, I learned how to make basic daily conversation by using signs. This helps me understand the needs of people with hearing disabilities and provide better service to them.

Ms Mok Chung Wa

Customer Service Ambassador

Sheung Tak Shopping Centre

Web Care on Our Corporate Website

We have taken accessibility into consideration when we revamped our corporate website. We ensured people with different levels and different forms of disabilities can browse our website without any barrier. Design of our corporate website follows the internationally recognised Web Content Accessibility Guidelines 2.0 of World Wide Web Consortium (W3C) in designing and providing the latest web care features for people with different disabilities, including blindness/low vision, deafness/hearing loss, learning disabilities, cognitive limitations and limited movement. We have also consulted a number of rehabilitation groups on their website browsing habits to ensure the design of our corporate website is user-friendly to them.

Explored Advance Technologies

We have been exploring technologies to better serve the community. We made use of the audible function of a smart phone to voice out messages by scanning the QR code.

For instance, we used QR code to promote mini concerts of The Eden Trio, a visually impaired choir from Taiwan. This was particularly useful to the visually impaired.



Our Volunteering Services

We encourage our staff to participate in charitable and community initiatives of our welfare partners. In FY 2011/12, our staff contributed over 540 man-hours across a range of volunteering activities.

Community Visits

The Link and St James' Settlement jointly held "Christmas x Volunteer @ Stanley" on 17 December 2011. Our 18 volunteers accompanied 34 children from Tin Shui Wai for a sightseeing tour of our revitalised Stanley Plaza and Stanley Ma Hang Park. Our colleagues introduced various tree species to and played games with the children.



Fund Raising

On 9 October 2011, our cycling team joined the "HSBC Pok Oi Cycle for Millions" and raised HK\$40,000 to support community projects of Pok Oi Hospital.

Participation in Cultural Activities

22 staff participated as volunteers in the "Standard Chartered Arts in The Park Mardi Gras" on 12 November 2011 and helped with the face-painting workshop. Our volunteers also helped to guide children in need around the art stalls in the park.

Collaboration with Stakeholders on Community Development

The Link organises flagship programmes to support community development. We addressed community needs when developing marketing campaigns.

The Link's "\$38 F&B Promotion"

We collaborated with more than 80 restaurants in 38 shopping centres to offer more than 100 delicacies at an affordable-to-all price of HK\$38.



In addition, we gave away 2,000 "HK\$38 dinner coupons" to the People's Food Bank of St James' Settlement from May to August 2011 so that around 1,000 families in need could enjoy free dinners in our shopping centres.

Customers ordered a total of 15,000 discounted dishes (an average of 625 sets a day) and generated approximately HK\$3 million in sales volume for our tenants.

Food Bank

Since February 2009, we have collaborated with St James' Settlement to promote the "Filling Up the Food Bank" Campaign. During the year, the value of food donated via our 34 collection boxes amounted to approximately HK\$575,000.

Collaboration with Stakeholders on Fund Raising in Shopping Centres

We support our welfare partners by organising fund raising events and supporting donations in our shopping centres.

Carol Singing Festival 2011

In December 2011, more than 20 staff members and their relatives attended "Carol Singing Festival 2011 cum Rotary Youth Supports Youth" event organised by The Child Development Matching Fund in Lok Fu Plaza to support the Rotary Club mitigation of youth poverty project.



Donation Boxes of HK Red Cross

Since 2010, we have been placing Red Cross donation boxes in a number of our offices and shopping centres. In FY 2011/12, we increased the coverage to eight shopping centres to keep raise more funds to support Red Cross's humanitarian work.



Collaboration with Stakeholders on Public Health

To promote public health, we encouraged our customers to exercise and sponsored venues for organisations to provide health information to the public.

Bike Parade

We organised a Bike Parade at Tin Shui Shopping Centre on 25 January 2012 and invited Tung Wah Group of Hospitals BiciLine Cycling Eco-Tour Social Enterprise to participate in, attracting several hundred of bikers to join the Bike Parade Tour.



Hospital Authority Roving Health Exhibition

Through sponsoring venues for the Hospital Authority's 20th Anniversary Roving Health Exhibition from December 2011 to February 2012, local residents understood more about the Hospital Authority's development and services to the Hong Kong people and the new services provided by its seven clusters.

Promoting Art to Our Communities

We understand that the lack of space for organising art programmes in Hong Kong is a barrier to cultural development. We promote art through offering venues for exhibitions and engage visitors in art events.

Alive Gallery

Over 50,000 complimentary tickets were given to schools and welfare organisations to attend Alive Gallery in Lok Fu Plaza in April 2011. This was a valuable opportunity for people in Hong Kong to understand Western art and culture in an interactive way.



Link to a Thousand Portraits

In August 2011, local master illustrator Mr Iio Taro (飯尾太郎) used the Lam Tin community as background and transposed the faces of local residents into caricatures on canvas. The initiative resulted in a thousand portraits of the public being collaged to become a giant sketch on display at the Kai Tin Shopping Centre.



Cultural Heritage

Recognising the role of our shopping centres in local culture and history, we demonstrate the change process through different means and channels.

Lok Fu Plaza

"Lok Fu History Gallery" offers a glimpse of the fascinating history of this community through 50 pieces of invaluable historical items provided by community leaders, residents and retailers.

A decorative wall featuring the Chinese mythology of "Eight Fairies" has been a memorable, long-standing element of the shopping centre. It is now displayed prominently in the renovated Lok Fu Plaza.



Tai Yuen Market

A "Thirty Years of Tai Yuen" Wall of Fame at Tai Yuen Market is on display to show the transformation of the fresh market.




OUR WAY FORWARD

Over the years, The Link has identified and implemented a wide range of initiatives to improve our services and facilities for our communities while providing strong financial returns for our investors. We will continue our efforts in FY 2012/13 in pursuit of better performance in relation to various sustainability aspects to meet our stakeholders' expectations.



A young customer participating at our community art programme



We will continue to revitalize our assets through AEIs to create a better operating environment for our tenants and a better shopping experience for our customers.

Economic

We share our sustainability vision with our suppliers and contractors by encouraging them to adopt sustainability practices in maintenance, service provision and project management.

As part of our on-going commitment, we will continue to upgrade our BFA facilities in selected shopping centres and car parks.

Social

Environment

To further reduce our energy consumption, we will replace further 30 chillers and upgrade lighting systems. In addition, we target to save energy and reduce greenhouse gas emissions by keeping the indoor temperature of our shopping centres around 24-26 degrees during summer. The Link will sign up to the *Energy Saving Charter* initiated by Environment Bureau.

Governance

After we conducted a comprehensive risk assessment workshop in FY 2011/12, we will analyse the findings, develop and finalise the risk management framework, with key risk register and business resumption plan.

GRI Index Table

For full descriptions and requirements of each GRI indicator, please refer to GRI G3.1 Guidelines on <https://www.globalreporting.org/reporting/guidelines-online/G31Online/Pages/default.aspx>

Contents	GRI Indicators
About This Report	3.1-3.3, 3.5-3.11, 3.13, 4.17
Message from CEO	1.1-1.2, DMA EC, DMA EN, DMA LA
About The Link	2.1-2.10, 3.11, 4.9, 4.13, DMA EC, EC1, EC8-9
Our Management Framework	1.2, 4.1, 4.3-4.4, 4.6, 4.8, 4.11-4.12, DMA SO, SO2-3
Our Engagement with Stakeholders	4.4, 4.14-4.17
Our Tenants	EC7
Our Environmental Performance	DMA EN, DMA PR, EN4-8, EN12, EN14, EN16, EN18, EN30
Our People	2.8, 4.4, 4.8, DMA LA, DMA HR, EC3, EC7, LA1, LA3, LA7-8, LA10-12, LA14
The Link and the Community	DMA EC, DMA SO, DMA PR, EC9, SO10
Our Way Forward	1.2
GRI Index Table	3.12
Feedback Form	3.4

GRI Indicators	Comments
4.2	Refer to Annual Report 2012 P.72
4.5	Refer to Annual Report 2012 P.78, P.143
4.6	Refer to Annual Report 2012 P.88
4.7	Refer to Annual Report 2012 P.72-73
4.10	Refer to Annual Report 2012 P.78
EC4	No significant financial assistance received from government
EN3	No direct energy consumption from primary energy source
EN9	No water source is significantly affected by withdrawal of water
EN23	No significant spills identified
EN28	No significant fines and non-monetary sanctions against environmental laws and regulations
LA4	Staff are not covered by collective bargaining agreements
HR4	No incident of discrimination identified
HR6	No incidents of child labour identified
HR7	No incidents of forced or compulsory labour identified
SO8	No significant fines and non-monetary sanctions against laws and regulations.
PR7	No incident of non-compliance identified in relation to marketing communication practices
PR8	No incident of substantiated complaints identified in relation to customer privacy
PR9	No significant fines received concerning the provision and use of products and services

Assurance Statement

BUREAU VERITAS
Certification



INDEPENDENT ASSURANCE STATEMENT

Introduction and objectives of work

BUREAU VERITAS Certification Hong Kong ("BV" as follows) has been engaged by The Link Management Limited as manager of The Link Real Estate Investment Trust ("The Link" as follows) to conduct an independent assurance of its SUSTAINABILITY REPORT 2012 ("Report" as follows). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the Report are the sole responsibility of the management of The Link. BV was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyze and review it. This is the first year in which we have provided assurance for the Report of The Link.

Scope of work and methodology

As part of its independent assurance, BV undertook the following activities:

1. Interviews with a number of senior managers and key individuals of various departments such as Human Resources and Administration, Project and Planning, Corporate Development, Corporate Communications and Asset Management of The Link;
2. Evaluation of information against GRI principles of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness; and
3. Review of the data / information mentioned in the Report, systems for collection, aggregation, analysis and review of such data.

BV recognizes the need for a robust, transparent assurance process to ensure credibility and to drive performance improvement in The Link's sustainability reporting framework. This is achieved by providing an impartial commentary on the reporting process and proposing summary recommendation for further development within this statement. The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
- The information is presented in a clear, understandable and accessible manner;
- The Report provides a fair and balanced representation of activities of The Link during the fiscal year 2011/12 and
- The Link has established appropriate systems for the collection, aggregation and analysis of relevant information.

Recommendation

Based on the work conducted, we recommend The Link to consider the following:

- To continue improving our independent stakeholder engagement process with different groups to collect their opinions and address their concerns in the report so that the inclusiveness of stakeholders could be further enhanced; and
- To disclose more environmental indicators based on GRI and its sector supplement.

Evaluation against GRI - G3.1 Sustainability Reporting Guidelines

Based on our work, it is our opinion that the Report has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of GRI Application Level B+.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Company position statements; and
- Financial data which is taken from the Annual Report and Accounts, audited by an external financial auditor.

The independent statement shall not be relied upon to detect all omissions/ misstatement that may exist in the Report.

Bureau Veritas Certification Hong Kong
June 2012



Feedback Form

Thank you for reading our Sustainability Report. Your feedback is valuable for us to improve our sustainability performance and defining future reporting content. We hope you will provide your comments and questions on this report and return:

By email: sustainability@thelinkreit.com

By post: Corporate Communications Department
The Link Management Limited
33/F, AXA Tower, Landmark East,
100 How Ming Street,
Kwun Tong, Hong Kong

Please indicate the level of your satisfaction by rating our report below:
(with level 5 being most satisfied and level 1 being least satisfied)

	1	2	3	4	5
1. What is your overall view of the report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did you find the report information useful?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Did you find the report easy to understand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Did you think the presentation of the report is clear?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Which aspect(s) of the report did you find most useful?

6. On which aspect(s) of the report would you like to have more information?

7. What improvement(s) would you recommend for our next report?

Contact Information:

Name: _____

Email address: _____

Mailing address: _____



STANLEY PLAZA



TIN SHUI SHOPPING CENTRE





The Link Real Estate Investment Trust
www.thelinkreit.com

