

INTERIM REPORT 2022/2023

領展 LINK

Link Real Estate Investment Trust
Stock code: 823



We Link People to a Brighter Future





Link Real Estate Investment Trust is one of the world's largest real estate investment trusts in terms of market capitalisation. With a diversified portfolio, we aim to deliver sustainable growth and create long-term value for our Unitholders and all our stakeholders.

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About this Report

This report covers our performance from 1 April 2022 to 30 September 2022. In this report, we will discuss our gradual development along the path we outlined in previous years, 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 also consistent with indicators used for our internal management and Board reports and are comparable with our previous reports.

Complete sustainability performance disclosures can be found in our Sustainability Compendium which can be accessed at:

<https://www.linkreit.com/en/investor-relations/financial-reports-and-presentations/>

About Link

Our Vision, Mission and Values

Vision

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

Mission

Building relationships with our stakeholders – providing value and quality services, partnering with local communities, delivering sustainable growth

Values

Managing our business with **Respect, Excellence, Integrity and Teamwork**

Investment in Brief⁽¹⁾

Our portfolio includes community commercial facilities, car parks and related business, offices and logistics properties across Hong Kong, major cities in Mainland China, Australia and the United Kingdom. These multiple segments form a solid and diversified platform to create sustainable value for our stakeholders.

Hong Kong

130

Community commercial facilities (properties and land parcel), car parks and related business and office

Mainland China

12

Retail, office and logistics

Australia & United Kingdom

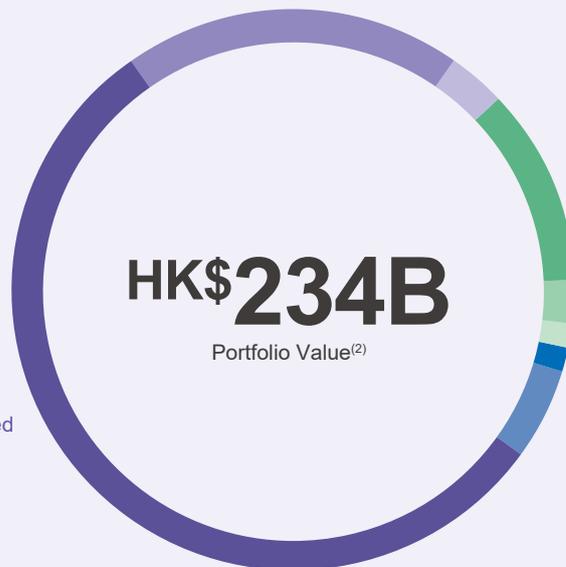
10

Retail and offices in Sydney, Melbourne and London

Portfolio Value⁽²⁾

Hong Kong

78.3%



Mainland China

15.3%



Australia & United Kingdom

6.4%



Reasons for Investing in Link

**No. 1**

Largest REIT in Asia

**17 years**

Proven track record of market outperformance

**Resilient**

Non-discretionary commercial, car parks and related business, prime grade offices and logistics

**100%**

Free float

**Only 1**

Only internally-managed REIT in Asia

**25%**

Female representation on the Board, contributing to diversity and strong corporate governance

Occupancy Rates

Retail

97.5%

Hong Kong

Office

98.2%⁽⁴⁾

Hong Kong

92.1%⁽⁵⁾

Mainland China

96.0%

Mainland China

95.9%

Australia

91.8%⁽⁶⁾

Overseas

Logistics

100.0%

Mainland China

Reversion Rates

Retail

8.5%

Hong Kong

8.4%⁽⁵⁾

Mainland China

Notes:

- (1) Including two logistics properties in Changshu (announced on 12 May 2022).
- (2) As at 30 September 2022, the total valuation of investment properties, plus 50% of the value in Qibao Vanke Plaza, 49.9% of the value in our prime office portfolio spanning Sydney and Melbourne, and the agreed property value in Mainland China logistics assets in Changshu which was announced on 12 May 2022, on a pro-forma basis.
- (3) Car parks and related business includes two car parks/car service centres and godown buildings in Hong Kong.
- (4) Committed occupancy as at 5 October 2022.
- (5) Including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property.
- (6) Including a joint venture in a prime office portfolio in Sydney and Melbourne.

2022/2023

Interim Highlights

We are pleased to present another set of robust results despite unprecedented challenges. We are committed to providing Unitholders with prudent growth and steadily increasing DPU. We will continue enhancing income stability and long-term growth opportunities as we propel forward.

Revenue
(HK\$ million)**6,042**Net Property Income
(HK\$ million)**4,587**Distribution per Unit
(HK¢)**155.51**Net Asset Value per Unit
(HK\$)**80.86**

Value Creation Process

Our Value Creation Process guides our decision-making, enabling us to better articulate the broadened impact of our initiatives.

1

Business Strategy

Guided by our Strategy, we optimise portfolio growth by integrating our culture of excellence and visionary creativity across our business.



Portfolio Growth

- Grow DPU
- Grow AUM
- Maintain "A" credit ratings
- Active portfolio management



Culture of Excellence

- Minimise attrition rate of high performing employees
- Attract and motivate market leading talents



Visionary Creativity

- Tenant sales growth outperforms market
- Reduce energy usage
- Reduce organic waste to landfill
- Achieve Net Zero carbon emissions by 2035

Link's Ecosystem



We Link People to a Brighter Future



2

Business As Mutual

We operate with a Business as Mutual mindset to ensure Link is an equal partner with all stakeholders. We endeavour to understand their needs and concerns, identify areas of mutual focus and co-create solutions for the benefit of all to create a sustainable ecosystem.

3

Creating Value

Our core competencies of Portfolio Management, Capital Management and Asset Management are dependent on our ability to preserve and grow our six capitals. This approach enables us to create shared value across the ecosystem and help link all stakeholders to a brighter future.



Financial



Portfolio



Talent



Natural



Social & Relationship



Innovation

Chairman's Statement

The crisis phase of the pandemic is moving into the rear-view mirror, with national restrictions gradually lifting and international supply chains and commerce stabilising. However, the swift emergence of global economic and financial market headwinds during this last half year necessitates sharp focus from us to address these challenges.

Unabated global inflation, the roiled financial markets and the geopolitical uncertainties affecting international trade and cooperation form a trifecta of challenges that point to the increasing likelihood of a regional, if not a global recession in 2023.

This past September, at our annual board strategy meeting, we reviewed our business model and strategy to assess and consider the uncertain outlook, diverse risk appetite of our investors and, where needed, implement adjustments to ensure the continued sustainability of our business. Our strategy and management approach remain robust, underpinned by our core competencies of asset, portfolio and capital management. Our continued efforts support both short- and long-term portfolio resilience, in particular the expanded diversity of real estate asset classes and regional geographies, maintaining our prudent financial management and our ongoing efforts to realise the potential of all of our assets. Careful execution of strategy is further strengthened by our new executive hires and revised organisational structure, and coupled with our ongoing corporate policy and controls review and update, these measures ensure that our business is sustainably governed and managed.

The Value We Create

People and communities are our lifeblood and are at the centre of our business. Post-COVID, consumers no longer just shop; they seek community hubs that provide leisure and entertainment, demand diverse and healthier product choices and expect clean and healthy environments, with last mile convenience. Link has been an early adopter. Our business case fosters social impact through innovative placemaking across our properties – a strategy that wholly embraces this shift in lifestyle aspirations. Placemaking creates the shared value that sustains our continued growth and stability. This strategy has led to robust performance during the first half of FY22/23.

Our core market of Hong Kong remains on a steady trajectory of recovery from the very challenging operating environment experienced since 2019. Active tenant and business partner

engagement and tailored support programmes buffered the worst of the fallout to keep our doors open and our malls safe for tenants and shoppers. The most severe COVID-related restrictions have been lifted, and everyday life in the city has largely returned to normal. We are cautiously optimistic at this juncture on continued growth, supported by non-discretionary retail, car parks, fresh markets and related business, albeit aware of the impact of inflation on spending habits. We believe that the fundamental strengths of Hong Kong – a high degree of economic freedom and positioning as a critical connector to Mainland China, underpinned by a strong legal system, confirm Hong Kong's long-term attractiveness as a global financial centre. This conviction is reflected through our continuing investment in Hong Kong, in the form of ongoing asset enhancement and development projects which leverage our seventeen years of experience in understanding local needs and placemaking so that we can deliver vibrant, flourishing centres for the community.

While confidence in the overall portfolio is buoyant, we recognise that economies outside of Hong Kong remain precarious. We expect that in the near term, the Mainland China market will underperform, until there is some pivot away from the current zero-COVID policy that affects our retail mall operations. However, as Mainland China continues to balance its growth momentum, transitioning from a manufacturing towards a domestic consumption model, the longer-term outlook remains promising. We took significant steps last year towards resetting our portfolio's weightings, investing in logistics assets that service the Greater Bay Area, a growing opportunity, strongly supported by Mainland China's National Policy for development. By investing in established operations, we accrue immediate cash flow while developing the expertise for future strategic opportunities in this growing asset class.

In Australia, we recently completed the acquisition of two high-quality portfolios, comprising three retail and five office properties in Melbourne and Sydney. We will continue to actively seek investment opportunities and partnerships in the region. Growth is promising with businesses continuing to reopen post-COVID, however, the expected costs of financing continue to temper sentiment. Our investment strategy, focusing on central business districts reaffirms our approach, with the office leasing market improving and vacancies, rents, and incentives stabilising.

Climate Change

Climate change poses an exponential escalation for both costs and the impact on operations. Our recent internal policy updates and continuing action seek to identify and deliver climate resilience in all areas of our operations as well as mandating climate risk assessment for all existing assets and potential acquisitions.

As an industry leader and committed partner, we recognise that coordinated and collective effort is the necessary pathway forward to address the climate emergency. Link is pioneering the development of industry-aligned approaches across jurisdictions that reflect climate-related risks and opportunities in asset valuation and insurance underwriting.

Nurturing our People and Community

The pandemic has dramatically altered human/social behaviours and expectations, requiring a significant reset in how we attract, retain and develop internal human resources. We recognise that health – both physical and mental – and safety now take equal priority with monetary reward in career choice and that purposeful work keeps our people engaged. While we have pivoted successfully in response, however, we are fully cognisant that a generational change is underway in employment worldwide. Purpose-led and socially impactful are the baseline for attracting a digitally-empowered generation.

Our flagship Link Together Initiatives continues to nurture Hong Kong's future leaders, and in 2021/22, we extended the programme to also support youth in Mainland China. This year, 220 students were awarded Link scholarships to pursue their dreams and continue their studies under Link scholarships, despite the impacts of COVID. Our NGO partners continue to operate despite being severely challenged by COVID restrictions and we back our NGO partners by reaching out to and supporting the underprivileged and elderly within our Hong Kong community.

Outlook

With HK\$234 billion of portfolio value we keenly monitor the global financial markets and events that will affect our business strategy. As a responsible investor, we anticipate a continued rise in interest rates globally, affecting our debt and fund-raising capabilities. We remain committed to our strategy of diversification and highly disciplined in the execution of our cycle-resilient portfolio and capital management strategies. While this year's foreign exchange movements created further volatility, our established policy of funding our acquisitions in local currencies has helped to mitigate the impact of foreign exchange movements on our Australian and U.K. investments. With discipline and heightened caution, we continue to seek opportunities for both portfolio and funding diversification; managing and mitigating risk and supporting ongoing growth.

Consumer confidence overall remains subdued due to continued COVID restrictions, increased costs of living and the prospect of a global recession in 2023. Supported by our resilient, non-discretionary spending base, we have restored the vibrancy of our malls through retail campaigns and placemaking. At the strategic level, we continue our diversification efforts, particularly in the community commercial and logistics sectors and key overseas markets in Asia.

In closing, I wish to thank and salute Link's leadership – our Board, our executives and our team of Linkers who continue to prevail in the face of the new challenges we have encountered in this past half year. I have full confidence in their skills and business acumen to see us move forward and thrive as Asia's leading real estate investor and manager.

Nicholas Charles ALLEN

Chairman

Link Asset Management Limited

As Manager of Link Real Estate Investment Trust

9 November 2022



Chief Executive Officer's Report

Whilst the green shoots of economic recovery have emerged, we face continued geopolitical, financial, healthcare and economic disruption. Underlying megatrends, in particular climate change, clearly signal the approaching tipping point for how we, our industry and our business must adapt and operate in the future.

In the past half year, the effects of increased operating costs have been felt across all sectors of our business. The broader impacts of stagnating economic activity compound risks for businesses globally. Rising interest rates have extracted their toll, making it even more crucial that we strengthen our well-planned and prudent financial decision-making.

Our foundation of prudent financial management backed by the strength of our balance sheet continues to serve us well despite the recent tide of negative economic news, giving us both a strong level of defensiveness and also the flexibility to capture any opportunities that may surface during this era of volatility. Our recent annual strategy review and update ensures that we are well positioned to act decisively in the face of such disruptions and to deliver on our stakeholders' expectations.

Future Fit Core Competencies

The task ahead of us is to ensure that we lean heavily on our three core competencies, asset management, portfolio management and capital management, weather the near term and provide for the continued and long-term sustainability of our business.

The new executive appointments that enhance our bench strength, our organisational restructuring and augmented policies and controls are meeting the challenges we face head on. The added strategic step to tap and partner with local industry expertise and the stakeholder engagement lessons learned during the pandemic bolster the effective management decision-making that positions us to innovate and continue to evolve our business across geographies, asset classes and management approaches.

The impact of ESG disclosures and compliance loom large; we remain ahead of the curve at both the strategic and operational levels. Commitment starts at the top. ESG-specific key performance indicators have been incorporated into the balanced scorecard of all senior executives encouraging individual ownership of this shared responsibility. We are gearing up to fully adopt in 2023 the ISSB reporting standards and already have processes in place that comply with multiple, global ESG regulatory disclosure requirements.

Asset Management

This last half year has seen a gradual return to a less restricted daily lifestyle in most regions where we operate. Leveraging trends in Europe and the U.S., we are seizing opportunities and responding proactively to the changed patterns of social expectations, behaviours and lifestyle aspirations. Anticipating and recognising these changes drive our placemaking efforts so that our properties continually serve and improve the surrounding community. The emphasis on health and wellbeing is likely a lasting trend. We have responded with renewed focus on enhancing our fresh markets in Hong Kong so that they offer healthier food choices, while at our office properties, we have introduced "end-of-commute" facilities that support biking and walking to work.

Our Hong Kong market portfolio has performed solidly, once again demonstrating our strong, local core in non-discretionary spending. In response to the communities around us, our retail strategy encourages a brand mix, balancing local and regional offerings for more unique and tailored customer experiences. We continue to attract retailers from traditional shopping districts in Causeway Bay and Tsim Sha Tsui into our neighbourhood malls, much to the delight and convenience of shoppers. Likewise for these chain retailers, they have discovered that our steady catchment areas provide predictable demand and offer a consistent revenue stream, better supporting the management of operational costs.

Our Mainland China retail assets continue to be impacted in the short term by the pandemic prevention measures in our key operating cities, moving us towards lower rental reversions and lower than expected income streams in the near term. We have initiated a tenant relief programme similar to our COVID assistance programme undertaken in Hong Kong. RMB24 million has been earmarked for a range of tenant relief schemes to support operations there. The programme is closely monitored and reviewed regularly to ensure efficacy of purpose. Overall, operations in Mainland China are expected to remain challenging in the near term. An ongoing zero-COVID policy coupled with economic uncertainty will continue to dampen consumer and business sentiment, directly affecting our operations. However, the medium- and longer-term focus of Mainland China, in particular towards reducing income inequality and boosting domestic consumption, present opportunities to diversify our Mainland China portfolio and align with long-term national growth planning. Most notably, Mainland China's logistics sector has demonstrated renewed growth momentum during the first half of the financial year, buoyed by increasing e-commerce transactions. These factors bode well for our growing logistics portfolio in Mainland China.

To mitigate rising operating costs, we are aggressively addressing opportunities to increase efficiency across the business. We launched several pilot initiatives and are leveraging artificial intelligence (AI) for data analysis for improved process efficiencies and data transparency. In the Mainland China portfolio, systems have been implemented for intelligent streamlined operation, yielding realised operational savings of over RMB1.16 million, whilst a similar pilot in Hong Kong focused on energy management has achieved a nearly 5 per cent absolute reduction in energy consumption, as well as reducing infrastructure maintenance and down time. Both pilot schemes are being scaled up for roll-out across the entire portfolio over the next three years.

Our asset enhancement programme remains on schedule and a healthy pipeline of current and future projects is in place. Tak Tin Market in Hong Kong is our latest fresh market to undergo our well-recognised asset enhancement strategy, creating a 30,000 square foot location allowing nearly 40 per cent of the existing tenants to expand their businesses while also providing space for new tenants with new product offerings.

In Guangzhou we have started a multi-year phased enhancement project at our Happy Valley Shopping Mall that will utilise placemaking principles and environmentally conscious design to create an attractive community hub that is in tune with the middle-income households in this location. The mall, with its initial phase opening in 2023, is positioned to place make a total consumer experience when visiting the mall – a place to enjoy life, engage with family and friends in leisure activities and do more than just shop.

Portfolio Management

During this past half year, a significant contribution to our portfolio has been the strategic build-up to work in partnership with established and like-minded local industry brands. This approach underpins our joint-venture stake in two logistics centres servicing the Greater Bay Area. All properties are immediately income producing and provide the desired diversity to our portfolio asset class composition.

In Hong Kong, our upcoming community commercial development will incorporate the strict sustainability and ESG guidelines recently codified under our Responsible Investment Policy and will set a new bar for real estate development in Hong Kong – such action will be key for transitioning to Hong Kong's 2050 carbon neutral commitment.

Completion of the acquisition of 50 per cent interests in three iconic retail properties in Sydney reflects our strategy of investment in prime real estate where location and trends converge. Combined with the year's joint venture in a prime office portfolio spanning Sydney and Melbourne, a total HK\$12.8 billion was invested in Australia up to 30 September 2022. Both of these acquisitions were assessed for sustainability and ESG performance, including NABERS certifications. We expect increased returns with the post-COVID return of office workers and consumers and the "flight-to-quality" trend that supports grade-A office demand in city CBDs.

Capital Management

Prudent commercial principles continue to guide the financial decision-making that keeps us in a robust financial health. However, we are aware

of the financial limitations of our traditional "wholly owned and managed" approach which, in the current economic environment, we recognise as limited in scalability, particularly as we pursue our growth strategy. Promising investment opportunities are emerging as economies are recovering from the pandemic, but may be constrained by sharp interest rate rises, inflation and foreign exchange volatility. Armed with a strong balance sheet to support portfolio growth, we will build on our earlier successes in exploring co-ownership and partial stake investments to catalyse growth and, in parallel, gain expertise in areas and regions where we have gaps in knowledge and experience. This ensures immediate access to cash flows as well as improved prospects of securing favorable financing terms. With the acquisitions and other capex spending over the first half of the year, we have maintained a gearing ratio of 22.7 per cent, in line with our historical average and well within our limit. Our foreign exchange policy to borrow fully in local currencies where feasible, especially in AUD and GBP, mitigates foreign exchange risk.



Sustainable financing forms 30 per cent of our fixed debt, lowering borrowing costs while supporting our fundamental organisational transformation to sustainable development. The balance sheet remains strong, and we have HK\$13.2 billion in undrawn committed facilities. Average borrowing cost remains healthy at 2.5 per cent with an average debt maturity of 3.4 years.

Climate Change and Net Zero 2035

In line with our recognition of climate change as a collective global issue, we are taking action to climate proof our portfolio, manage our emissions footprint and likewise influence business partners and industry. Of special note is the LEED certification of Link CentralWalk in Mainland China, being our first asset enhancement project that purposefully incorporates climate resilience measures identified using the TCFD assessment protocol. We are progressively introducing green leases across our properties in Hong Kong, supporting and educating our tenants in fit out, recycling materials and using energy-saving equipment.

Earlier in the year, we rolled out a green lease initiative to encourage ESG-related data transparency and join with our tenants in driving these changes. I am pleased to announce we have already achieved our 2023 green lease target of 5 per cent and are well on our way to the eventual target of 50 per cent by 2026. Aligning to our commitment to collective action on climate change, we completed a review of Link's contribution to Hong Kong's electric vehicle (EV) infrastructure. We have pledged by 2024, to increase the number of EV charging points in our Hong Kong properties from 605 to 3,000 across all 15 administrative districts where our car park facilities are located. Progress on eliminating the use of single-use plastics, first by banning the use of umbrella bags at our properties, remains underway and has taken higher priority as the HKSAR Government has introduced plans to accelerate the elimination of single-use plastics.

Our Net Zero 2035 strategy to reduce GHG gases ambitiously includes Scopes 1, 2 and 3, accounting for our wider footprint over the next 13 years. Initiatives that reduce emissions under our control for Scopes 1 & 2 are in progress including extending our solar PV installations to an additional 21 sites in Hong Kong. Upon completion in 2023/2024, collectively, it will be one of the largest private solar energy generation projects in Hong Kong. We are on track for our 2025 target of 5 per cent electricity reduction and 25 per cent reduction in carbon intensity across our portfolio by 2025/2026 (from 2018/2019 baseline). We continue to monitor development in Mainland China with the emerging emissions trading market as a driver for reduction where internal programmes may have limited reduction impact.

Strategic Priorities and Culture

We are aware of the current flight of capital to safer investment choices. In a timely move, we are educating and bringing awareness of REITs to the investing public as an investment. Our foundational membership of the newly established Hong Kong REIT Association is a collaborative effort, that raises the profile of Hong Kong REITs to greater prominence in the global REIT market.

Against a backdrop of accelerating climate change, financial and economic turmoil, paradigm shifts in social values and priorities and the proliferation of technologies that disrupt all aspects of business and society, Link continues to navigate and carve a vision. We recognise that the soft power of culture and visionary creativity are the levers that put our core competencies and processes into practice to create value. Post pandemic and as Linkers return to their offices, we maintain many of the measures taken during COVID such as work from home, flexible work arrangements, counselling and career development. We know that what worked

previously in attracting, nurturing and rewarding talent is no longer viable in this new era. Innovation, diversity, inclusivity and openness are reshaping the Link culture and definition of talents and values.

Financial Performance

As a result of our efforts, revenue and net property income increased by 4.6 per cent and 4.5 per cent compared to last year. Valuation of the investment property portfolio increased by 5.0 per cent to HK\$223,485 million (31 March 2022: HK\$212,761 million) mainly due to fair value gains of HK\$10,853 million and the acquisition of assets of HK\$3,818 million, which was partly offset by HK\$4,815 million of foreign currency depreciation. Interim distribution per unit for the period was HK155.51 cents, an increase of 1.9 per cent (excluding the discretionary distribution of HK7 cents per unit in 1H 2021/2022). Our performance over the first half of the financial year demonstrates that we continue to deliver on our ambition to maintain our growth.

Outlook and Appreciation

We recognise the increasing macroeconomic and geopolitical uncertainty present in our operating environment; the intensity and duration of these conditions remains unclear. Inevitably, these uncertainties will affect how we operate and where and what we invest in. With global markets becoming increasingly correlated, geographic diversification has become less effective, leading to increased risk premium when considering opportunities. We remain focused on reinforcing our core competencies enabling the continued execution of our strategy of diversification in the face of this ongoing uncertainty.

It is not in Link's nature to sit still and wait out the storm; refinements to our operations are already underway. Organically, we have placed greater consideration on the benefit of higher occupancy against introducing more flexibility into lease terms. Inorganically we continue to evaluate opportunities across Australia, Hong Kong, Mainland China and Singapore. As we observe widening price expectations between sellers and potential buyers, we are mindful that sometimes the "best deals" are those we choose not to do. We will maintain our strict investment discipline, not chase deals and keep our powder dry, ready to deploy at the right time.

I am confident as we enter the second half of the financial year, anchored by a strong balance sheet, deep management bench strength, and crucially, with alignment on our strategy which emanates from the Board and is pursued by each Linker, from senior management to our front-line staff.

In closing, I wish to thank the Board for its unwavering support and guidance as we continue to navigate the current challenges. I wish to also recognise and thank all Linkers across our operating regions for their ongoing, collective effort in ensuring we continue to move forward and grow.

Link's role remains the same as it has for over 17 years; we are a world-class real estate investor and manager, serving and improving the lives of those around us. This focus will be our way forward – as the trusted partner in Asia Pacific real estate – in both good and challenging times.

George Kwok Lung HONGCHOY
Chief Executive Officer

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
9 November 2022

Emerging Trends



Geopolitical Tensions and Economic Conditions

The market remains volatile due to the escalation of regional geopolitical tensions, exacerbated by the global economic downturn. We expect these trends to last into 2023.

Geopolitical Tensions:

The Russo-Ukrainian war has led to sustained disruption to global supply chains and volatility in energy and commodity prices, in particular for natural gas and oil. We have watched energy prices soar, and along with it, food prices and manufacturing costs.

Closer to home, the relations between U.S. and China are at their lowest levels in recent history with a series of technological, if not economic decouplings. The real possibility of further trade escalation together with spillover effects potentially destabilising Asia Pacific intensifies the general hesitation of global investors to invest in Mainland China. Following the 20th National Congress, Mainland China has emphasised a commitment to responsible, high quality economic growth as the foundation of its future policies. We see that critical elements of stability for Mainland China are in place.

Economic Conditions:

Central banks across the world, led by the U.S. Fed, have been raising interest rates in response to inflation. This is a great challenge for the Asia Pacific economy, potentially leading to rising

capital outflows and therefore currency depreciation. This may affect our portfolio valuation, as well as investment and hedging decisions.

Regionally, in the near to medium term, Asia Pacific's GDP growth is forecast to outperform that of the U.S. and Europe. This is strengthened with regional commitments including the Regional Comprehensive Economic Partnership and China-ASEAN Comprehensive Strategic Partnership which open new opportunities for free trade and collaboration.

Mainland China's economy has faced the combined challenges of a property market downturn, credit crunch, weakening demand and prolonged COVID prevention measures. Yet, interest rates remain controlled and favorable to support growth momentum given the relatively low-inflationary pressures. While in Hong Kong, local consumer sentiment remains positive, with supporting measures such as the consumption voucher scheme and the potential increase in minimum wage.

Despite the continuing uncertainty and volatility around the world, the medium-term outlook here in Asia Pacific is more favorable and stable. Link's resilient approach towards financing and hedging places us in a good position to continue exploring investment opportunities in our target markets. We remain confident in our business model, one that is aligned from Board to the Management team and down through frontline Linkers.

Implications for Our Business and How We Are Responding

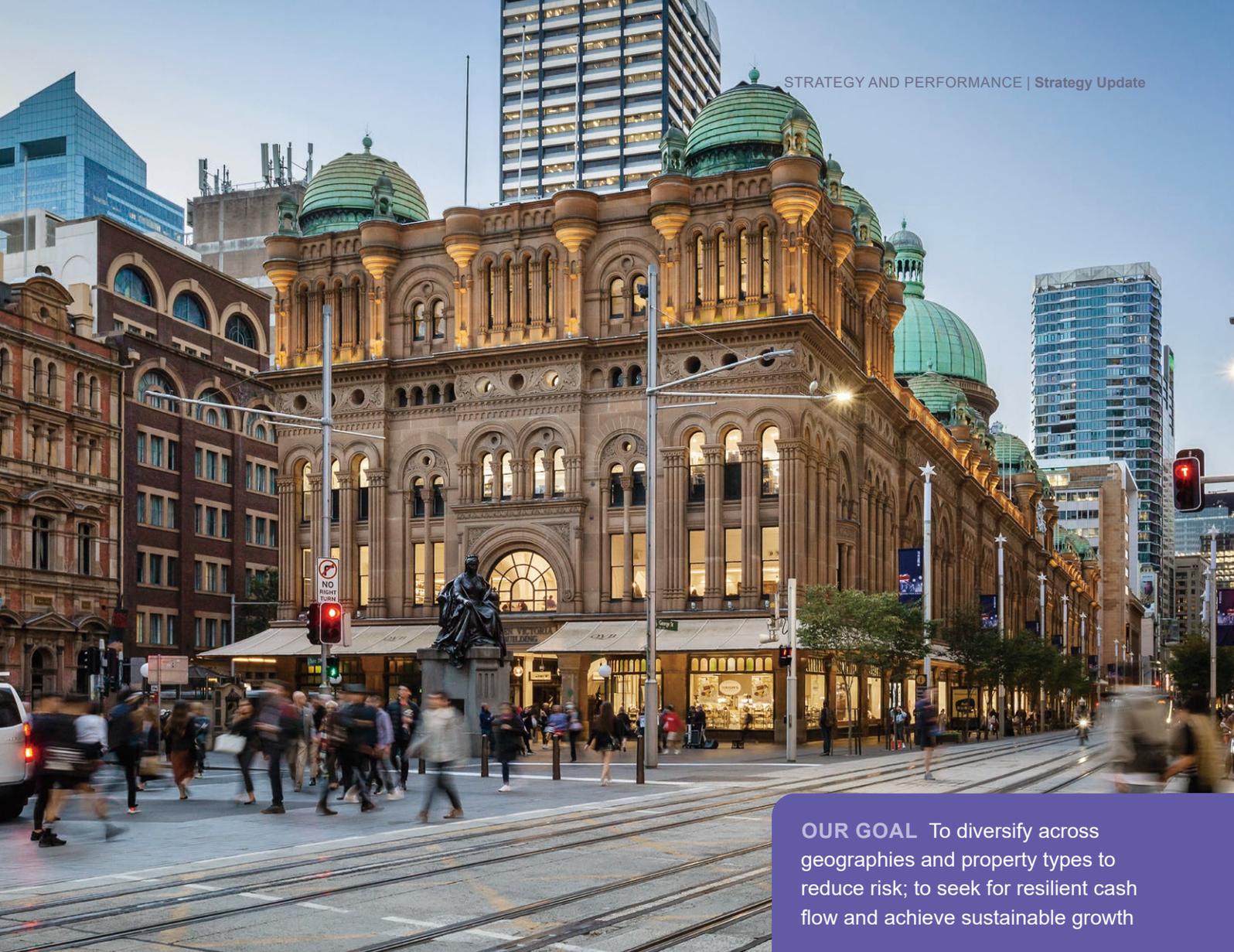
- We closely monitor the economic volatility in our target markets and these developments are regularly reported and discussed at the Audit and Risk Management Committee (ARMC) at Board level.
- We timely observe updates of capital management developments. The review of capital recycling, reinvestments and relevant financing decisions are done at the Finance and Investment Committee (FIC) at Board level.
- Exercise prudent portfolio curation and investment decisions across our regional centres and target markets to maintain business resilience.
- Borrowing is done entirely in local currency where feasible to hedge against foreign exchange risks.
- Regularly assess the impact of geopolitical developments on global challenges including our roadmap to Net Zero.

Strategy Update

Portfolio Growth

Portfolio diversification has been one of the critical drivers of growth for our business. Amid the ongoing market uncertainty, we continue to diversify across geographies and to manage risk. We are prudent and highly selective in screening investments, aiming to reduce concentration risk in a disciplined manner, achieve resilient cash flows and deliver sustainable growth across market cycles. In order to preserve balance sheet amid the interest rate hikes, we are prudently and selectively awaiting attractive acquisition opportunities. In addition to new investments, we seek capital recycling opportunities to refresh our portfolio's quality and optimise its long-term growth.





OUR GOAL To diversify across geographies and property types to reduce risk; to seek for resilient cash flow and achieve sustainable growth

Geography

Constructing and maintaining a resilient portfolio has proved crucial in navigating these unprecedented economic conditions. We continue to look for strategic opportunities to expand our portfolio across Asia Pacific. We will maintain our strong position in Hong Kong and foresee upside from the ongoing economic recovery. We seek to broaden our investable universe across high-tier cities in Mainland China, Australia and Singapore. We are selective in our approach to overseas markets and focus on jurisdictions with well-structured economic systems, favourable regulatory environments and strong liquidity. While we are cautious of near-term downside risks, we believe that the longer-term prospects for Mainland China remain promising. The robust economic outlook for Australia and Singapore gives us particular confidence in these markets. New additions in these geographies provide synergies with our existing operations. Over time, we endeavour to create a diversified portfolio across these markets, enhancing total return and further reducing concentration risk.

Capital Partnerships

We have enhanced our growth pipeline through co-ownership and partial stake investments. These capital partnerships support our diversification efforts and expand our access to new investment opportunities. We seek to leverage our operating partners' local expertise and knowledge when expanding into new markets or sectors. Link's robust balance sheet is a strong supporting factor as we continue to build out our capital partnerships, including external capital, encompassing both existing portfolios and new acquisitions. Collaboration with capital partners also allows us to enjoy the benefits of pooled resources and helps grow our AUM and improve profitability. Capital partners can benefit from our robust governance, sector expertise, track record and operating efficiency. Hybrid direct management and operating partnerships may support profitability and are aligned with our strategy. We can also support capital partners' growing demand for capital deployment in Asia Pacific. However, we are selective in who we partner with, preferring those with a sound reputation, demonstrable experience and alignment with our values and investment approach.



Culture of Excellence

As we execute our strategy of diversification across asset classes, geographies, investment models and capital sources, we review and calibrate our Target Operating Model and strengthen our core competencies.

We have increased our management bandwidth to support portfolio diversification. Several senior executives have been onboarded, and internal talents transitioned into leadership roles, strengthening our investment, merger and acquisition, capital transactions and corporate finance capabilities.

At Link, we nurture a “Learn and Grow” mindset among Linkers utilising self-directed learning. In June 2022, a new digital learning platform was rolled out, providing Linkers flexibility in managing their learning and access to accredited courses offered by top-tier global institutions and focusing on Link’s core competencies,



environmental, social and governance, leadership and management skills. We have also revitalised in-person training to complement our virtual learning offerings, which fosters an effective environment for peer-to-peer learning, and drives social interactions to build supportive relationships among Linkers. Furthermore, we offer a one-year tailor-made learning programme to newly-promoted Linkers, equipping them with the skills needed for their new roles. The Summer Internship 2022 provided 40 university students, from diverse backgrounds, the opportunity to participate in a structured eight-week training programme building the skills needed to be future leaders.

Having an engaged and healthy workforce is vital to our business success. We provide Linkers greater ownership by supporting staff-led sports clubs, a family club and a volunteer committee. These groups run an array of sports, engagement, parenting and volunteering activities throughout the year. In July 2022, hiking and running clubs were formed to encourage more Linkers to exercise regularly.

Looking Ahead

Building our bench strength remains central to our strategic priorities. We will continue to facilitate cross-departmental and cross-location mobility to broaden Linkers’ experience. To address evolving business needs, we will continue to transform our workforce through strategic hires, recruiting diverse talent and upskilling our human capital. As we further diversify across geographies, we will extend our local presence when opportunities arise, leveraging our regional centre set-up experience and expertise. To align our growth strategy with Link’s vision, mission and values, we will continue to refine our organisational culture.

Visionary Creativity

Partnerships for Climate Action

Combating climate change requires broad ecosystem collaboration. In support of the HKSAR Government's efforts, we established a new target to vastly expand our provision of Electric Vehicle (EV) chargers; we have pledged by 2024, to increase the number of EV charging points in our Hong Kong properties from 605 to 3,000 across all 15 administrative districts where our car park facilities are located.

Technology Boosts Operational Efficiency

As our portfolio has expanded geographically and into new sectors, our sustainability initiatives have kept pace. At our Beijing Link Plaza•Jing Tong and Link Plaza•ZGC properties, we have upgraded the electrical distribution rooms with intelligent systems that apply big data, cloud computing and Internet of Things (IoT) technology, enabling real-time remote monitoring of electricity usage and system performance. This digitalisation project increases data accuracy and will enable us to reduce our energy footprint and lower operating costs. In Hong Kong, an Energy Management Systems (EMS) pilot implemented at four sites in 2021/2022 achieved between 3% to 5% energy savings by employing predictive data analysis for energy optimisation. With absolute energy reduction an integral part of our Net Zero strategy, we have commenced a further rollout of the EMS program and expect to complete installations at 50 additional properties by 2025.

Enhancing Community Health and Wellness

As the extension of the living rooms of the communities we serve, we leverage our properties to enhance community health and wellness and to promote low-carbon living. In August, we hosted our second annual Tour de Link cross-district indoor cycling competition in Hong Kong, championing fitness in the community through our malls. Further, we renewed our support for InspiringHK Sports Foundation via the SportsLINK Community Project. The project aims to build confidence in underprivileged youth in eight districts in Hong Kong through professional long-distance running training. Participants will design running routes for their own districts, strengthening their sense of belonging to their community. At our office properties, The Quayside in Hong Kong, where Link's headquarters are located, and also in our Australia portfolio, we have installed end-of-trip facilities, such as bike racks, showers and lockers, promoting green transportation and tenants' health and wellness.

Placemaking for the Community

We recently reopened our newly upgraded Tak Tin Market in Hong Kong, transforming a previously confined space into a brighter and more spacious environment which benefits from natural daylight. Other improvements include wider walkways, refurbished restrooms, slip-resistant flooring and improved air-conditioning. In collaboration with Food Angel, we also introduced an innovative "Food Donation Points Membership Programme" at the market, allowing members to convert membership points into food donations. Building on the success of the five butterfly gardens established at Link's Hong Kong properties over the past two years, we committed to further expand the project with Environmental Association and will set up three additional gardens to create a territory-wide "stepping stone" habitat to increase biodiversity in the urban area.

OUR GOAL Placemaking through innovation



Operational Highlights



OVERALL FINANCIAL RESULTS

In 1H 2022/2023, we continued to deliver solid performance amid economic headwinds. During the six months under review, revenue and net property income increased by 4.6% and 4.5% year-on-year to HK\$6,042 million (six months ended 30 September 2021: HK\$5,778 million) and HK\$4,587 million (six months ended 30 September 2021: HK\$4,391 million), respectively.

Valuation of the investment property portfolio increased by 5.0% to HK\$223,485 million (31 March 2022: HK\$212,761 million) mainly due to fair value gains of HK\$10,853 million and the acquisition of assets of HK\$3,818 million, which was partly offset by HK\$4,815 million of foreign currency depreciation. Net asset value per unit increased by 4.9% to HK\$80.86 (31 March 2022: HK\$77.10).

Total distributable amount is HK\$3,277 million (six months ended 30 September 2021: HK\$3,336 million). Interim DPU for the period is HK155.51 cents (six months ended 30 September 2021: HK159.59 cents). Excluding the discretionary distribution of HK7 cents per unit in 1H 2021/2022, interim DPU for the period increased by 1.9%.

Management Discussion and Analysis

CHINA

Hong Kong Portfolio

Our Hong Kong portfolio primarily comprises 126 community commercial facilities attached/adjacent to public residential estates in close vicinity to public transportation hubs, together with approximately 57,000 car park spaces. These community commercial facilities offer daily necessities and essential services, while parking services are made available to the residents of the surrounding estates and the general public. These assets are an integral part of Hong Kong's consumption infrastructure, with resilient revenue streams underpinning our financial strength amid uncertainty. We also own 60% of a grade-A office tower – The Quayside – in Kowloon East. Our newly-acquired car parks/car service centres and godown buildings in Hung Hom and Chai Wan provide steadily increasing income and regular rental step-ups.

This portfolio delivered 4.3% and 5.3% year-on-year growth in total revenue and net property income, respectively. Overall rental collection remained healthy at 96% during the period.

In August 2022, we won the tender for the acquisition of a parcel of commercial-use land off Anderson Road, Kwun Tong. This investment demonstrates our long-term commitment to Hong Kong's development and supporting the daily needs of the communities in the housing estates.

Retail

- This resilient portfolio continues to deliver growth with a strong rental reversion momentum. The average reversion rate increased from 5.9% in 2H 2021/2022 to 8.5% in 1H 2022/2023. The average unit rent was HK\$63.2 psf.
- Leasing sentiment remained buoyant in our community commercial facilities. Chain stores continue to migrate from traditional shopping districts into our shopping malls, attracted to the predictable and strong footfall. Our leasing team continues to reach out proactively to new retailers, with over 400 new leases signed during the reporting period. As a result, the occupancy rate remained high at 97.5%, despite the backdrop of the ongoing recovery in Hong Kong's leasing sentiment.
- Our overall tenant gross sales psf continued to outperform the market. With support from the HKSAR Government's Consumption Voucher Scheme, general retail consumption sentiment improved. A 3.8% year-on-year growth in tenant gross sales psf was recorded. Overall rent-to-sales ratio further normalised to 12.6%, with improvements in the food and beverage (F&B) and general retail segments.
- The HKSAR Government's gradual relaxation of COVID-related restrictions and quarantine measures is expected to support leasing sentiment in the second half of this financial year. A potential increase in the minimum wage in 2023 is expected to boost consumption sentiment in our catchments and benefit our tenants significantly. We remain optimistic that Hong Kong is on the recovery path to normalcy and unfettered reopening.



Revenue Breakdown

	Six months ended 30 September 2022 (HK\$'M)	Six months ended 30 September 2021 (HK\$'M)	Year-on-year change (%)
Retail rental:			
Shops ⁽¹⁾	2,460	2,457	0.1
Markets/Cooked Food Stalls	502	486	3.3
Education/Welfare and Ancillary	73	71	2.8
Mall Merchandising	90	107	(15.9)
Expenses recovery and other miscellaneous revenue⁽²⁾	520	480	8.3
Total retail revenue	3,645	3,601	1.2

Operational Statistics

	As at 30 September 2022	As at 31 March 2022
Occupancy rate (%)		
Shops	97.7	98.1
Markets/Cooked Food Stalls	96.2	95.2
Education/Welfare and Ancillary	97.1	97.0
Total	97.5	97.7
	Six months ended 30 September 2022	Six months ended 30 September 2021
Reversion rate (%)		
Shops	6.8	2.3
Markets/Cooked Food Stalls	16.3	14.2
Education/Welfare and Ancillary	1.1	4.3
Total	8.5	3.4



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

(Six months ended 30 September 2022)

Trade	Tenant retail gross sales growth psf (%)	Rent-to-sales ratio ⁽⁴⁾ (%)
Food and Beverage	0.4	13.7
Supermarket and Foodstuff	4.1	11.0
General Retail ⁽⁵⁾	7.2	13.4
Overall	3.8	12.6

Notes:

- (1) Rental from shops included base rent of HK\$2,418 million (six months ended 30 September 2021: HK\$2,419 million) and turnover rent of HK\$42 million (six months ended 30 September 2021: HK\$38 million).
- (2) Other miscellaneous revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue.
- (3) Total excluding self-use office.
- (4) A ratio of base rent (excluding management fees) to tenant retail gross sales psf.
- (5) Including clothing and accessories, department stores, electrical and household products, personal care/medicine, optical, books and stationery, newspapers, valuable goods, services, leisure and entertainment, and other retail.

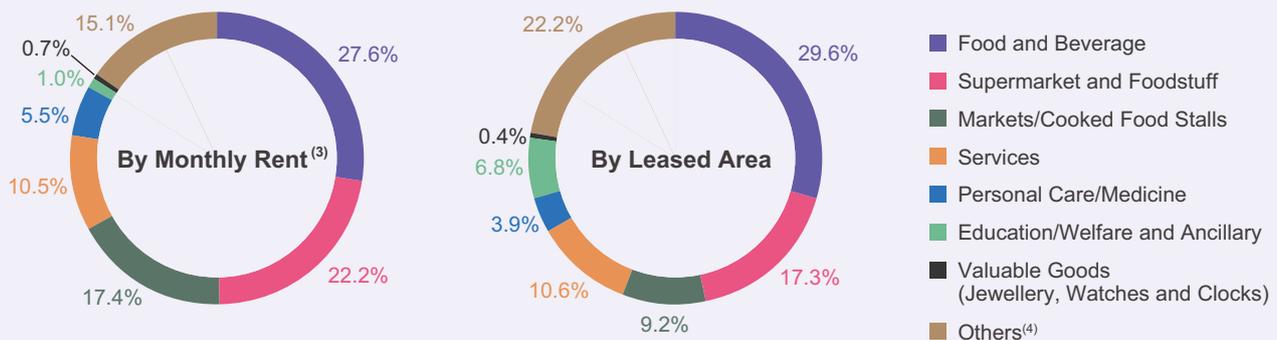
Portfolio Breakdown

Properties	No. of properties	Retail property valuation ⁽²⁾ (HK\$'M)		Retail rentals (HK\$'M)
	As at 30 September 2022	As at 30 September 2022	As at 30 September 2022	Six months ended 30 September 2022
Destination	6	27,718		612
Community	35	71,065		1,769
Neighbourhood	57	30,405		744
Total	98	129,188		3,125

Properties	Average monthly unit rent ⁽¹⁾ (HK\$ psf)		Occupancy rate (%)	
	As at 30 September 2022	As at 31 March 2022	As at 30 September 2022	As at 31 March 2022
Destination	77.1	76.5	97.4	97.7
Community	70.6	69.7	97.7	98.2
Neighbourhood	45.5	45.5	97.3	97.1
Total	63.2	62.7	97.5	97.7

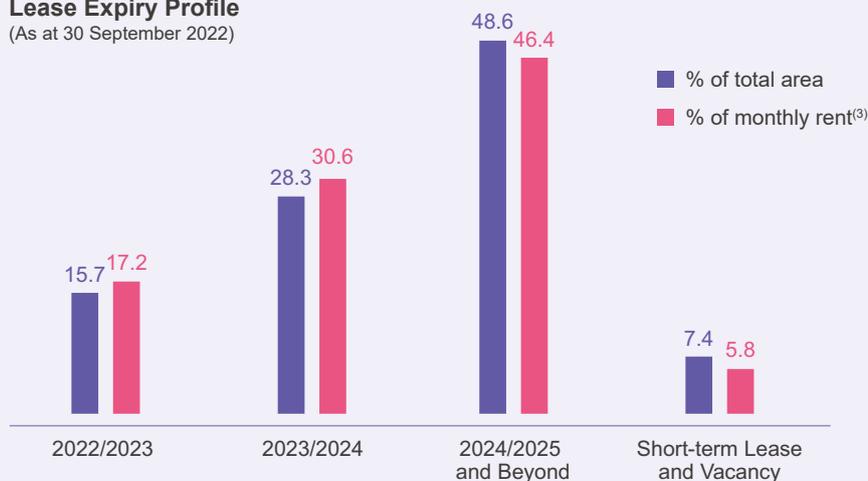
Trade Mix

(As at 30 September 2022)



Lease Expiry Profile

(As at 30 September 2022)



Notes:

- (1) Average monthly unit rent represents the average base rent (excluding management fees) per month psf of leased area.
- (2) Excluding a parcel of commercial-use land off Anderson Road, Kwun Tong of HK\$766 million.
- (3) Refers to base rent (excluding management fees).
- (4) Others includes clothing and accessories, department stores, electrical and household products, optical, books and stationery, newspapers, leisure and entertainment.

Property Development

- On 31 August 2022, we announced that we had won the tender for a parcel of commercial-use land off Anderson Road, Kwun Tong, with a land premium of HK\$766 million. The land premium represents an approximate 8.8% discount to the appraised value (as at 12 August 2022) of the land.
- We intend to develop this land into a property comprising community commercial facilities, a fresh market and car parks by 2027. The total development costs (including land premium) are expected to be approximately HK\$1.6 billion.
- Upon completion, this commercial property will be connected to nearby populous housing estates and the Sau Mau Ping area. It will be strategically positioned amidst a cluster of our existing shopping centres. This enables us to create synergies amongst our assets and to optimise the trade/tenant mix in the area.
- Our core interests lie in areas with sustainable growth potential, particularly non-discretionary and community retail assets, servicing the essential needs of consumers. We remain positive about this community commercial segment, our proven track record, and its proven ability to generate resilient cash flow. This segment has weathered social unrest and COVID, and is well positioned to rebound and recover.



Scan here for the related presentation



Car Parks and Related Business

- Revenue from car parks and related business grew 12.7% year-on-year due to an encouraging improvement in monthly ticket sales and full-period contributions from our two new car parks/car service centres and godown buildings in Hung Hom and Chai Wan. These recently acquired properties are secured with long-term leases and annual rental increments.
- During the period, hourly car park rental revenue increased by 2.1% year-on-year and has surpassed pre-COVID levels. In August 2022, an average, mid-single-digit upward adjustment in the monthly car park tariff became effective. Monthly car park income recorded a 3.4% growth year-on-year.
- Car park income per space per month increased by 3.1% year-on-year to HK\$3,167.
- As at 30 September 2022, the average car park valuation per space was approximately HK\$700,000, increasing by 15.3% (31 March 2022: HK\$607,000) reflecting both higher income and a capitalisation rate adjustment.

Revenue Breakdown

	Six months ended 30 September 2022 (HK\$'M)	Six months ended 30 September 2021 (HK\$'M)	Year-on-year change (%)
Rental income:			
Monthly car park	780	754	3.4
Hourly car park	294	288	2.1
Car parks related business ⁽¹⁾	103	–	N/A
Expense recovery and other miscellaneous revenue	3	5	(40.0)
Total car parks and related business revenue	1,180	1,047	12.7

Note:

(1) Refers to contributions from two car parks/car service centres and godown buildings in Hung Hom and Chai Wan.



Office

- Amid this difficult leasing market, we improved the committed occupancy rate of our joint-venture office building, The Quayside, to 98.2% as of 5 October 2022.
- We believe that the flight-to-quality trend persists, and as a quality grade-A office building in Kowloon East, The Quayside is expected to be a beneficiary.

Property Operating Expenses

- During the period, total property operating expenses increased by 0.8%. Stringent cost control led to revenue expansion outgrowing our expense increment. Net property income margin improved to 77.3% (six months ended 30 September 2021: 76.6%).
- Promotion and marketing expenses increased by 7.4% as we allocated more resources to large-scale promotion campaigns and free parking programmes.

Property Operating Expenses Breakdown

	Six months ended 30 September 2022 (HK\$'M)	Six months ended 30 September 2021 (HK\$'M)	Year-on-year change (%)
Property managers' fees, security and cleaning	292	293	(0.3)
Staff costs	224	220	1.8
Repair and maintenance	83	90	(7.8)
Utilities	167	164	1.8
Government rent and rates	138	139	(0.7)
Promotion and marketing expenses	87	81	7.4
Estate common area costs	50	50	–
Other property operating expenses	88	83	6.0
Total property operating expenses	1,129	1,120	0.8

Mainland China Portfolio

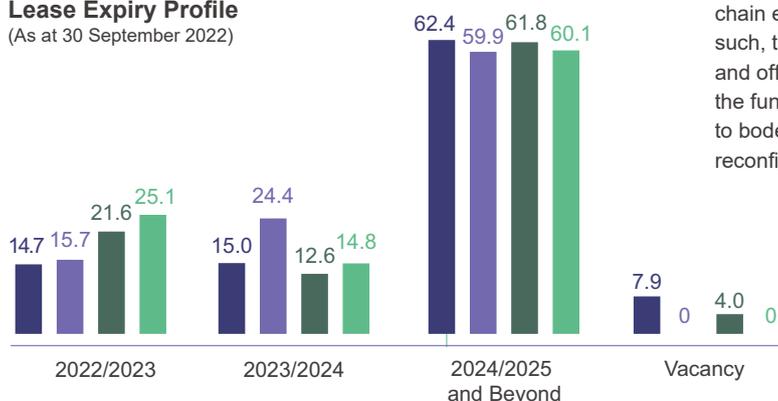
Our Mainland China portfolio comprises shopping malls, an office building and logistics properties in tier-one cities and surrounding river delta areas. This portfolio recorded 3.3% year-on-year growth in total revenue mainly due to new revenue streams from the recently acquired logistics properties, which started contributing during the reporting period. Net property income declined 1.2% year-on-year, as net property income margin dropped amid the headwinds faced by the retail sector in Mainland China, owing to COVID response and prevention measures. Our office building in Shanghai reported negative reversion, impacted by abundant supply in the market. Our logistics properties in Greater Bay Area and Yangtze River Delta performed satisfactorily as they are strategically located, well-positioned and experienced strong leasing demand. Overall rental collection rate was 90% during the period.

Retail

- The business environment in Mainland China remained challenging with further waves of COVID in 1Q 2022/2023. Short-term, targeted COVID prevention measures have resulted in business interruption for our tenants. Capacity limits were temporarily imposed on restaurants, gyms and entertainment venues. As a result, revenue from our Mainland China retail portfolio decreased by 0.2% year-on-year.
- The uncertainties relating to ongoing COVID prevention measures have also dampened consumption and leasing sentiment. The average reversion rate (including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property) was 8.4% during the period. We expect it will take some time for market confidence to be restored.
- As at 30 September 2022, the average occupancy of this portfolio (including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property) was 92.1%. Amid COVID, our leasing team swiftly adjusted its leasing strategies to maintain the occupancy rate. Flexible leasing arrangements, including short-term leases and pop-up stores, were offered. We have also introduced new and trend-setting tenants and formed strategic partnerships with local brands to attract footfall. Marketing and social media campaigns/events were also organised to boost sales. RMB24 million of rental concessions and property management fees waivers were granted, providing continued support to our tenants.

Lease Expiry Profile

(As at 30 September 2022)



Retail⁽¹⁾

■ % of total area

■ % of monthly rent⁽²⁾

Office

■ % of total area

■ % of monthly rent⁽²⁾

Notes:

(1) Qibao Vanke Plaza's leases were included.

(2) Refers to base rent (excluding management fees).



Office

- We fully own Link Square in Shanghai, which is predominantly leased to large, reputable local and international businesses. Amid softening demand in a competitive market, maintaining a high occupancy remains our key focus. The office reversion rate was -18.2%, mainly attributable to renewal of the contract with our anchor tenant. Securing this lease renewal helped attain a healthy occupancy rate of 96.0%.
- We have completed the first phase of the year-long asset enhancement of Link Square and expect the entire enhancement to be completed by the end of 2022.

Logistics

- Our 75% interests in two recently-developed modern logistics properties in Dongguan and Foshan are fully occupied, with an annual rental escalation of 4% to 5% embedded in the leases.
- We increased our exposure to the Mainland China logistics sector in May 2022 and agreed to acquire three logistics properties in Jiaxing and Changshu in the Yangtze River Delta. The acquisition of the Jiaxing property was completed on 29 June 2022.
- We have progressively built a local team to oversee these properties and to support our growth strategy in this sector. We favour Mainland China logistics for its supply/demand imbalance. Our focus remains on logistics assets located in proven transportation hubs, with good entry yields and steady rental growth potential. The logistics segment supports the supply chain essential for consumer goods and related services. As such, these segments are complementary to our retail portfolio and offer synergies with our existing tenant base. We believe that the fundamentals of the logistics industry development continue to bode well, with the continuous growth of e-commerce and a reconfigured post-pandemic supply chain.



OVERSEAS

We strengthened our presence in the Australian market in 2022/2023, announcing completion of two acquisitions – (1) a 50% interest in three iconic retail properties in Sydney and (2) a joint venture in a prime office portfolio of five prime offices in Sydney and Melbourne (49.9% interest). This portfolio, which prior to these acquisitions comprised an office building in each of Australia and the United Kingdom, delivered HK\$281 million and HK\$179 million in total revenue and net property income, respectively. Overall rental collection rate was 93% during the period.

Retail Portfolio

- The acquisition of 50% interests in three iconic retail properties – Queen Victoria Building, The Galleries and The Strand Arcade – was completed on 1 July 2022. Consumption sentiment in Australia has remained robust since the full reopening of its international borders. Retail sales growth, footfall and tenant demand were well supported by the strong economic fundamentals and post-pandemic recovery. The Australia portfolio's occupancy was 95.9%, as at the period end. We are redoubling our leasing efforts to cater for new, post-pandemic trends and expectations and to tap into the continuous economic recovery.

Office Portfolio

- The offices we have invested in Australia and the United Kingdom have a long weighted average lease expiry of 6.1 years, excellent building specifications and track records of income stability from top-notch tenants. As COVID restrictions were lifted, more occupiers returned to the office and back-to-office rates in both geographies saw a gradual recovery. Portfolio occupancy (including a joint venture in a prime office portfolio in Sydney and Melbourne) was 91.8%, as at the period end.
- We completed the acquisition of a joint venture in a prime office portfolio in Sydney and Melbourne (49.9% interest) on 1 June 2022. The flight-to-quality trend is expected to benefit our offices, with our best-in-class building specifications and excellent green ratings. We expect that the Australian office sector will continue to benefit from the reopening and gradual economic recovery.



ASSET ENHANCEMENT

Completed Projects in 1H 2022/2023

- We actively manage our assets, driving productivity by continually improving the trade mix to ensure the shopping and dining facilities remain relevant to shoppers and their changing aspirations. In 1H 2022/2023, we completed three asset enhancement projects in Hong Kong. A total capital expenditure of HK\$35 million, HK\$27 million and HK\$74 million was spent on the rejuvenation of Lok Fu Market, Tai Yuen Market and Tak Tin Market, with estimated ROIs of 23.7%, 21.8% and 9.3%, respectively.
- Tak Tin Market has undergone its first asset enhancement and re-opened in August 2022. We transformed this confined space into a brighter and more spacious market and diversified its trade mix by introducing new merchants and a cooked-food corner. The enhancement project has transformed Tak Tin Market into a community stronghold that brings vibrancy to the neighbourhood and enhances the resilience of our Hong Kong portfolio.

Approved Asset Enhancement Projects Underway

- The asset enhancements of Fung Tak Shopping Centre, Tung Tau Market, Kai Tin Shopping Centre, Butterfly Shopping Centre and Sau Mau Ping Shopping Centre in Hong Kong are underway. We anticipate that these projects will incur an estimated capital expenditure of HK\$26 million, HK\$27 million, HK\$131 million, HK\$26 million and HK\$58 million, respectively. The projects all are expected to complete in early 2023 to early 2024.
- The total estimated cost for Hong Kong asset enhancement projects under planning and statutory approval is over HK\$590 million.
- We are also leveraging our expertise to unlock the potential of our assets in Mainland China. The first phase of the asset enhancement of Happy Valley Shopping Mall in Guangzhou commenced in September 2022. Business at the shopping mall has not been interrupted as we have carefully planned and phased our asset enhancement works. We are repartitioning the area previously occupied by a department store and positioning it as a community hub. We will revitalise the mall by enhancing its brand image, competitiveness and our tenants' profiles. The trade mix will evolve to include greater F&B, kids, entertainment and general retail offerings, catering to the needs of young consumers, white-collar workers and family customers. The estimated capital expenditure for phase one of the enhancement project is approximately RMB200 million.

VALUATION REVIEW

- Colliers International (Hong Kong) Limited (Colliers), the principal valuer of Link, valued Link's properties as at 30 September 2022, using the income capitalisation approach, with reference to market comparables via the direct comparison approach. Colliers valued the parcel of commercial land off Anderson Road, Kwun Tong using the residual method.
- As at 30 September 2022, the total value of investment properties had increased by 5.0% to HK\$223,485 million compared to 31 March 2022. This increase was mainly due to fair value gains of HK\$10,853 million and the completion of the announced acquisitions of HK\$3,818 million, but was partly offset by HK\$4,815 million of foreign currency depreciation.
- As at 30 September 2022, the value of our Hong Kong retail properties was HK\$129,954 million, up 5.8% from HK\$122,878 million as at 31 March 2022 due to the (1) higher valuation of the existing portfolio as a result of a slight increase in overall net property income and market rent, (2) higher valuation of properties which underwent asset enhancement, reflecting their respective upgraded building conditions, and (3) the acquisition of a parcel of commercial-use land off Anderson Road, Kwun Tong.
- The value of car parks and related business increased 13.1% to HK\$45,358 million (31 March 2022: HK\$40,102 million), mainly due to an increase in car park tariffs and monthly ticket sales. The value of our Hong Kong office was HK\$8,802 million (31 March 2022: HK\$8,860 million).
- The value of our properties in Mainland China (including our 50% of the value in Qibao Vanke Plaza) was HK\$35,198 million (31 March 2022: HK\$38,433 million). Excluding the translation difference and the acquisition of our Jiaying property, the value of our Mainland properties remained largely unchanged in Renminbi terms.
- The valuation of our retail and office buildings (including our 49.9% of the value in prime office portfolio in Sydney and Melbourne) in Australia was HK\$2,770 million (31 March 2022: nil) and HK\$9,367 million (31 March 2022: HK\$4,112 million), respectively, as at 30 September 2022. The increase in the valuation of office buildings was mainly due to the acquisition of a joint-venture stake in a prime office portfolio in Sydney and Melbourne. The valuation of our office building in the United Kingdom was HK\$3,160 million (31 March 2022: HK\$3,862 million). Our overseas investments were principally funded by local currency borrowings as currency hedges. The exchange translation differences were largely offset.
- The capitalisation rate of our Hong Kong car parks and related business compressed, reflecting the improved liquidity in the current market. The capitalisation rate of our office property in the United Kingdom increased due to yield expansion experienced in the market. Other changes in capitalisation rates related to newly acquired properties.
- Colliers will retire as the principal valuer following the valuation as at 30 September 2022, having completed three consecutive full-year valuations. Subject to regulatory approval, Cushman & Wakefield Limited will be appointed as the principal valuer of Link and will commence its valuations of Link's property portfolio from March 2023.

Valuation		Valuation		Capitalisation Rate	
		As at 30 September 2022 (HK\$'M)	As at 31 March 2022 (HK\$'M)	As at 30 September 2022	As at 31 March 2022
Hong Kong	Retail properties	129,954	122,878	3.10% – 4.50%	3.10% – 4.50%
	Car parks and related business	45,358	40,102	2.60% – 4.80%	2.90% – 5.30%
	Office property	8,802 ⁽¹⁾	8,860 ⁽¹⁾	3.00%	3.00%
		184,114	171,840		
Mainland China	Retail properties	26,837 ⁽²⁾	29,936 ⁽²⁾	4.25% – 4.75%	4.25% – 4.75%
	Office property	6,076	6,782	4.25%	4.25%
	Logistics properties	2,285	1,715	4.70% – 5.00%	5.00%
		35,198	38,433		
Australia	Retail properties	2,770	–	4.80% – 5.21%	N/A
	Office properties	9,367 ⁽³⁾	4,112	4.40% – 4.56%	4.40%
		12,137	4,112		
United Kingdom	Office property	3,160 ⁽⁴⁾	3,862	5.41%	5.19%
Total valuation		234,609	218,247		
Total valuation of investment properties		223,485⁽⁵⁾	212,761⁽⁵⁾		

Notes:

- The amount represents the office portion only of The Quayside.
- The amount includes 50% of the value in Qibao Vanke Plaza.
- The amount includes 49.9% of the value in the prime office portfolio in Sydney and Melbourne.
- The amount includes two floors of The Cabot occupied by Link in FY22/23.
- The amount excludes two floors of The Quayside & two floors of The Cabot occupied by Link, classified as property, plant and equipment, the 50% of the value in Qibao Vanke Plaza and the 49.9% of the value in the prime office portfolio in Sydney and Melbourne.

CAPITAL MANAGEMENT

(Face Value as at 30 September 2022)

Aggressive interest rate hikes by major central banks, heightened geopolitical tensions and COVID-related disruptions continue to weigh on the global economy. The escalation of the Russo-Ukrainian War and the consequent sanctions on Russia have resulted in surging food and energy prices, further driving up global inflation.

U.S. inflation remained elevated, having hit a 40-year high in June, forcing Federal Reserve to raise the benchmark interest rate by 75 bps for the fourth consecutive time in November 2022. Further tightening into 2023 is expected as Federal Reserve retains its prioritisation of managing inflation over economic growth.

Against the backdrop of a further tightening credit environment, Link continued to adhere to its prudent financial management approach and proactively secured low-cost funding via diversified funding sources, maintaining ample financial resources and liquidity for operational needs and strategic acquisitions.

Strong Capital Base and Liquidity Position

- Total debt rose by HK\$4.9 billion to HK\$55.1 billion as at 30 September 2022.
- Gearing ratio increased slightly from 22.0% to 22.7% as at 30 September 2022.
- HK\$13.2 billion undrawn committed facilities and HK\$2.1 billion cash and bank balances as at 30 September 2022.
- Average borrowing cost for the six months ended 30 September 2022 was 2.5%.
- Debt maturity averaged at 3.4 years and was well staggered over the coming 16 years.
- 56.1% of our debt portfolio was maintained at fixed interest rate as at 30 September 2022.

Prudently Managed Foreign Currency Exposure

- Our overseas acquisitions and investments (i.e. the Australia and United Kingdom portfolios) are principally funded by local currency borrowings as natural hedges where feasible and cost-effective.
- Distributable income from offshore properties is largely hedged in HKD terms, through foreign currencies forward contracts entered on an annual basis.

New Financing Transactions to Support Portfolio Growth

Despite subdued credit market conditions, we have successfully raised a total of HK\$6.7 billion debt in different currencies from different sources, replenishing our liquidity and providing funding for our strategic acquisitions in Australia and Mainland China.

Financing arranged since April 2022

April 2022	A\$462 million bridge loan facility arranged in Australia
April 2022	5-year AUD loan facilities totalled A\$450 million
May 2022	5-year AUD loan facilities totalled A\$150 million
July 2022	5-year CNY loan facilities totalled CNY200 million
October 2022	5-year CNY loan facilities totalled CNY150 million
October 2022	3-year HKD loan facilities totalled HKD970 million
November 2022	CNH300 million 3-year notes at 3.55% p.a.

Persistent Value Creation for Unitholders

- **Distribution reinvestment scheme:** Provided eligible Unitholders with the option to reinvest in Link units for scrip distributions. In respect of the previous financial year ended 31 March 2022, HK\$258.0 million of the cash distribution was reinvested with approximately 4.0 million new units issued at a unit price of HK\$64.36.
- **Unit buyback:** A total of 6.7 million units were bought back during the period between 1 April 2022 to 7 October 2022, at an average price of HK\$60.70, utilising HK\$408.1 million (including the transaction costs). Link will consider further unit buybacks subject to market conditions and other regulatory requirements.
- **Relevant Investments:** As at 30 September 2022, this investment-grade bond portfolio had a market value of HK\$1.5 billion and generated an average yield of 3.53%.

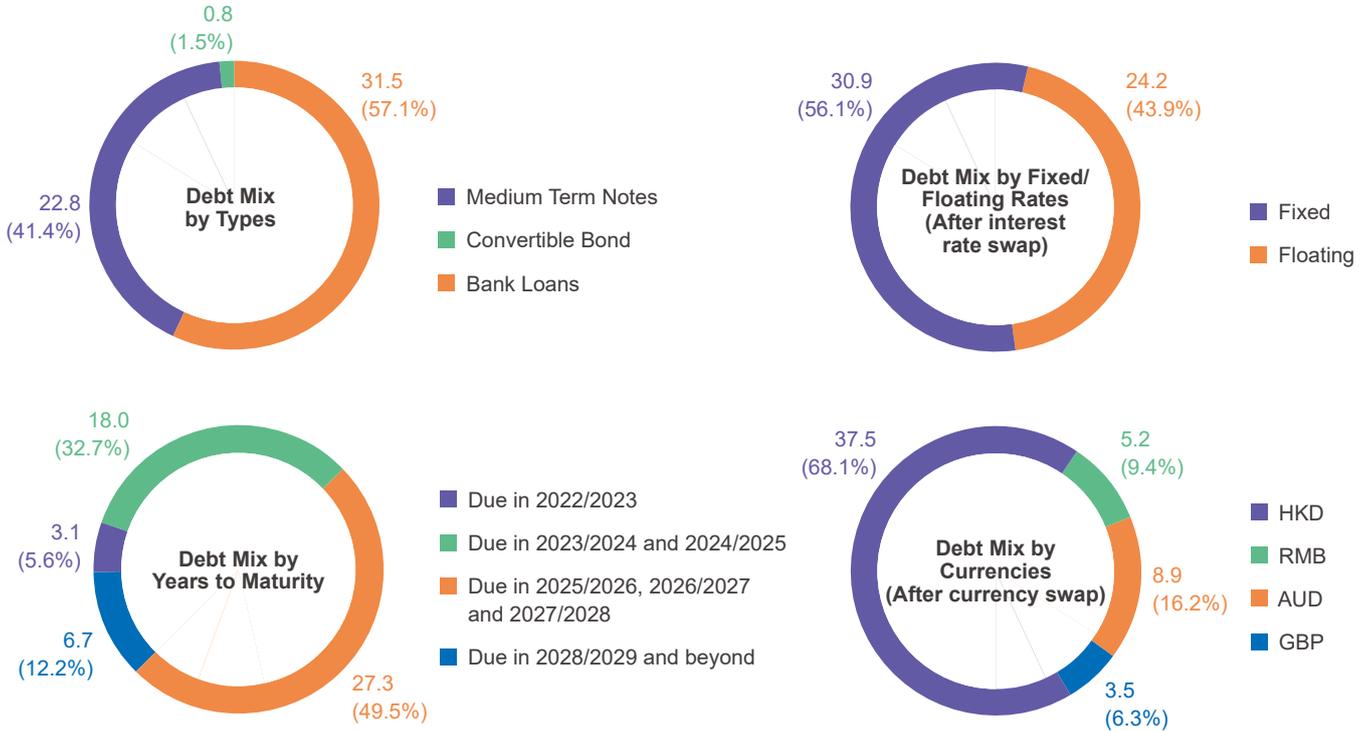
Credit Ratings Supported by Resilient Performance

- Rating agencies acknowledged Link's resilient financial fundamentals, diversification strategy, well-managed capital structure, as well as our cautious approach towards acquisitions.
- Link's credit ratings remain unchanged and have been affirmed at A2/Stable (Moody's), A/Stable (S&P) and A/Stable (Fitch).

Debt Profile Breakdown

(Face Value as at 30 September 2022)

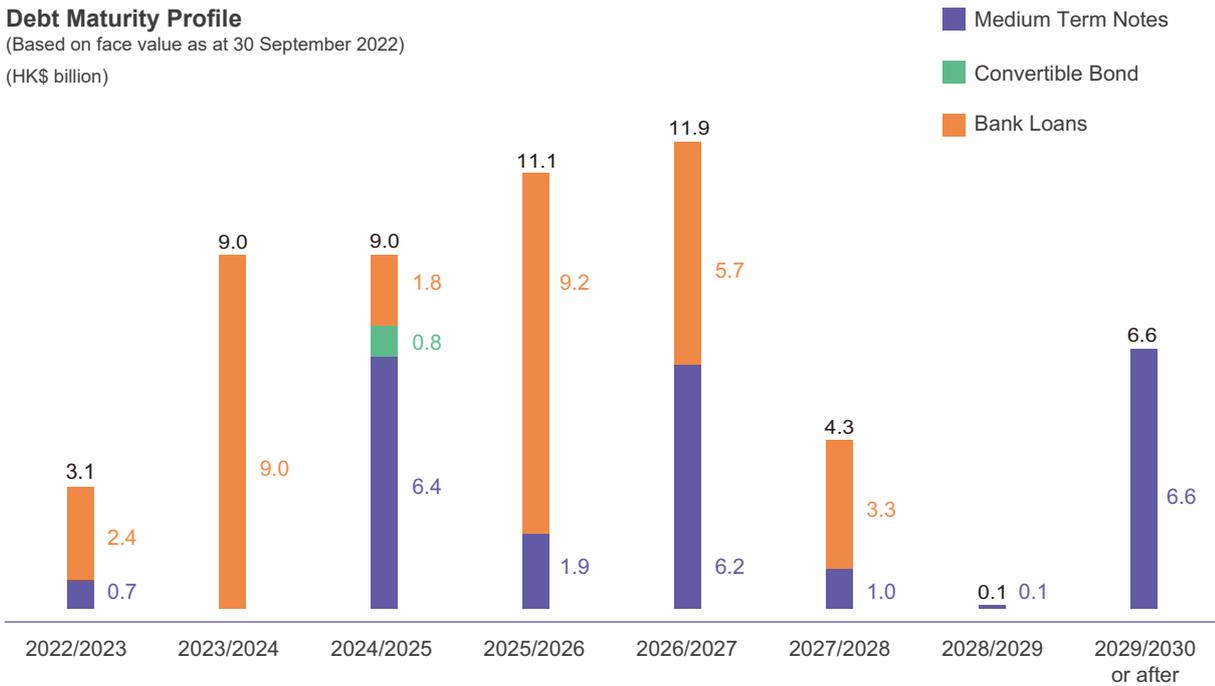
(HK\$ billion)



Debt Maturity Profile

(Based on face value as at 30 September 2022)

(HK\$ billion)



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 merely complying with regulatory requirements to become a value that is embedded within all that we do.

The Board and Board Committees

The Board is central to the operation of Link's corporate governance framework, which provides for effective oversight and control. Under the direction of the Board, Link has implemented comprehensive systems and procedures designed to promote Link's long-term success and deliver sustainable value to Unitholders and other stakeholders. The Board is characterised by its diversity and the independence of its members.

As at the date of this report, the Board had 12 members, including nine INEDs, one NED and two EDs (being the CEO and the CFO).

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

In discharging its duties, the Board is assisted by the Audit and Risk Management Committee, the Finance and Investment Committee, the Nomination Committee and the Remuneration Committee. The members of the Audit and Risk Management Committee fulfill the Listing Rules requirements as regards appropriate professional qualifications or accounting or related financial management expertise. The composition of these committees is set out below:

Name	Board	Audit and Risk Management Committee	Finance and Investment Committee	Nomination Committee	Remuneration Committee
Chairman (also an Independent Non-Executive Director)					
Nicholas Charles ALLEN	✓ ^(C)		✓ ^(C)	✓ ^(C)	
Executive Directors					
George Kwok Lung HONGCHOY (CEO)	✓		✓	✓	
NG Kok Siong (CFO)	✓		✓		
Non-Executive Director					
Ian Keith GRIFFITHS	✓		✓		
Independent Non-Executive Directors					
Christopher John BROOKE	✓		✓		✓
Ed CHAN Yiu Cheong	✓		✓		✓
Jenny GU Jialin	✓	✓			
Lincoln LEONG Kwok Kuen	✓	✓			
Blair Chilton PICKERELL	✓			✓	✓ ^(C)
Poh Lee TAN	✓	✓		✓	
Peter TSE Pak Wing	✓	✓ ^(C)			
Nancy TSE Sau Ling	✓	✓			

(C) = Chairman/chairman of Board Committee

✓ = member

Matters reserved for the Board and the latest terms of reference of the respective Board Committees are available on our corporate website: Linkreit.com.

Updates to Director's Biographical Information since Annual Report 2021/2022

- Mr Christopher John BROOKE was appointed as the Chairman of the Hong Kong Rugby Union with effect from 25 August 2022 and was also appointed as an advisor to Peace, Inc. with effect from 1 November 2022.

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 2022, remained in line with those in place for the financial year ended 31 March 2022, as disclosed in the corporate governance report in Link's Annual Report 2021/2022, including the modification to the rigid application of code provision B.2.2 of Part 2 of the Listing Rules Corporate Governance Code such that the EDs are not subject to retirement by rotation at annual general meetings of Unitholders to preserve business continuity and longevity at the most senior levels of management.

Regulatory Compliance

Throughout the six months ended 30 September 2022:

- Link and the Manager complied with the REIT Code, the SFO, applicable provisions of the Listing Rules, the Trust Deed and, in all material respects, the Compliance Manual;
- Link and the Manager applied the principles and to the extent appropriate, complied with, the code provisions in the Listing Rules Corporate Governance Code, save and except code provision B.2.2. The Manager considers that a rigid application of code provision B.2.2 to our EDs is not in the best interests of the Unitholders. Business continuity and longevity at the most senior levels of management work for the long-term benefit of Link. Frequent re-shuffles of the executive directorate, absent the anchor of a controlling Unitholder, may promote "short-termism". Any risk of entrenchment in office is counter-balanced by an overwhelming majority of INEDs on our Board, who have the collective power (and the Unitholders also have the same power under the Trust Deed) to remove a recalcitrant ED;
- all the Directors with the exception of an INED, Mr Christopher John BROOKE in respect of a singular instance as set out below, having made specific enquiries of each of them, have confirmed that they complied with the required standards set out in the Link Securities Dealing Code, the terms of which are regularly reviewed and updated (when as appropriate) to ensure that they are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules;
- During the period under review, there was an unintentional breach of the Model Code by Mr Christopher John BROOKE. During the blackout period for the final results, an acquisition of 900 Units was undertaken by an independent financial adviser on behalf of, but without the prior knowledge of Mr Christopher John BROOKE. Appropriate training has been undertaken and further controls implemented in respect of Mr Christopher John BROOKE's joint discretionary investment account accordingly. There was no breach by Link or the Manager in respect of these matters; and
- the Manager has an escalation policy in order for Management to identify relevant issues and for the Board to make timely disclosure of inside information as required. It also has stringent internal procedures to preserve confidentiality of inside information. The Manager has complied with the requirements of Part XIVA of the SFO, as if such SFO provisions were applicable to Link. The Company Secretary (who is also the CLO) maintains records of meetings and discussions of Management, the Board and/or Board Committees concerning the assessment of potential inside information, keeps a register of inside information and updates the Directors on a regular basis.

Pursuant to the Link Securities Dealing Code, Directors or senior management or other relevant senior employees 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, certain 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 requirements on Directors and staff members who are involved in the preparation of Link's interim and final results announcements and the related reports or, who are involved in corporate transactions or possess inside information as required by the Listing Rules, the inside information provisions of the SFO and the Compliance Manual. Accordingly, relevant members of staff are precluded from acquiring Link Units via the EUPP, or otherwise, during black-out periods.

Other Information Updates

Review by Audit and Risk Management Committee and Auditor

The unaudited condensed consolidated interim financial information of Link for the six months ended 30 September 2022 has been reviewed by the Audit and Risk Management Committee and Link's auditor.

Employee Unit Purchase Plan

During the period under review, 384 eligible employees of the Manager and its subsidiaries participated in the EUPP, who together purchased 115,236 Units on the Stock Exchange through an independent third-party intermediary (currently, Bank of China (Hong Kong) Limited) for a total consideration of HK\$7,668,474.20, of which an amount of HK\$1,040,700.00 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 approximately HK\$18 million of funding to support charity and community engagement projects under the Link Together Initiatives. The themes of the projects are in line with the objectives of the Link Together Initiatives which focus on youth empowerment, active aging and resource management. We aim to promote the sustainable development of our communities through enhancing the well-being of the underprivileged and linking our communities to a brighter future by improving the lives of the people around us.

Issue of New Units

During the period under review, 4,009,589 new Units were issued to eligible Unitholders at an issue price of HK\$64.357 per Unit pursuant to the distribution reinvestment scheme in respect of the final distribution for the financial year ended 31 March 2022 for the retention of cash for corporate uses. Based on 2,109,445,039 Units in issue as at 30 September 2022, the number of new Units issued during the period under review represents approximately 0.19% of the issued Units of Link.

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

Buy-back of Listed Units

During the period under review, the Manager (on behalf of Link) bought back a total of 5,944,400 Units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$365.25 million, out of which, 4,758,400 Units were cancelled prior to the end of the period under review, the remaining Units were subsequently cancelled on 18 October 2022. As at 30 September 2022, the total number of Units in issue was 2,109,445,039. 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\$	
2022				
July	2,007,900	65.00	63.25	129.23
August	319,700	66.35	65.05	21.10
September	3,616,800	62.95	54.05	214.92

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 and were made in the interests of Link and the Unitholders as a whole. Buy-backs may lead to an enhancement of earnings and distributions per Unit. The average cost (excluding expenses) of the Units bought back was approximately HK\$61.44 per Unit.

Subsequent to 30 September 2022, the Manager bought back a total of 762,000 Units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$41.85 million, which were subsequently cancelled on 18 October 2022. As at the date of this report, the total number of Units in issue is 2,107,497,039. 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\$	
2022				
October	762,000	55.70	54.60	41.85

Redemption of Convertible Bonds

On 4 April 2022, Link CB Limited (formerly known as Link 2019 CB Limited), a wholly-owned SPV of Link, at the option of the bondholders, partially redeemed the HK\$4,000,000,000 1.60% guaranteed green convertible bonds due 2024 at an aggregate principal amount of HK\$3,213,000,000. For further details of this partial redemption, please refer to the 'Guaranteed Green Convertible Bonds due 2024' section on page 35 of this report.

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

Unitholder Statistics

As at 1 April 2022, there were 2,110,193,850 Units in issue. During the period under review, 4,009,589 new Units were issued and 4,758,400 Units were bought back and cancelled. As at 30 September 2022, there were 2,109,445,039 Units in issue, which were held by 20,991 registered Unitholders according to the register of Unitholders. HKSCC Nominees Limited (through which most holders hold their Units) remained as the single largest registered Unitholder holding 2,029,198,703 Units (approximately 96.20% of the issued Units).

Based on the closing price of HK\$54.90 per Unit and 2,109,445,039 Units then in issue, the market capitalisation of Link as at 30 September 2022 was approximately HK\$115.8 billion. Please see Note 25 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 nor substantial unitholders (has the meaning of “substantial holder” under 8.1 of the REIT Code, i.e. entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Link or any of its subsidiaries) (“**Substantial Unitholder(s)**”).

Investor Relations

The Manager communicates continually 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. In view of COVID, there was a change in the mode of interaction with the investment community. Videoconferencing, webcasts and hybrid meetings supplemented overseas conferences and physical activities as a means of engaging the investor community. There are currently 18 equity research analysts actively covering Link. Since April 2022, the Manager participated in the following events:

Event	Number
Virtual meetings and conference calls	Over 100 with 392 individuals
Investors' conferences/corporate days	7
Post-results/non-deal roadshows	5

Acquisition and Disposal of Real Estate

As at 1 April 2022, Link's portfolio comprised 140 assets (including 129 properties in Hong Kong, nine properties in Mainland China, one property in Australia and one property in the United Kingdom). A list and relevant details of those properties can be found on pages 162 to 204 of the “Governance, Disclosures and Financial Statements” report of Link's Annual Report 2021/2022.

During the period under review:

- Link agreed to acquire three logistics properties in Jiaxing, Zhejiang Province, and Changshu, Jiangsu Province, Mainland China, at an initial consideration of RMB947 million (subject to completion adjustments) on 12 May 2022, out of those logistics properties, the acquisition of the Jiaxing asset in Zhejiang Province was completed on 29 June 2022. The total consideration for the three logistics properties was less than 1% of GAV of Link. As such, no announcement was required pursuant to the REIT Code. Details of the acquisition can be found on page 44 of the Strategic Report of Link's Annual Report 2021/2022;
- the acquisition of 49.9% interests in a trust which owns interests in five prime office properties located in the central business districts of Sydney and Melbourne respectively in Australia by Link at an adjusted purchase price of AUD604.6 million was completed on 1 June 2022 (details of which were disclosed in the announcements dated 9 February, 1 June and 2 August 2022 issued by Link). Such portfolio properties are classified as Non-qualified Minority-owned Properties;

- Link agreed to acquire 198 car park spaces in Happy Valley Shopping Mall in Guangzhou, Mainland China, at an initial consideration of RMB45.5 million on 16 June 2022. The total consideration for the 198 car park spaces was less than 1% of GAV of Link. As such, no announcement was required pursuant to the REIT Code;
- the acquisition of 50% interests in three iconic retail properties in Sydney, Australia, namely Queen Victoria Building, The Galleries and The Strand Arcade by Link at an aggregate consideration of approximately AUD538.2 million (subject to completion adjustments) was completed on 1 July 2022 (details of which were disclosed in the announcements dated 7 November 2021 and 1 July 2022 issued by Link). Each of the above properties is classified as a Qualified Minority-owned Property; and
- successfully tendered for a non-office commercial land at Lot No. 1078 in Survey District No. 3 (off Anderson Road, Kwun Tong, Hong Kong) from the Government at a land premium of HK\$766 million as announced on 31 August 2022 (details of which were disclosed in the announcements dated 26 August and 31 August 2022 issued by Link).

Save as disclosed above, there were no material acquisitions or disposals of Link's properties during the period under review.

As at 30 September 2022, Link's portfolio comprised 150 assets (including 129 properties and one property under development in Hong Kong, 10 properties in Mainland China, nine properties in Australia and one property in the United Kingdom). For details of the Qualified Minority-owned Properties, please see Note 30 to the condensed consolidated interim financial information in this report.

Property Development and Related Activities

During the period under review, Link acquired Lot No. 1078 in Survey District No. 3, located off Anderson Road, Kwun Tong, Hong Kong (the "**Land**"). It is intended that the Land will be developed into a non-office commercial development with car parks (the "**Development**") (details of which were disclosed in the announcements dated 26 August and 31 August 2022 issued by Link). Updates in respect of the Development as required under the 7.2A of the REIT Code are as follows:

- The land premium has been fully paid to the Government and the memorandum of agreement has been executed and dated 28 September 2022 and Link has taken possession of the Land.
- As at the date of this report, Link has engaged consultants and professionals to carry out studies in relation to the Development. It is anticipated that the Development will be completed and made fit for occupation well in advance of 30 June 2028, being the expiration date of the building covenant in the Conditions of Sale of the Land.
- The total development costs are estimated to be approximately HK\$1.59 billion, which (a) represents approximately 0.7% of GAV of Link as at 30 September 2022 and after adjusting for the interim distribution to be paid; (b) are currently the only amount required to be taken into account in determining the extent to which the Property Development Cap is utilised; and (c) is within the Property Development Cap.

Save as disclosed above, there are no further updates on property development and related activities pursuant to 7.2A of the REIT Code.

Relevant Investments

The Relevant Investments made by Link as of 30 September 2022 are 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	Moody's	Fitch			
CHIOLI 3.95 11/15/22	HKEx	USD	BBB+	Baa1	–	24,048	23,516	0.01%
YUEXIU 4.5 01/24/23	HKEx	USD	–	Baa3	BBB–	47,297	46,012	0.02%
POLYRE 3.95 02/05/23	HKEx	USD	BBB–	Baa3	BBB+	266,372	264,423	0.11%
HAOHUA 4.625 03/14/23	SGX	USD	A–	–	A	65,204	62,801	0.03%
VNKRLE 4.15 04/18/23	HKEx	USD	BBB	Baa2	BBB+	80,310	77,327	0.03%
VNKRLE Float 05/25/23	HKEx	USD	BBB	Baa2	BBB+	7,853	7,635	0.003%
PINGIN 4.375 09/10/23	SGX	USD	–	Baa2	–	65,035	62,170	0.03%
POLYRE 4.75 09/17/23	HKEx	USD	BBB–	Baa3	BBB+	47,203	44,730	0.02%
YUEXIU 5.375 10/19/23	HKEx	USD	–	Baa3	BBB–	90,771	84,174	0.04%
HYNMTR 4.3 02/01/24	FRA	USD	BBB+	Baa1	–	204,053	193,310	0.08%
VNKRLE 5.35 03/11/24	HKEx	USD	BBB	Baa2	BBB+	64,328	56,786	0.02%
CHIOLI 5.95 05/08/24	HKEx	USD	BBB+	Baa1	A–	17,426	15,710	0.01%
CCBL 3.5 05/16/24	HKEx	USD	A	–	A	156,630	153,229	0.07%
SHGANG 4 05/23/24	SGX	USD	–	–	A–	94,278	92,441	0.04%
YXREIT 3.6 05/28/24	(unlisted)	HKD	–	Baa3	–	30,000	27,699	0.01%
VNKRLE 4.2 06/07/24	HKEx	USD	BBB	Baa2	BBB+	38,914	36,147	0.02%
HAOHUA 3.375 06/19/24	SGX	USD	–	Baa2	A	39,863	38,029	0.02%
CHJMAO 4 06/21/24	HKEx	USD	BBB–	–	–	53,159	48,054	0.02%
WB 3.5 07/05/24	HKEx	USD	BBB	Baa2	–	39,923	37,555	0.02%
CNBG 3.375 07/16/24	HKEx	USD	BBB	–	A–	127,189	121,402	0.05%
JOHNEL 4.125 07/30/24	HKEx	USD	BBB	Baa1	–	41,682	39,634	0.02%
Total						1,601,538	1,532,784	0.65%

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 0.65% of the GAV of Link as of 30 September 2022 (after adjusting for the interim distribution declared). The combined value of the Relevant Investments together with other investments of types referred to in 7.2C of the REIT Code represented approximately 4.4% of the GAV of Link as of 30 September 2022 (after adjusting for the interim distribution declared), and therefore is within the Maximum Cap.

The full investment portfolio of Relevant Investments is updated monthly and published within five business days of the end of each calendar month on Link's corporate website: Linkreit.com.

Guaranteed Green Convertible Bonds due 2024

On 3 April 2019, Link CB Limited, a wholly-owned SPV of Link, completed the issue of HK\$4,000,000,000 1.60% guaranteed green convertible bonds due 2024 (the “**Convertible Bonds**”) which are convertible into new Units at an initial conversion price of HK\$109.39 per Unit (subject to adjustment) with a maturity of five years. The Convertible Bonds were listed on the Stock Exchange on 4 April 2019 with the stock code number 5936.

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

Link intended 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 eligibility criteria as prescribed under and for general corporate purposes that fit Link’s green finance framework. The net proceeds were used to refinance or fund Link’s eligible green projects and general corporate purposes that fit Link’s green finance framework, which received second opinion from Sustainalytics and the Hong Kong Quality Assurance Agency. For further details please refer to the Sustainable and Green Bond Report 2021/2022.

As of the date of this report, no conversion of the Convertible Bonds had been exercised by any holders of the Convertible Bonds.

On 4 April 2022, Link CB Limited, at the option of the bondholders, made a partial redemption of those Convertible Bonds in issue at an aggregate principal amount of HK\$3,213,000,000 (the “**Redeemed Bonds**”), representing approximately 80.33% of the initial principal amount of the Convertible Bonds, together with interest accrued up to the date fixed for redemption but unpaid. All the Redeemed Bonds had been cancelled. As of the date of this report, the remaining aggregate outstanding principal amount of the Convertible Bonds is HK\$787,000,000, representing approximately 19.67% of the initial principal amount of the Convertible Bonds. 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 remaining Convertible Bonds is approximately 7,194,441 Units.

For details of the issue and the partial redemption of the Convertible Bonds, please refer to the announcements dated 7 March, 8 March and 3 April 2019, and 4 April 2022 issued by Link.

Amendments to the Compliance Manual

On 1 April 2022, the Compliance Manual was updated to (i) reflect the amendments to the Listing Rules Corporate Governance Code; (ii) incorporate the updated terms of reference of the Board Committees; and (iii) reflect the latest business practices and operations of Link (including the Manager).

Distribution Reinvestment Scheme

On 9 November 2022, the Board declared an interim distribution of HK155.51 cents per Unit (the “**Interim Distribution**”) for the six months ended 30 September 2022 payable on Friday, 30 December 2022, to the Unitholders whose names appear on the register of Unitholders on Thursday, 24 November 2022 (the “**Record Date**”). The Board further announced that a distribution reinvestment scheme will be made available to eligible Unitholders on the Record Date. Eligible Unitholders may elect to receive the Interim Distribution, wholly in cash or wholly in new Units or a combination of both. An announcement giving further information of such scheme will be published on or around Thursday, 24 November 2022, and a circular containing details of such scheme together with the relevant election form or revocation notice will be despatched to Unitholders on or around Thursday, 1 December 2022. A distribution reinvestment scheme was made available to Unitholders from 2007 to 2013 and from 2020.

Details of the Interim Distribution and interim DPU for the six months ended 30 September 2022 appear on page 50 of this report. The ex-distribution date, date of closure of register of Unitholders, Record Date, and payment date for the Interim Distribution appear on page 80 of this report.

Changes after Financial Period End

This report has taken into account changes occurred since the end of the six-month period on 30 September 2022 up to the date of approval of this report by the Board on 9 November 2022.

Hong Kong, 9 November 2022

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 Units and/or underlying Units as at 30 September 2022:

Name	Capacity	underlying Units in long position (L)/ short position (S)/ lending pool (LP)	Number of Units/ underlying Units in long position (L)/ short position (S)/ lending pool (LP)	Approximate percentage of total Units in issue ⁽³⁾ %
BlackRock, Inc. (“BlackRock”) ⁽¹⁾	Interest of controlled corporations	(L) 178,331,560 ⁽¹⁾		8.45
		(S) 30,700 ⁽¹⁾		0.00
Citigroup Inc. (“Citigroup”) ⁽²⁾	Interest of controlled corporations	(L) 5,243,698	(L) 111,266,938 ⁽²⁾	(L) 5.27
		(S) 3,395,744	(S) 3,395,744 ⁽²⁾	(S) 0.16
	Approved lending agent	(L & LP) 106,023,240	(LP) 106,023,240 ⁽²⁾	(LP) 5.02

Notes:

- (1) The long position interests of BlackRock in 178,331,560 Units and short position interests in 30,700 Units were held through its various controlled corporations. The interests shown in the above table included certain long position interests (950,600 underlying Units) and certain short position interests (30,700 underlying Units) in cash settled unlisted derivatives.
- (2) The long position interests of Citigroup were held through its various controlled corporations or in the capacity of approved lending agent. Such long positions included derivative interests in 327,800 underlying Units of which 128,000 underlying Units in physically settled listed derivatives and 199,800 underlying Units in cash settled unlisted derivatives. The short position interests were held through its various controlled corporations. Such short positions included derivative interests in 1,383,265 underlying Units of which 395,000 underlying Units in physically settled listed derivatives, 862,612 underlying Units in physically settled unlisted derivatives and 125,653 underlying Units in cash settled unlisted derivatives.
- (3) The approximate percentages were calculated based on 2,109,445,039 Units in issue as at 30 September 2022 (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/or underlying Units as at 30 September 2022.

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 as at 30 September 2022 were as follows:

Name	Number of Units				Interests in underlying Units ⁽²⁾	Total interests held at 30 Sep 2022	Approximate percentage of total Units in issue ⁽³⁾ %	Total interests held at 31 Mar 2022
	Personal interests ⁽¹⁾	Family interests	Corporate interests	Other interests				
Chairman (also an Independent Non-Executive Director)								
Nicholas Charles ALLEN	174,700 ⁽⁴⁾	–	–	–	59,403	234,103	0.0110	209,055
Executive Directors								
George Kwok Lung HONGCHOY	1,169,693	–	–	–	2,128,148	3,297,841	0.1563	2,835,388
NG Kok Siong	157,234	–	–	–	507,782	665,016	0.0315	519,697
Non-Executive Director								
Ian Keith GRIFFITHS	92,527	–	–	–	18,654	111,181	0.0052	103,238
Independent Non-Executive Directors								
Christopher John BROOKE	16,027 ⁽⁵⁾	–	–	–	20,757	36,784	0.0017	26,817
Ed CHAN Yiu Cheong	14,783	–	–	–	21,099	35,882	0.0017	26,815
Jenny GU Jialin	–	–	–	–	8,195	8,195	0.0003	–
Lincoln LEONG Kwok Kuen	–	–	–	–	15,327	15,327	0.0007	7,132
Blair Chilton PICKERELL	15,486	–	–	–	21,107	36,593	0.0017	27,589
TAN Poh Lee	33,181	–	13,398	–	20,278	66,857	0.0031	57,363
Peter TSE Pak Wing	49,162	–	–	–	21,103	70,265	0.0033	60,460
Nancy TSE Sau Ling	41,976	–	–	–	19,480	61,456	0.0029	53,261

Notes:

- (1) Directors' personal interests in Units as stated above were long position interests. There were no short position interests held by any Director.
- (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 Scheme. Please refer to the "Long-term Incentive Scheme" section on pages 41 to 44 of this report for details. Additional Units beyond this amount may be vested subject to approval of the Remuneration Committee of the Manager.
- (3) The approximate percentages were calculated based on 2,109,445,039 Units in issue as at 30 September 2022 (rounded down to four decimal places).
- (4) The personal interest of Mr Nicholas Charles ALLEN in 102,500 Units was held in an account in joint names with his spouse.
- (5) The personal interest of Mr Christopher John BROOKE in 900 Units was held in an account in joint names with his spouse.

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 2022.

Interests of Connected Persons in Units and Securities

After making reasonable enquiries and according to the information available to the Manager, as at 30 September 2022, the following persons (other than any Substantial Unitholder and the Directors and any of their respective associates⁽²⁾) 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 2022	Approximate percentage of total Units in issue ⁽²⁾ %	Number of Units held at 31 Mar 2022
Associates of Trustee	1,194,697	0.06	2,521,408

Notes:

- (1) The approximate percentage was calculated based on 2,109,445,039 Units in issue as at 30 September 2022.
- (2) As at 30 September 2022, Link did not have any Substantial Unitholders. The interests in Units held by the Directors (including the CEO and the CFO (who are also directors of certain subsidiaries of Link)) as at 30 September 2022 are disclosed in the 'Interests of Directors in Units' section above. In addition, as at 30 September 2022, Mr Kenneth Tai Lun WONG (being a director of certain subsidiaries of Link), Mr Gregory Robert CHUBB (being a director of certain subsidiaries of Link), Ms Phyllis NG Yuen Fan (being a director of certain subsidiaries of Link) and Mr Max WONG Hon Keung (being a director of a subsidiary of Link), together with their respective associates were interested in 46,938, 131,609, 81,868 and 137,906 Units respectively.

2. Interests in Green Bond and/or Notes issued under the MTN Programme

- (a) HK\$500 million HKD-denominated notes due 2027 issued on 28 June 2012 at 3.55% coupon rate by The Link Finance (Cayman) 2009 Limited

Name	Nominal amount held at 30 Sep 2022 HK\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 HK\$
Associates of Trustee	100,000,000	20.00	100,000,000

Note:

- (1) The approximate percentage was calculated based on the total nominal amount of HK\$500 million of the above-mentioned HKD-denominated notes.

- (b) HK\$500 million HKD-denominated notes due 2028 issued on 8 February 2013 at 3.1% coupon rate by The Link Finance (Cayman) 2009 Limited

Name	Nominal amount held at 30 Sep 2022 HK\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 HK\$
Associates of Trustee	50,000,000	10.00	50,000,000

Note:

- (1) The approximate percentage was calculated based on the total nominal amount of HK\$500 million of the above-mentioned HKD-denominated notes.

- (c) 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

Name	Nominal amount held at 30 Sep 2022 US\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 US\$
Associates of Trustee	34,804,000	6.96	34,324,000

Note:

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

- (d) US\$500 million green bond due 2026 issued on 21 July 2016 at 2.875% coupon rate by The Link Finance (Cayman) 2009 Limited (“Green Bond”)

Name	Nominal amount held at 30 Sep 2022 US\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 US\$
Associates of Trustee	723,000	0.14	20,312,000

Note:

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

- (e) HK\$400 million HKD-denominated notes due 2038 issued on 27 October 2020 at 2.18% coupon rate by The Link Finance (Cayman) 2009 Limited

Name	Nominal amount held at 30 Sep 2022 HK\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 HK\$
Associates of Trustee	300,000,000	75.00	300,000,000

Note:

- (1) The approximate percentage was calculated based on the total nominal amount of HK\$400 million of the above-mentioned HKD-denominated notes.

- (f) US\$600 million USD-denominated notes due 2032 issued on 19 January 2022 at 2.75% coupon rate by The Link Finance (Cayman) 2009 Limited

Name	Nominal amount held at 30 Sep 2022 US\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2022 US\$
Associates of Trustee	10,000	0.00	—

Note:

- (1) The approximate percentage was calculated based on the total nominal amount of US\$600 million of the above-mentioned USD-denominated notes.

3. Interests in Guaranteed Green Convertible Bonds due 2024

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

Name	Aggregate amount held at 30 Sep 2022 HK\$	Approximate percentage of total principal amount ⁽¹⁾ %	Aggregate amount held at 31 Mar 2022 HK\$
Associates of Trustee	–	–	91,000,000

Note:

- (1) On 4 April 2022, Link CB Limited, at the option of the bondholders, redeemed part of the Convertible Bonds at an aggregate principal amount of HK\$3,213 million together with interest accrued up to the date fixed for redemption but unpaid.

Long-term Incentive Scheme

2017 LTI Scheme

The 2017 LTI Scheme was adopted on 10 July 2017 (the rules of which were amended on 1 June 2020 and 1 June 2022), 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 payments 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 72 and 73 of the 'Governance, Disclosures and Financial Statements' report in Link's Annual Report 2021/2022.

Movements of Restricted Unit Awards

Movements in Restricted Unit Awards⁽¹⁾ under the 2017 LTI Scheme during the six months ended 30 September 2022 and the balances at the beginning and the end of the period were as follows:

Date of grant	Vesting Period	Outstanding at 1 Apr 2022	Granted during the period ⁽²⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁵⁾	Outstanding at 30 Sep 2022	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2022 ⁽⁷⁾ HK\$000	Closing price of the Units immediately before the date of grant ⁽³⁾
Directors										
<i>Nicholas Charles ALLEN (Independent Non-Executive Director)</i>										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	8,072	–	(8,072)	–	–	–	116	590	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	25,112	–	(12,556)	–	–	12,556	135	1,444	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	21,799	–	–	–	–	21,799	134	618	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	25,048	–	–	–	25,048	143	143	HK\$64.85
<i>George Kwok Lung HONGCHOY (Executive Director)</i>										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	591,693 ⁽¹¹⁾	–	(124,079)	–	(467,614)	–	(3,359)	6,001	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	785,788	–	(392,894)	–	–	392,894	4,231	44,992	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	807,456 ⁽¹¹⁾	–	–	–	–	807,456	(1,185)	18,071	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	927,798 ⁽¹¹⁾	–	–	–	927,798	4,274	4,274	HK\$64.85
<i>NG Kok Siong (Executive Director)</i>										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	116,443 ⁽¹¹⁾	–	(24,418)	–	(92,025)	–	(661)	1,181	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	127,758	–	(63,879)	–	–	63,879	688	7,315	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	206,559 ⁽¹¹⁾	–	–	–	–	206,559	(303)	4,623	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	237,344 ⁽¹¹⁾	–	–	–	237,344	1,094	1,094	HK\$64.85

Date of grant	Vesting Period	Outstanding at 1 Apr 2022	Granted during the period ⁽²⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁵⁾	Outstanding at 30 Sep 2022	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2022 ⁽⁷⁾ HK\$000	Closing price of the Units immediately before the date of grant ⁽³⁾
Ian Keith GRIFFITHS (<i>Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,414	–	(2,414)	–	–	–	35	176	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	7,598	–	(3,799)	–	–	3,799	41	437	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	6,912	–	–	–	–	6,912	42	196	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	7,943	–	–	–	7,943	45	45	HK\$64.85
Christopher John BROOKE (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,414	–	(2,414)	–	–	–	35	176	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	7,598	–	(3,799)	–	–	3,799	41	437	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,891	–	–	–	–	7,891	48	224	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	9,067	–	–	–	9,067	52	52	HK\$64.85
Ed CHAN Yiu Cheong (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,642	–	(2,642)	–	–	–	38	193	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	8,282	–	(4,141)	–	–	4,141	45	477	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,891	–	–	–	–	7,891	48	224	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	9,067	–	–	–	9,067	52	52	HK\$64.85
Jenny GU Jialin (<i>Independent Non-Executive Director</i>)										
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	8,195	–	–	–	8,195	47	47	HK\$64.85
Lincoln LEONG Kwok Kuen (<i>Independent Non-Executive Director</i>)										
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,132	–	–	–	–	7,132	44	203	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	8,195	–	–	–	8,195	47	47	HK\$64.85
Blair Chilton PICKERELL (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,719	–	(2,719)	–	–	–	39	199	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	8,534	–	(4,267)	–	–	4,267	46	491	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,836	–	–	–	–	7,836	48	222	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	9,004	–	–	–	9,004	52	52	HK\$64.85

Date of grant	Vesting Period	Outstanding at 1 Apr 2022	Granted during the period ⁽²⁾	Vested during the period ⁽⁴⁾	Cancelled during the period ⁽⁵⁾	Lapsed during the period ⁽⁵⁾	Outstanding at 30 Sep 2022	Values recognised during the period ⁽⁶⁾ HK\$000	Aggregate of values recognised up to 30 Sep 2022 ⁽⁷⁾ HK\$000	Closing price of the Units immediately before the date of grant ⁽³⁾
Poh Lee TAN (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,662	–	(2,662)	–	–	–	38	195	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	8,306	–	(4,153)	–	–	4,153	45	478	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,132	–	–	–	–	7,132	44	203	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	8,993	–	–	–	8,993	52	52	HK\$64.85
Peter TSE Pak Wing (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,877	–	(2,877)	–	–	–	41	210	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	8,998	–	(4,499)	–	–	4,499	49	518	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,726	–	–	–	–	7,726	48	219	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	8,878	–	–	–	8,878	50	50	HK\$64.85
Nancy TSE Sau Ling (<i>Independent Non-Executive Director</i>)										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	2,662	–	(2,662)	–	–	–	38	195	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	8,306	–	(4,153)	–	–	4,153	45	478	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	7,132	–	–	–	–	7,132	44	203	HK\$76.25
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	8,195	–	–	–	8,195	47	47	HK\$64.85
Other participants in aggregate										
5 Jul 2019	5 Jul 2019 to 30 Jun 2022 ⁽⁸⁾	321,036 ⁽¹¹⁾	–	(67,284)	–	(253,752)	–	(1,787)	3,291	HK\$98.00
29 Jul 2020	29 Jul 2020 to 30 Jun 2023 ⁽⁸⁾	541,518	–	(270,759)	–	(9,245)	261,514	2,946	31,035	HK\$58.20
7 Jul 2021	7 Jul 2021 to 30 Jun 2024 ⁽⁸⁾	906,747 ⁽¹¹⁾	–	–	–	(67,793)	838,954	(1,224)	20,400	HK\$76.25
2 Jun 2022	2 Jun 2022 to 1 Jun 2024 ⁽⁹⁾	–	79,862	–	–	–	79,862	844	844	HK\$71.20
4 Jul 2022	4 Jul 2022 to 3 Jul 2025 ⁽¹⁰⁾	–	27,663	–	–	–	27,663	158	158	HK\$64.00
11 Jul 2022	11 Jul 2022 to 30 Jun 2025 ⁽⁸⁾	–	1,367,544 ⁽¹¹⁾	–	–	(2,590)	1,364,954	6,348	6,348	HK\$64.85
TOTAL		4,595,645	2,742,796	(1,011,142)	–	(893,019)	5,434,280	13,978	159,220	

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\$1.9207 per Unit.
- (2) 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\$151 million as at 30 September 2022 based on the valuation of an independent valuer.
- (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.
- (4) The closing price of the Units on the business day on which the relevant Restricted Unit Awards were vested during the period was HK\$64 per Unit. Pursuant to the 2017 LTI Scheme, an aggregate cash payment of approximately HK\$7 million was made to the EDs and other participants for the Conditional Cash Awards.
- (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 represent the amounts recognised in the condensed consolidated income statement under Hong Kong Financial Reporting Standards for the six months ended 30 September 2022. 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 2022 represents the aggregated amounts recognised in the financial statements under Hong Kong Financial Reporting Standards for the period from grant dates to 30 September 2022.
- (8) Save for the awards granted referred to the notes 9 and 10 below, the Restricted Unit Awards are vested in two equal tranches on 30 June of the second year and 30 June of the third year after the grant.
- (9) The Restricted Unit Awards are vested in two equal tranches on the first and second anniversary of the date of grant.
- (10) The Restricted Unit Awards are vested in two equal tranches on the second and third anniversary of the date of grant.
- (11) These figures represent the maximum number of Units that may be purchased in the grantee's favour on vesting of his/her relevant Restricted Unit Awards. Additional Units beyond this amount may be vested subject to approval of the Remuneration Committee of the Manager. 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.

The Restricted Unit Awards and Conditional Cash Awards granted under the 2017 LTI Scheme are 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 in this report.

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) below during 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 and its subsidiaries	Manager and its delegates	Management fee ⁽¹⁾	N/A	(874)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee ⁽²⁾	N/A	(8)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence ⁽³⁾	18 ⁽⁴⁾	N/A
		Interest income	3	N/A
		Interest expenses/arrangement fees/bank charges/transaction fees ⁽⁵⁾	N/A	(33)
Aedas Limited and Aedas Beijing Limited	Associates of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(2)

Notes:

- (1) The Manager has delegated property management and administrative functions to its subsidiaries. The Manager and its subsidiaries recover their expenses from Link on a cost recovery basis.
- (2) Trustee's fee shall not be less than such amount as shall be equal to 0.006% per annum of the values of Link's majority-owned properties in Hong Kong and minority-owned properties in any location and 0.015% per annum of the values of Link's majority-owned properties outside Hong Kong respectively as determined in the latest annual valuation report prepared by the Principal Valuer, subject to a minimum of HK\$150,000 per month.
- (3) These included shops, ATMs, showcases and minor lettings at various locations within Link's properties.
- (4) Excluding deposits received.
- (5) Including transaction fees paid by the Manager for buy-back of Units and other administration fees during the period under review.

Lease Transactions with Connected Persons

The following tenancies, with annual rents exceeding HK\$1 million, subsisted between Link's SPVs and connected persons during the period under review:

Name of tenant	Nature of the transactions	Lease term	Annual rent ⁽¹⁾ HK\$'M	Rental deposit received during the six months ended 30 September 2022 HK\$'M
Hang Seng Bank, Limited ("Hang Seng")	Tenancy for shop no. 121A at Temple Mall South	Term of 3 years ending on 2 July 2024	3.7 ⁽²⁾	N/A
	Tenancy for shop no. G202 at Lok Fu Place	Term of 3 years ending on 31 October 2022	3.8	N/A
HSBC	Tenancy for shop nos. L201 to L206 at Lok Fu Place	Term of 3 years ended on 21 August 2022 and then renewed for another term of 2 years ending on 21 August 2024	5.2	1.4 ⁽³⁾
	Tenancy for shop no. N119 at Temple Mall North	Term of 2 years ending on 31 August 2023	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 2023	1.1	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) The annual rent (calculated in accordance with Note (1) above) was increased from HK\$3.5 million to HK\$3.7 million during the period under review.

(3) In the form of bank guarantee.

Provision of Banking and Financial Services by Connected Persons

Link and/or its SPVs engaged the HSBC Group (including, among others, Hang Seng, HSBC Bank (China) Company Limited, HSBC Bank Australia Limited and HSBC Bank plc) to provide ordinary course banking and financial services during the period under review. Further details are set out in Note 29 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 for deposits and/or rent collection purposes during the period under review.

The Link Finance Limited (a wholly-owned SPV of Link) also maintained interest rate swap contracts and cross currency swap contracts with HSBC during the period under review. As at 30 September 2022, the total notional principal outstanding value in respect of such contracts with HSBC was approximately HK\$6.2 billion.

Waivers from Strict Compliance

Throughout the six-month period under review, Link complied with the stipulated terms and conditions of the relevant 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.

A summary of significant related party transactions that did not constitute connected party transactions made during the period under review is provided in Note 29 to the condensed consolidated interim financial information.

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 48 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 2022 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 notes, comprising significant accounting policies and other explanatory information. 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, 9 November 2022

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Condensed Consolidated Income Statement

For the six months ended 30 September 2022

	Note	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Revenue	4	6,042	5,778
Property operating expenses	6	(1,455)	(1,387)
Net property income		4,587	4,391
General and administrative expenses		(328)	(237)
Change in fair values of investment properties	13	10,853	3,065
Interest income		37	52
Finance costs	7	(604)	(477)
Loss on disposals of financial assets at amortised cost		–	(9)
Share of net profits of joint ventures	14	160	274
Profit before taxation and transactions with Unitholders	8	14,705	7,059
Taxation	10	(688)	(717)
Profit for the period, before transactions with Unitholders		14,017	6,342
Distributions paid to Unitholders		(3,083)	(3,089)
		10,934	3,253
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		7,924	3,649
Amount arising from reserve movements	26	2,986	(450)
Non-controlling interests		24	54
		10,934	3,253
Profit for the period, before transactions with Unitholders attributable to			
– Unitholders (Note)	11	13,993	6,288
– Non-controlling interests		24	54
		14,017	6,342

The notes on pages 54 to 76 are an integral part of these condensed consolidated interim financial information.

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2022

	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 interests (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
Six months ended 30 September 2022					
Profit for the period	13,993	(11,007)	2,986	24	3,010
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	518	–	518	–	518
– Exchange reserve	(3,504)	–	(3,504)	(37)	(3,541)
Total comprehensive income for the period	11,007	(11,007)	–	(13)	(13)
Six months ended 30 September 2021					
Profit for the period	6,288	(6,738)	(450)	54	(396)
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(49)	–	(49)	–	(49)
– Exchange reserve	499	–	499	–	499
Total comprehensive income for the period	6,738	(6,738)	–	54	54

The notes on pages 54 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\$3,083 million (2021: HK\$3,089 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, which is an increase of HK\$7,924 million (2021: HK\$3,649 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 the termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income attributable to Unitholders after the transactions with Unitholders is zero.

Consolidated Statement of Distributions

For the six months ended 30 September 2022

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Profit for the period, before transactions with Unitholders attributable to Unitholders	13,993	6,288
Adjustments:		
– Change in fair values of investment properties attributable to Unitholders	(10,879)	(3,282)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	84	152
– Change in fair values of derivative component of convertible bonds	–	(26)
– Change in fair values of financial instruments	(70)	(13)
– Depreciation and amortisation of real estate and related assets	30	26
– Loss on disposals of financial assets at amortised cost	–	9
– Other non-cash loss	119	36
Discretionary distribution (Note (i))	–	146
Total Distributable Amount (Note (i))	3,277	3,336
Interim distribution for the period, to be paid to the Unitholders (Note (ii))	3,277	3,336
Distribution per unit for the period (Note (ii))	HK155.51 cents	HK159.59 cents

The notes on pages 54 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 2022, the Manager has decided to distribute 100% of its distributable income to Unitholders. For the six months ended 30 September 2021, the Manager decided to distribute 100% of its distributable income and a capital return in the form of a discretionary distribution of HK\$146 million, Total Distributable Amount represented 105% of the distributable income of the Group.
- (ii) The interim distribution per unit of HK155.51 cents for the six months ended 30 September 2022 is calculated based on the interim distribution of HK\$3,277 million for the period and 2,107,497,039 units in issue as at the date of the approval of the condensed consolidated interim financial information, without taking into account any subsequent change in the number of units in issue. The interim distribution will be paid to Unitholders on 30 December 2022. The interim distribution per unit of HK159.59 cents for the six months ended 30 September 2021 was calculated based on the interim distribution of HK\$3,336 million for the period and 2,090,637,780 units in issue as at 30 September 2021.

Condensed Consolidated Statement of Financial Position

As at 30 September 2022

	Note	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Assets			
Goodwill	12	381	400
Investment properties	13	223,485	212,761
Interests in joint ventures	14	6,672	3,756
Property, plant and equipment	15	1,501	1,248
Financial assets at amortised cost	16	1,592	2,082
Deposits and prepayments		299	722
Derivative financial instruments	23	1,432	414
Trade and other receivables	17	1,191	1,384
Bank deposits	18	41	170
Cash and cash equivalents	18	2,097	2,779
Total assets		238,691	225,716
Liabilities, excluding net assets attributable to Unitholders			
Deferred tax liabilities		3,469	3,348
Long-term incentive scheme provision	19	94	153
Other liabilities	20	4,165	3,948
Interest bearing liabilities	21	53,281	45,714
Convertible bonds	22	787	4,031
Security deposits		1,877	1,920
Derivative financial instruments	23	932	429
Provision for taxation		728	483
Trade payables, receipts in advance and accruals	24	2,500	2,700
Total liabilities, excluding net assets attributable to Unitholders		67,833	62,726
Non-controlling interests		289	302
Net assets attributable to Unitholders		170,569	162,688
Units in issue	25	2,109,445,039	2,110,193,850
Net assets per unit attributable to Unitholders		HK\$80.86	HK\$77.10

The notes on pages 54 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
9 November 2022

George Kwok Lung HONGCHOY
Chief Executive Officer
9 November 2022

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

For the six months ended 30 September 2022

	Note	Unitholders' equity (Unaudited) HK\$'M	Net assets attributable to Unitholders (Unaudited) HK\$'M	Non-controlling interests (Unaudited) HK\$'M
At 1 April 2022		–	162,688	302
Issuance of units under distribution reinvestment scheme		–	258	–
Units bought back for cancellation		–	(301)	–
Profit for the six months ended 30 September 2022, before transactions with Unitholders		–	13,993	24
Distributions paid to Unitholders		–	(3,083)	–
– 2022 final distribution		–	(3,083)	–
Change in fair values of cash flow hedges	26	511	–	–
Amount transferred to the condensed consolidated income statement	26	7	–	–
Foreign currency translations	26	(3,504)	–	(37)
Amount arising from reserve movements	26	2,986	(2,986)	–
Change in net assets attributable to Unitholders and non-controlling interests for the six months ended 30 September 2022, excluding issues of new units and units bought back		–	7,924	(13)
At 30 September 2022		–	170,569	289
At 1 April 2021		–	158,720	(27)
Issuance of units under distribution reinvestment scheme		–	753	–
Units bought back for cancellation		–	(82)	–
Profit for the six months ended 30 September 2021, before transactions with Unitholders		–	6,288	54
Distributions paid to Unitholders		–	(3,089)	–
– 2021 final distribution		–	(3,089)	–
Change in fair values of cash flow hedges		(79)	–	–
Amount transferred to the condensed consolidated income statement		30	–	–
Foreign currency translations		499	–	–
Amount arising from reserve movements		(450)	450	–
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2021, excluding issues of new units and units bought back		–	3,649	54
At 30 September 2021		–	163,040	27

The notes on pages 54 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 2022

	Note	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Operating activities			
Net cash generated from operating activities		3,745	3,076
Investing activities			
Acquisition of assets	27	(3,626)	(2,449)
Acquisition of joint ventures		(3,148)	(982)
Additions to investment properties		(1,155)	(437)
Additions to property, plant and equipment		(28)	(8)
Interest income received		49	62
Proceeds from disposal and maturity of financial assets at amortised costs		483	408
Deposits paid for acquisitions of assets		(103)	(66)
Decrease in bank deposits with original maturity of more than three months		126	–
Dividend received from a joint venture		9	–
Net cash used in investing activities		(7,393)	(3,472)
Financing activities			
Proceeds from interest bearing liabilities, net of transaction costs		17,553	7,628
Redemption of convertible bonds		(3,213)	–
Repayment of interest bearing liabilities		(7,846)	(4,131)
Repayment of borrowings acquired in acquisition of assets		–	(713)
Increase in amount due to a joint venture		281	–
Increase in amount due to a non-controlling interest		23	14
Interest expenses paid		(589)	(463)
Payment of lease liabilities		(2)	(2)
Distributions paid to Unitholders		(2,825)	(2,336)
Units bought back for cancellation		(301)	(82)
Net cash generated from/(used in) financing activities		3,081	(85)
Net decrease in cash and cash equivalents		(567)	(481)
Cash and cash equivalents at 1 April		2,779	2,530
Effect on exchange rate changes on cash and cash equivalents		(115)	13
Cash and cash equivalents at 30 September		2,097	2,062

The notes on pages 54 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 Second Amending and Restating Deed entered into on 30 July 2021 (the “**Trust Deed**”).

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

2 Basis of Preparation

The condensed consolidated interim financial information for the six months ended 30 September 2022 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 2022.

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 2022, except for the adoption of the following new amendments and accounting guidelines issued by the HKICPA which became effective for the six months ended 30 September 2022.

HKFRS 3, HKAS 16 and HKAS 37 Amendments	Narrow-Scope Amendments
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations
Annual Improvements 2018-2020 Cycle	

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

The following new standards, amendments and interpretations 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 2023.

HKAS 1 Amendments	Classification of Liabilities as Current or Non-current ⁽²⁾
HKAS 1 and HKFRS Practice Statement 2 Amendments	Disclosure of Accounting Policies ⁽¹⁾
HKAS 8 Amendments	Definition of Accounting Estimates ⁽¹⁾
HKAS 12 Amendments	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction ⁽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 ⁽¹⁾
HKFRS 17 Amendments	Amendments to HKFRS 17 ⁽¹⁾
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁽¹⁾

⁽¹⁾ effective for accounting periods beginning on or after 1 January 2023

⁽²⁾ effective for accounting periods beginning on or after 1 January 2024

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

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

4 Revenue

Revenue recognised during the period comprises:

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Rentals		
– Hong Kong retail and office properties	3,241	3,218
– Hong Kong car parks and related business	1,177	1,042
– Mainland China retail, office and logistics properties	644	646
– Overseas retail and office properties	195	181
Other revenue (Note)	785	691
Total revenue	6,042	5,778

Note: Other revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue.

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$52 million (2021: HK\$51 million) and have been included in the rental income.

5 Segment Information

	Hong Kong retail and office properties HK\$'M	Hong Kong car parks and related business HK\$'M	Mainland China retail, office and logistics properties HK\$'M	Overseas retail and office properties HK\$'M	Total HK\$'M
For the six months ended 30 September 2022 (Unaudited)					
Revenue	3,792	1,180	789	281	6,042
Segment results	2,890	953	565	179	4,587
Change in fair values of investment properties	5,929	5,227	(20)	(283)	10,853
Share of net profits of joint ventures	–	–	87	73	160
Corporate expenses					(328)
Interest income					37
Finance costs					(604)
Profit before taxation and transactions with Unitholders					14,705
Taxation					(688)
Profit for the period, before transactions with Unitholders					14,017
Capital additions	1,093	29	798	6,535	8,455
Depreciation	–	–	(2)	(3)	(5)
As at 30 September 2022 (Unaudited)					
Segment assets	139,593	45,391	31,686	9,643	226,313
Interests in joint ventures	–	–	3,449	3,223	6,672
Unallocated corporate assets					163
Goodwill					381
Financial assets at amortised cost					1,592
Derivative financial instruments					1,432
Bank deposits					41
Cash and cash equivalents					2,097
Total assets					238,691
Segment liabilities	2,825	179	783	137	3,924
Unallocated corporate liabilities					453
Deferred tax liabilities					3,469
Long-term incentive scheme provision					94
Other liabilities					4,165
Interest bearing liabilities					53,281
Convertible bonds					787
Derivative financial instruments					932
Provision for taxation					728
Total liabilities, excluding net assets attributable to Unitholders					67,833
Non-controlling interests					289
Net assets attributable to Unitholders					170,569

5 Segment Information (Continued)

For the six months ended 30 September 2022, revenue of HK\$789 million (2021: HK\$764 million) is attributable to external customers from Mainland China, HK\$4,972 million (2021: HK\$4,769 million) is attributable to external customers from Hong Kong, and HK\$281 million (2021: HK\$245 million) is attributable to external customers from overseas.

As at 30 September 2022, investment properties, interests in joint ventures, property, plant and equipment, and goodwill amounting to HK\$34,931 million (31 March 2022: HK\$38,084 million) are located in Mainland China, HK\$184,386 million (31 March 2022: HK\$172,102 million) are located in Hong Kong, and HK\$12,722 million (31 March 2022: HK\$7,979 million) are located in overseas.

	Hong Kong retail and office properties HK\$'M	Hong Kong car parks and related business HK\$'M	Mainland China retail, office and logistics properties HK\$'M	Overseas retail and office properties HK\$'M	Total HK\$'M
For the six months ended 30 September 2021 (Unaudited)					
Revenue	3,722	1,047	764	245	5,778
Segment results	2,825	824	572	170	4,391
Change in fair values of investment properties	1,468	1,288	217	92	3,065
Share of net profit of a joint venture	–	–	274	–	274
Corporate expenses					(237)
Interest income					52
Finance costs					(477)
Loss on disposals of financial assets at amortised cost					(9)
Profit before taxation and transactions with Unitholders					7,059
Taxation					(717)
Profit for the period, before transactions with Unitholders					6,342
Capital additions	176	32	4,026	–	4,234
As at 31 March 2022 (Audited)					
Segment assets	132,652	40,127	34,464	8,516	215,759
Interests in a joint venture	–	–	3,756	–	3,756
Unallocated corporate assets					356
Goodwill					400
Financial assets at amortised cost					2,082
Derivative financial instruments					414
Bank deposits					170
Cash and cash equivalents					2,779
Total assets					225,716
Segment liabilities	2,966	221	919	166	4,272
Unallocated corporate liabilities					348
Deferred tax liabilities					3,348
Long-term incentive scheme provision					153
Other liabilities					3,948
Interest bearing liabilities					45,714
Convertible bonds					4,031
Derivative financial instruments					429
Provision for taxation					483
Total liabilities, excluding net assets attributable to Unitholders					62,726
Non-controlling interests					302
Net assets attributable to Unitholders					162,688

6 Property Operating Expenses

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	349	340
Staff costs	282	271
Repair and maintenance	106	126
Utilities	205	189
Government rent and rates	141	152
Promotion and marketing expenses	95	90
Estate common area costs	56	51
Real estate taxes and land use taxes	64	57
Other property operating expenses	157	111
	1,455	1,387

7 Finance Costs

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities	602	371
Interest expenses on convertible bonds (Note 22)	7	62
Other borrowing costs (Note (i))	56	82
	665	515
Less: capitalised under investment properties (Note (ii))	(2)	(5)
	663	510
Change in fair values of derivative component of convertible bonds (Note 22)	–	(26)
Fair value gain on non-controlling interest put option obligation (Note 20)	(59)	(7)
	604	477

Notes:

- (i) Other borrowing costs mainly include HK\$43 million (2021: HK\$42 million) interest expenses to a non-controlling interest, HK\$7 million (2021: HK\$30 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$23 million (2021: HK\$39 million) net gains on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 2.5% (2021: 2.4%) 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 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Staff costs (Note 9)	457	421
Depreciation of property, plant and equipment	44	41
Trustee's fee	8	8
Valuation fee	2	1
Auditor's remuneration		
Audit and audit-related assurance services	2	1
Bank charges	3	4
Commission to property agents	7	8
Donations	16	15
Exchange gain on financial instruments	(2)	(6)
Short-term lease expenses	4	1
Other legal and professional fees	14	6

9 Staff Costs

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Wages and salaries	476	406
Contributions to mandatory provident fund scheme (Note)	7	7
Long-term incentive scheme awards	14	49
	497	462
Less: capitalised under investment properties	(40)	(41)
Staff costs (Note 8)	457	421

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

10 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the period. Income taxes in Mainland China and Australia have been provided for at the applicable rate on the estimated assessable profit for the period.

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

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Current taxation		
– Hong Kong	430	418
– Mainland China	71	91
– Australia	9	–
Deferred taxation	178	208
Taxation	688	717

11 Earnings Per Unit Based Upon Profit for the Period, Before Transactions with Unitholders Attributable to Unitholders

	Six months ended 30 September 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)
Profit for the period, before transactions with Unitholders attributable to Unitholders for calculating basic earnings per unit	HK\$13,993 million	HK\$6,288 million
Adjustment for dilutive convertible bonds	HK\$6 million	HK\$27 million
Profit for the period, before transactions with Unitholders attributable to Unitholders for calculating diluted earnings per unit	HK\$13,999 million	HK\$6,315 million
Weighted average number of units for the period for calculating basic earnings per unit	2,110,808,353	2,084,598,832
Adjustment for dilutive convertible bonds	7,194,442	36,566,414
Weighted average number of units for the period for calculating diluted earnings per unit	2,118,002,795	2,121,165,246
Basic earnings per unit	HK\$6.63	HK\$3.02
Diluted earnings per unit	HK\$6.61	HK\$2.98

12 Goodwill

	Carrying value (Unaudited) HK\$'M
At 1 April 2022	400
Exchange adjustments	(19)
At 30 September 2022	381

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 2022	212,761	–	212,761
Exchange adjustments (Note (e))	(4,815)	–	(4,815)
Additions	389	766	1,155
Acquisition of assets (Note 27)	3,818	–	3,818
Change in fair values	10,853	–	10,853
Transfer to property, plant and equipment (Note 15)	(287)	–	(287)
At 30 September 2022	222,719	766	223,485

(b) Valuation Process

The investment properties (including qualified minority-owned properties) were revalued on a market value basis as at 31 March and 30 September 2022 by Colliers International (Hong Kong) Limited (the “Principal Valuer”), an independent firm of professional qualified valuers and the Principal Valuer of Link.

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

(c) Valuation Techniques

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

Direct comparison approach is based on comparing the property to be valued directly with identical or similar assets for which price information is available. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

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 2022: Level 3) of the fair value hierarchy.

13 Investment Properties (Continued)

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

Link acquired a 50% interest in Qibao Vanke Plaza in Shanghai, Happy Valley Shopping Mall in Guangzhou, 75% interests in two logistics properties in Dongguan and Foshan, two car park/car service centres and godown buildings in Hong Kong, a 49.9% interest in a trust which owns prime office properties in Australia, a logistics property in Jiaxing, 50% interests in three retail properties in Sydney and a parcel of commercial-use land off Anderson Road for development, the completions of which were on 2 April 2021, 28 June 2021, 27 October 2021, 31 December 2021, 1 June 2022, 29 June 2022, 1 July 2022 and 31 August 2022 respectively, and the development of the parcel of commercial-use land off Anderson Road was not yet completed as at 30 September 2022. In accordance with the REIT Code, Link is prohibited from disposing of its properties (held through a special purpose vehicle or joint venture entity) for at least two years from either the time such properties are acquired or the dates of the completion of the development of the properties, unless the Unitholders approve the proposed disposal by way of a special resolution passed in accordance with the Trust Deed.

(e) Exchange Adjustments

The exchange loss on translation is attributable to the Group’s investment properties in Mainland China, Australia and the United Kingdom amounting to HK\$3,603 million, HK\$672 million and HK\$540 million, respectively. These amounts are included in exchange reserve and were partly offset by hedging financial instruments.

(f) Security for the Group’s Loan Facilities

As at 30 September 2022, certain of the Group’s investment properties in Mainland China and Australia, amounting to approximately HK\$5,097 million (31 March 2022: HK\$4,866 million) and HK\$3,570 million (31 March 2022: HK\$4,112 million) respectively, were pledged to secure the Group’s loan facilities totalling HK\$3,318 million (31 March 2022: HK\$3,920 million).

14 Interests in Joint Ventures

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Cost of investment in joint ventures	6,732	3,252
Share of post-acquisition results and other comprehensive income	(51)	504
Dividend received	(9)	–
	6,672	3,756

On 9 February 2022, Link, through a wholly-owned subsidiary, entered into an unit sale agreement to acquire 49.9% of fully-paid ordinary units of AOFI I Trust at an adjusted cash consideration of A\$605 million (equivalent to approximately HK\$3,403 million). Link incurred acquisition-related transaction costs of HK\$77 million. AOFI I Trust owns interests in five prime office properties located in central business districts in Sydney and Melbourne respectively in Australia. The transaction was completed on 1 June 2022.

The Group's interests in joint ventures amounting to HK\$6,672 million as at 30 September 2022 are accounted for using the equity method in the condensed consolidated interim financial information.

The financial information related to the Group's share of joint ventures is as follows:

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Share of net profits	160	274
Share of net property income	163	94

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Share of investment properties carried at fair value	9,629	4,240

15 Property, Plant and Equipment

	Land, building and leasehold improvements (Unaudited) HK\$'M	Right-of-use assets (Unaudited) HK\$'M	Motor vehicles (Unaudited) HK\$'M	Equipment (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2022	1,151	5	–	92	1,248
Exchange adjustments	(35)	(1)	–	(1)	(37)
Additions	10	19	–	18	47
Transfer from investment properties (Note 13)	287	–	–	–	287
Depreciation charge for the period	(29)	(1)	–	(14)	(44)
At 30 September 2022	1,384	22	–	95	1,501
At 30 September 2022					
Cost	1,575	23	6	211	1,815
Accumulated depreciation	(191)	(1)	(6)	(116)	(314)
Net book value	1,384	22	–	95	1,501

16 Financial Assets at Amortised Cost

Financial assets at amortised cost include the following debt investments:

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Listed corporate bonds	1,562	2,052
Unlisted corporate bonds	30	30
	1,592	2,082

During the period, the Group has interest income arising from financial assets at amortised cost amounted to HK\$28 million (2021: HK\$42 million). The carrying amounts of the financial assets at amortised cost are expected to be recovered as below:

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Within one year	599	890
After one year	993	1,192
	1,592	2,082

17 Trade and Other Receivables

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Trade receivables	352	329
Less: provision for impairment of trade receivables	(87)	(59)
Trade receivables – net	265	270
Other receivables	926	1,114
	1,191	1,384

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

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

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

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
0–30 days	172	216
31–90 days	59	61
Over 90 days	121	52
	352	329

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

18 Cash and Cash Equivalents and Bank Deposits

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Cash at bank	1,668	1,584
Bank deposits with original maturity of less than three months	429	1,195
	2,097	2,779
Bank deposits with original maturity of more than three months	41	170
	2,138	2,949

The carrying amounts of cash and cash equivalents and bank deposits are expected to be recovered within one year.

19 Long-term Incentive Scheme Provision

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Long-term incentive scheme provision		
– expected to be settled within one year	63	72
– expected to be settled after one year	31	81
	94	153

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 number of units to be purchased in each grantee’s favour upon vesting are linked to the performance of Link based on the total Unitholders return, net property income or certain vesting conditions. Conditional cash awards were also granted in conjunction with the restricted unit awards, bestowing upon each grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions during the vesting period, catch-up adjustments and ex-gratia payments pursuant to the 2017 LTI Scheme, if applicable.

During the period, the Group purchased 1,051,429 units (2021: 264,634 units) from the market for restricted units awards which have vested in accordance with the 2017 LTI Scheme.

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

19 Long-term Incentive Scheme Provision (Continued)

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

Date of grant	Vesting period	Outstanding as at 1 April 2022	Granted during the period	Vested during the period ^(iv)	Lapsed during the period	Outstanding as at 30 September 2022	Maximum to be vested on vesting date ^(vi)
2017 LTI Scheme							
5 July 2019	5 July 2019 to 30 June 2022	464,404	–	(242,243)	(222,161)	–	–
29 July 2020	29 July 2020 to 30 June 2023 ⁽ⁱ⁾	1,537,798	–	(768,899)	(9,245)	759,654	759,654
7 July 2021	7 July 2021 to 30 June 2024 ⁽ⁱ⁾	1,194,879	–	–	(39,300)	1,155,579	1,934,420 ^(vi)
2 June 2022	2 June 2022 to 1 June 2024 ⁽ⁱⁱ⁾	–	79,862	–	–	79,862	79,862
4 July 2022	4 July 2022 to 3 July 2025 ⁽ⁱⁱⁱ⁾	–	27,663	–	–	27,663	27,663
11 July 2022	11 July 2022 to 30 June 2025 ⁽ⁱ⁾	–	1,595,003	–	(1,500)	1,593,503	2,632,681 ^(vi)
Total		3,197,081	1,702,528	(1,011,142)	(272,206)	3,616,261	5,434,280

Notes:

- (i) The restricted unit awards are vested in two equal tranches on 30 June of the second year and 30 June of the third year after the grant.
- (ii) The restricted unit awards are vested in two equal tranches on the first and second anniversary of the date of grant.
- (iii) The restricted unit awards are vested in two equal tranches on the second and third anniversary of the date of grant.
- (iv) Restricted unit award vesting percentages during the period ranged from 0% to 100%.
- (v) If certain vesting conditions are met.
- (vi) Additional units beyond these amounts are subject to approval of the Remuneration Committee of the Manager.

20 Other Liabilities

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Amount due to a non-controlling interest	3,873	3,862
Amount due to a joint venture	265	–
Non-controlling interest put option obligation	27	86
	4,165	3,948

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 a non-controlling interest is unsecured, interest bearing at an effective interest rate of 2.5% (31 March 2022: 2.3%), and has no fixed repayment term. Such amount including any accrued interest will be repaid from the Project Company’s surplus cash after meeting its payment obligations.
- (ii) The amount due to a joint venture is denominated in Renminbi, unsecured, interest bearing at an effective interest rate of 3.8% per annum and expected to be settled after one year.
- (iii) Pursuant to the shareholders’ agreement, Nan Fung has a right to exercise a put option to require Link to purchase all the issued shares Nan Fung holds in the Project Company at the then fair market value, after the second anniversary of the issuance of the Certificate of Compliance for the commercial property development and certain conditions have been satisfied. The non-controlling interest put option obligation was recognised as a financial liability based on a valuation performed by Crowe Horwath First Trust Appraisal Pte Ltd, an independent firm of professional qualified valuers. The valuer has used discounted cash flow as the valuation technique. The valuation is based on various assumptions and calculated by reference to a number of unobservable inputs, including the estimated fair value of the equity interests of the Project Company at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used. The Manager held discussions with the valuer and reviewed all significant inputs used. Discussions of the valuation processes and results at each reporting date are held between the Manager and the valuer. Fair value of the put option obligation is included in Level 3 (31 March 2022: 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.

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

	Fair value (Unaudited) HK\$'M
At 1 April 2022	86
Recognised in the condensed consolidated income statement:	
– Fair value gain (Note 7)	(59)
At 30 September 2022	27

21 Interest Bearing Liabilities

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Unsecured bank borrowings	28,033	18,633
Secured bank borrowings	3,318	3,920
Medium term notes	21,930	23,161
	53,281	45,714

21 Interest Bearing Liabilities (Continued)

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

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Due in the first year		
Unsecured bank borrowings	11,071	4,297
Secured bank borrowings	185	209
Medium term notes	700	1,229
	11,956	5,735
Due in the second year		
Unsecured bank borrowings	595	8,205
Secured bank borrowings	248	215
Medium term notes	5,550	–
	6,393	8,420
Due in the third year		
Unsecured bank borrowings	4,810	1,635
Secured bank borrowings	2,398	174
Medium term notes	1,838	6,624
	9,046	8,433
Due in the fourth year		
Unsecured bank borrowings	3,716	3,005
Secured bank borrowings	151	2,755
Medium term notes	5,424	1,877
	9,291	7,637
Due in the fifth year		
Unsecured bank borrowings	7,841	1,491
Secured bank borrowings	236	157
Medium term notes	1,790	6,014
	9,867	7,662
Due beyond the fifth year		
Secured bank borrowings	100	410
Medium term notes	6,628	7,417
	6,728	7,827
	53,281	45,714

Notes:

- (i) After taking into account the cross currency swap contracts, except for bank borrowings of HK\$5,154 million (31 March 2022: HK\$5,625 million), HK\$8,887 million (31 March 2022: HK\$3,996 million) and HK\$3,452 million (31 March 2022: HK\$3,759 million) which are denominated in Renminbi, Australian Dollars and British Pound Sterling respectively, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) After taking into account the cross currency swap contracts and interest rate swap contracts, the effective interest rate of the interest bearing liabilities which are denominated in Hong Kong Dollars as at 30 September 2022 was 2.92% (31 March 2022: 2.21%) and that of the interest bearing liabilities which are denominated in Renminbi, Australian Dollars and British Pound Sterling was 3.62% (31 March 2022: 3.68%), 3.59% (31 March 2022: 1.13%) and 1.87% (31 March 2022: 1.44%) respectively.

22 Convertible Bonds

On 3 April 2019, the Group issued HK\$4 billion convertible bonds at 1.60% per annum due 2024. These bonds are convertible into new Link units at an initial conversion price of HK\$109.39 per unit at the option of the bondholder. Link has the option to redeem the bonds if the closing price of the units is 130% or above the initial conversion price while bondholders have the right to require Link to redeem all or some only of the bonds on 3 April 2022. On 4 April 2022, the Group has, at the option of the bondholders, redeemed and cancelled part of the bonds at an aggregate principal amount of HK\$3.213 billion representing approximately 80.3% of the initial principal amount of the bonds, together with interest accrued up to the date fixed for redemption but unpaid.

As at 30 September 2022, the convertible bonds are unsecured. The effective interest rate of the convertible bonds at the reporting date was 1.60% (31 March 2022: 3.12%).

	Carrying value (Unaudited) HK\$'M
Liability component	
At 1 April 2022	4,031
Finance costs (Note 7)	7
Interest expenses paid	(38)
Redemption	(3,213)
At 30 September 2022	787
Derivative component	
At 1 April 2022	-
Change in fair value (Note 7)	-
At 30 September 2022	-
	787

23 Derivative Financial Instruments

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Derivative assets		
Designated as cash flow hedge		
– interest rate swap contracts	922	404
Designated as fair value hedge		
– cross currency swap contracts	21	9
Designated as net investment hedge		
– cross currency swap contracts	152	–
Not designated as hedging instruments		
– cross currency swap contracts	280	–
– forward foreign exchange contracts	57	1
	1,432	414
Derivative liabilities		
Designated as fair value hedge		
– cross currency swap contracts	(733)	(241)
– interest rate swap contracts	(28)	(7)
Designated as net investment hedge		
– cross currency swap contracts	–	(93)
Not designated as hedging instruments		
– cross currency swap contract	(171)	(81)
– forward foreign exchange contracts	–	(7)
	(932)	(429)
Net derivative assets/(liabilities)	500	(15)

Notes:

- (i) The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2 of the fair value hierarchy.
- (ii) The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. The fair values of forward foreign exchange contracts are determined using forward exchange market rates at each reporting date. Cross currency swap contracts, interest rate swap contracts and forward foreign exchange contracts are included in Level 2 (31 March 2022: Level 2) of the fair value hierarchy. During the six months ended 30 September 2021 and 2022, there were no transfers between the three levels of the fair value hierarchy.

23 Derivative Financial Instruments (Continued)

The carrying amounts of net derivative assets/(liabilities) are expected to be settled as below:

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Within one year	57	–
After one year	443	(15)
	500	(15)

The Group uses cross currency swap contracts (swapping from foreign currencies to Hong Kong Dollars) and interest rate swap contracts to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the condensed consolidated income statement. Any change in fair values of the cross currency swap contracts and forward foreign exchange contracts that are not designated for hedge accounting are recognised directly in the condensed consolidated income statement. A net amount of HK\$518 million (2021: HK\$49 million debited) had been credited to the hedging reserve during the period as further set out in Note 26.

As at 30 September 2022, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 3.35 years on HK\$13,998 million borrowings (31 March 2022: 3.53 years on HK\$10,048 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 2022 were HK\$13,998 million (31 March 2022: HK\$10,048 million) and 1.41% (31 March 2022: 0.73%) respectively.

As at 30 September 2022, 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 2022 were HK\$12,431 million (31 March 2022: HK\$12,431 million) and HK\$400 million (31 March 2022: HK\$400 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 26) as at 30 September 2022 will be released to the condensed consolidated income statement when the relevant hedged item affects profit or loss.

As at 30 September 2022, the derivative financial instruments qualifying as net investment hedges have, in effect, converted part of the Group's net investment in Mainland China attributable to changes in the HK\$/RMB spot rate. The notional principal amounts of the outstanding cross currency swap contracts qualifying as net investment hedges as at 30 September 2022 was HK\$2,276 million (31 March 2022: HK\$2,276 million).

As at 30 September 2022, the Group has outstanding cross currency swap contracts that are not designated for hedge accounting and the notional principal amounts were HK\$4,148 million (31 March 2022: HK\$4,148 million).

As at 30 September 2022, the Group has outstanding forward foreign exchange contracts of selling RMB401 million (31 March 2022: RMB803 million), A\$17 million (31 March 2022: A\$33 million) and GBP5 million (31 March 2022: GBP10 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, Australian Dollars denominated net income in Australia, and British Pound Sterling denominated net income in the United Kingdom in Hong Kong Dollars term, and are not designated for hedge accounting.

24 Trade Payables, Receipts in Advance and Accruals

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Trade payables	79	104
Receipts in advance	490	522
Accruals	1,931	2,074
	2,500	2,700

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

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Within one year	2,480	2,695
After one year	20	5
	2,500	2,700

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

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
0–30 days	44	65
31–90 days	15	6
Over 90 days	20	33
	79	104

25 Units in Issue

	Number of units (Unaudited)
At 1 April 2022	2,110,193,850
Units bought back for cancellation	(4,758,400)
Units issued under distribution reinvestment scheme	4,009,589
At 30 September 2022	2,109,445,039

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 6,706,400 units (2021: 1,264,000 units) at an aggregate price of HK\$407 million (2021: HK\$82 million), out of which, 4,758,400 units were cancelled during the period and the remaining 1,948,000 units were cancelled in October 2022.

During the six months ended 30 September 2022, the Manager issued and allotted 4,009,589 units in total pursuant to the distribution reinvestment scheme in respect of the final distribution for the financial year ended 31 March 2022.

Closing price of the units as at 30 September 2022 was HK\$54.90 (31 March 2022: HK\$67.00) per unit. Based on 2,109,445,039 units in issue as at 30 September 2022 (31 March 2022: 2,110,193,850 units), market capitalisation was HK\$115,809 million (31 March 2022: HK\$141,383 million).

26 Unitholders' Equity

	Hedging reserve (Unaudited) HK\$'M	Exchange reserve (Unaudited) HK\$'M	Earnings retained for reserve adjustments (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2022	404	1,167	(1,571)	–
Cash flow hedges:				
– Change in fair values	511	–	–	511
– Amount transferred to the condensed consolidated income statement (Note (i))	7	–	–	7
	518	–	–	518
Foreign currency translations:				
– Exchange loss on translation of financial statements	–	(4,089)	–	(4,089)
– Change in fair value of net investment hedges	–	585	–	585
	–	(3,504)	–	(3,504)
Net assets attributable to Unitholders:				
– Amount arising from reserve movements (Note (ii))	–	–	2,986	2,986
At 30 September 2022	922	(2,337)	1,415	–

Notes:

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

27 Acquisition of Assets

On 5 November 2021, Link, through its wholly-owned subsidiaries, entered into contracts of sale, to acquire 50% interests in freehold and leasehold interests in three retail properties in Sydney (namely Queen Victoria Building (“QVB”), The Galleries and The Strand Arcade) at an aggregate cash consideration (before completion adjustments) of approximately A\$538 million (equivalent to approximately HK\$2,877 million). Link incurred acquisition-related transaction costs of HK\$177 million. The transactions were completed on 1 July 2022, Link becomes 50% tenant in common in QVB, The Galleries and The Strand Arcade. QVB, The Galleries and The Strand Arcade are located at 429-481, 500 and 412-414A George Street, Sydney New South Wales 2000, respectively.

On 12 May 2022, Link, through a wholly-owned subsidiary, entered into an equity transfer agreement to acquire the entire registered capital of 嘉興大恩供應鏈管理有限公司 at a cash consideration (before completion adjustments) of RMB493 million (equivalent to approximately HK\$578 million). Link incurred acquisition-related transaction costs of HK\$4 million in total. The transaction was completed on 29 June 2022. 嘉興大恩供應鏈管理有限公司 owns the logistics property located at No. 669 Sheng’an Road, Xiuzhou District, Jiaying.

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

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

	50% interests in three retail properties in Sydney (Unaudited) HK\$’M	Logistics property (Unaudited) HK\$’M	Total (Unaudited) HK\$’M
Investment properties (Note 13)	3,054	764	3,818
Cash and cash equivalents	–	10	10
Other net current liabilities	–	(2)	(2)
Bank borrowings	–	(190)	(190)
Purchase consideration	3,054	582	3,636
Cash and cash equivalents acquired	–	(10)	(10)
Cash outflow on acquisitions	3,054	572	3,626

28 Capital Commitments

	30 September 2022 (Unaudited) HK\$’M	31 March 2022 (Audited) HK\$’M
Capital expenditure of investment properties contracted but not provided for at the end of the period	1,066	3,568

29 Connected Party Transactions and Significant Related Party Transactions and Balances

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

(a) Nature of Relationship with Connected/Related Parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and the nature of their relationship with the Group as at 30 September 2022:

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

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

(b) Significant Transactions with Connected/Related Parties

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

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(8)	(8)
Transactions with the HSBC Group (Notes (iii) and (iv))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	(33)	(24)
Rental income from the HSBC Group on leasing of retail units	18	18
Interest income from the HSBC Group on bank deposits	3	9
Architectural/renovation consultancy services fees paid and payable to Aedas Limited and Aedas Beijing Limited (Notes (iii) and (v))	(2)	(2)
Interest expense to a joint venture (Note (iii))	(4)	–

Notes:

- (i) All connected/related party transactions were carried out in accordance with the terms of the relevant agreements governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee's fee (calculated and paid monthly) at rates ranging from 0.006% per annum to 0.015% per annum (2021: 0.006% per annum to 0.015% per annum) of the latest property value as determined in the latest annual valuation report of an independent property valuer recommended by the Manager and appointed by the Trustee for and on behalf of Link from time to time, subject to a minimum of HK\$150,000 per month.
- (iii) The transactions were entered into at arm's length on normal commercial terms and in compliance with Link's procurement policy.
- (iv) HSBC Group and the Trustee are members of the same group and HSBC Group is considered as a related party of the Group.
- (v) Aedas Limited and Aedas Beijing Limited are associates of Mr Ian Keith GRIFFITHS.

29 Connected Party Transactions and Significant Related Party Transactions and Balances

(Continued)

(c) Significant Balances with Related Parties

Significant balances with related parties are set out below:

	30 September 2022 (Unaudited) HK\$'M	31 March 2022 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(3)	(1)
Interest bearing liabilities with the HSBC Group	(2,511)	(1,359)
Net interest (payable)/receivable from the HSBC Group	(3)	2
Security deposits from the HSBC Group	(3)	(3)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	126	(2)
Deposits placed with the HSBC Group	1,249	1,117
Architectural/renovation consultancy services fees payable to Aedas Limited and Aedas Beijing Limited	–	(1)
Amount due to a joint venture	(265)	–

(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 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M
Fees	5	5
Basic salaries, allowances and other benefits	120	102
Long-term incentive scheme awards	11	40
	136	147

30 Qualified Minority-owned Properties

Link held the following qualified minority-owned properties as at 30 September 2022:

Property	Location	Usage	Dividend received during the period	Interest held
Qibao Vanke Plaza	Shanghai, Mainland China	Retail property for rental income	Nil	50%
Queen Victoria Building	Sydney, Australia	Retail property for rental income	Nil	50%
The Galleries	Sydney, Australia	Retail property for rental income	Nil	50%
The Strand Arcade	Sydney, Australia	Retail property for rental income	Nil	50%

31 Approval of the Condensed Consolidated Interim Financial Information

The condensed consolidated interim financial information was authorised for issue by the Board on 9 November 2022.

Five Year Performance Summary

Financial Data

	Six months ended 30 September 2022 (Unaudited) HK\$'M	Six months ended 30 September 2021 (Unaudited) HK\$'M	Six months ended 30 September 2020 (Unaudited) HK\$'M	Six months ended 30 September 2019 (Unaudited) HK\$'M	Six months ended 30 September 2018 (Unaudited) HK\$'M
Condensed consolidated income statement					
Revenue	6,042	5,778	5,233	5,332	4,930
Property operating expenses	(1,455)	(1,387)	(1,196)	(1,261)	(1,171)
Net property income	4,587	4,391	4,037	4,071	3,759
General and administrative expenses	(328)	(237)	(220)	(201)	(151)
Change in fair values of investment properties and impairment of goodwill	10,853	3,065	(7,275)	3,662	6,702
Interest income	37	52	71	95	59
Finance costs	(604)	(477)	(405)	(233)	(302)
Loss on disposals of financial assets at amortised cost	–	(9)	–	–	–
Share of net profits of joint ventures	160	274	–	–	–
Profit/(loss) before taxation and transactions with Unitholders	14,705	7,059	(3,792)	7,394	10,067
Taxation	(688)	(717)	(533)	(677)	(732)
Profit/(loss) for the period, before transactions with Unitholders	14,017	6,342	(4,325)	6,717	9,335
Distributions paid to Unitholders	(3,083)	(3,089)	(2,999)	(2,964)	(2,758)
	10,934	3,253	(7,324)	3,753	6,577
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	7,924	3,649	(6,139)	2,278	4,690
Amount arising from reserve movements	2,986	(450)	(953)	1,500	1,778
Non-controlling interests	24	54	(232)	(25)	109
	10,934	3,253	(7,324)	3,753	6,577
Consolidated statement of distributions					
Profit/(loss) for the period, before transactions with Unitholders attributable to Unitholders	13,993	6,288	(4,093)	6,742	9,226
Adjustments:					
– Change in fair values of investment properties and impairment of goodwill attributable to Unitholders	(10,879)	(3,282)	7,048	(3,644)	(6,591)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	84	152	(61)	65	145
– Change in fair values of derivative components of convertible bonds	–	(26)	–	(58)	–
– Change in fair values of financial instruments	(70)	(13)	(70)	(225)	35
– Depreciation and amortisation of real estate and related assets	30	26	28	13	–
– Loss on disposals of financial assets at amortised cost	–	9	–	–	–
– Other non-cash loss/(income)	119	36	(75)	(72)	(56)
Discretionary distribution	–	146	144	145	–
Total distributable amount	3,277	3,336	2,921	2,966	2,759
Distribution per unit (HK cents)					
Interim DPU	155.51	159.59	141.65	141.47	130.62

Financial Data (Continued)

		As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Assets and liabilities						
Investment properties	HK\$'M	223,485	212,761	199,074	193,224	218,496
Other assets	HK\$'M	15,206	12,955	10,811	14,395	8,441
Total assets	HK\$'M	238,691	225,716	209,885	207,619	226,937
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	67,833	62,726	51,192	47,502	37,611
Non-controlling interests	HK\$'M	289	302	(27)	406	587
Net assets attributable to Unitholders	HK\$'M	170,569	162,688	158,720	159,711	188,739
Total borrowings to total assets	%	22.7	22.0	18.4	16.7	10.7
Total liabilities to total assets	%	28.4	27.8	24.4	22.9	16.6
Valuation of investment properties	HK\$'M	223,485	212,761	199,074	193,224	218,496
Valuation capitalisation rate						
– Hong Kong						
– Retail	%	3.10 – 4.50	3.10 – 4.50	3.10 – 4.50	3.10 – 4.50	3.00 – 4.20
– Car park and related business	%	2.60 – 4.80	2.90 – 5.30	3.10 – 5.30	3.10 – 5.30	3.50 – 4.80
– Office	%	3.00	3.00	3.00	3.00	N/A
– Mainland China						
– Retail	%	4.25 – 4.75	4.25 – 4.75	4.25 – 4.75	4.25 – 4.75	4.25 – 4.75
– Office	%	4.25	4.25	4.25	4.25	4.25
– Logistics	%	4.70 – 5.00	5.00	N/A	N/A	N/A
– Australia						
– Retail	%	4.80 – 5.21	N/A	N/A	N/A	N/A
– Office	%	4.40 – 4.56	4.40	4.50	N/A	N/A
– United Kingdom						
– Office	%	5.41	5.19	5.24	N/A	N/A
Net assets per unit attributable to Unitholders	HK\$	80.86	77.10	76.24	77.61	89.48
Closing price per unit	HK\$	54.90	67.00	70.80	65.70	91.80
Market capitalisation	HK\$'M	115,809	141,383	147,396	135,204	193,636
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	(32.1)	(13.1)	(7.1)	(15.3)	2.6
Units in issue		2,109,445,039	2,110,193,850	2,081,862,866	2,057,898,386	2,109,321,254

Portfolio Data

		Six months ended 30 September 2022 (Unaudited)	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Six months ended 30 September 2019 (Unaudited)	Six months ended 30 September 2018 (Unaudited)
Hong Kong Portfolio						
Average monthly unit rent at period end – Retail	HK\$ psf	63.2	62.4	63.0	64.0	60.7
Reversion rate – Retail	%	8.5	3.4	(4.0)	19.6	23.7
Occupancy rate at period end						
– Retail	%	97.5	97.5	96.1	96.9	95.5
– Car park related business	%	100.0	N/A	N/A	N/A	N/A
– Office	%	97.8	81.4	79.3	N/A	N/A
Car park income per space per month	HK\$	3,167	3,073	2,745	2,929	2,706
Net property income margin	%	77.3	76.6	77.1	75.9	75.9
Mainland China Portfolio						
Reversion rate						
– Retail (Note (i))	%	8.4	18.8	8.7	34.2	47.4
– Office	%	(18.2)	(12.1)	(8.5)	15.2	0.2
Occupancy rate at period end						
– Retail (Note (i))	%	92.1	93.3	94.7	99.0	98.8
– Office	%	96.0	96.7	94.8	95.1	98.9
– Logistics	%	100.0	N/A	N/A	N/A	N/A
Net property income margin	%	71.6	74.8	76.6	79.0	79.6
Australia Portfolio						
Occupancy rate at period end						
– Retail	%	95.9	N/A	N/A	N/A	N/A
– Office (Note (i))	%	91.5	100.0	100.0	N/A	N/A
United Kingdom Portfolio						
Occupancy rate at period end – Office	%	93.1	100.0	100.0	N/A	N/A
Performance Data						
Net assets attributable to Unitholders at period end	HK\$'M	170,569	163,040	153,853	189,926	180,378
Net assets per unit attributable to Unitholders at period end	HK\$	80.86	77.99	74.60	90.58	85.41
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (ii))	HK\$	N/A	0.71	N/A	9.22	N/A
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (ii))	HK\$	(27.21)	(14.89)	(18.35)	(5.58)	(19.61)
Closing price per unit at period end	HK\$	54.90	66.75	63.00	86.45	77.05
Net yield per unit (Note (iii))	%	2.8	2.4	2.2	1.6	1.7
Net yield (annualised) per unit	%	5.7	4.8	4.5	3.3	3.4
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	30.2	31.0	27.5	27.5	25.4

Notes:

- (i) Reversion rate and occupancy rate have included properties under joint venture. Comparative figures have been restated.
- (ii) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$72.00 (2021: HK\$78.70) and HK\$53.65 (2021: HK\$63.10) respectively on The Stock Exchange of Hong Kong Limited during the period.
- (iii) Net yield per unit is calculated based on distribution per unit for the six months ended 30 September 2022 of HK\$155.51 cents (2021: HK\$159.59 cents) over the closing price as at 30 September 2022 of HK\$54.90 (2021: HK\$66.75).

Investor Information

Listing of the Units

Link's Units are listed on the Main Board of the Stock Exchange (stock code: 823) in board lot size of 100 Units.

There were 2,109,445,039 Units in issue as at 30 September 2022. Further details of Units in issue are set out in Note 25 to the condensed consolidated interim financial information in this report.

Financial Calendar

Interim results announcement for the six months ended 30 September 2022	9 November 2022
Ex-interim distribution date	21 November 2022
Closure of register of Unitholders ⁽¹⁾	23 to 24 November 2022 inclusive
Record date for interim distribution	24 November 2022
Announcement of distribution reinvestment scheme	24 November 2022
Despatch of distribution reinvestment scheme circular and related documents	1 December 2022
Announcement of issue price for scrip in lieu of an interim cash distribution	8 December 2022
Final date for scrip election ⁽²⁾	16 December 2022 not later than 4:30 p.m.
Interim distribution payment date	30 December 2022
Financial year end	31 March 2023

Notes:

- (1) In order to qualify for the interim distribution of HK155.51 cents per Unit for the six months ended 30 September 2022, Unitholders should ensure that all transfer documents accompanied by the relevant Unit certificates have been lodged with Link's Unit registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 November 2022.
- (2) A distribution reinvestment scheme will be available to eligible Unitholders who may elect to receive the interim distribution for the six months ended 30 September 2022, wholly in cash or wholly in new Units or a combination of both. For those Unitholders electing for scrip, **the relevant election form must be lodged with Link's Unit registrar, Computershare Hong Kong Investor Services Limited (at the address above) not later than 4:30 p.m. on Friday, 16 December 2022. Unitholders should note that any election form arrived/received after the aforesaid deadline will be taken as invalid.**

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

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

GPR⁽¹⁾ 250 (World) Index

GPR⁽¹⁾ 250 Asia Index

GPR⁽¹⁾ 250 Asia Pacific Index

GPR⁽¹⁾ 250 Hong Kong Index

GPR⁽¹⁾ 250 REIT (World) Index

GPR⁽¹⁾ 250 REIT Asia Index

GPR⁽¹⁾ 250 REIT Asia Pacific Index

GPR⁽¹⁾ 250 REIT Hong Kong Index

GPR⁽¹⁾ General (World) Index

GPR⁽¹⁾ General Asia Index

GPR⁽¹⁾ General Hong Kong Index

GPR⁽¹⁾ General Quoted (World) Index

GPR⁽¹⁾ General Quoted Asia Index

GPR⁽¹⁾ General Quoted Hong Kong Index

GPR⁽¹⁾ Global 100 Index

Hang Seng Index

Hang Seng REIT Index

Hang Seng Composite Index

Hang Seng HK 35

Hang Seng Corporate Sustainability Index

Hang Seng (Mainland and HK) Corporate Sustainability Index

Hang Seng Corporate Sustainability Benchmark Index

MSCI All Country World Index

MSCI All Country Asia ex Japan Index

MSCI World Index

MSCI Hong Kong Index

MSCI AC Asia Pacific Real Estate Index

MSCI AC Asia ex Japan IMI REITS Index

GPR⁽¹⁾/APREA⁽²⁾ Composite Index

GPR⁽¹⁾/APREA⁽²⁾ Composite Hong Kong Index

GPR⁽¹⁾/APREA⁽²⁾ Composite REIT Index

GPR⁽¹⁾/APREA⁽²⁾ Composite REIT Hong Kong Index

GPR⁽¹⁾/APREA⁽²⁾ Investable 100 Index

GPR⁽¹⁾/APREA⁽²⁾ Investable 100 Hong Kong Index

GPR⁽¹⁾/APREA⁽²⁾ Investable REIT 100 Index

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Notes:

(1) Global Property Research

(2) Asia Pacific Real Estate Association

Definitions and Glossary

2017 LTI Scheme or Long-term Incentive Scheme	the long-term incentive scheme of Link adopted by the Board on 10 July 2017 (the rules of which were amended on 1 June 2020 and 1 June 2022)
AUM	assets under management
average monthly unit rent	the average base rent 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 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 Finance and Investment Committee, the Nomination Committee and the Remuneration Committee, and “ Board Committee ” refers to any one of them
CEO	Chief Executive Officer of the Manager
CFO	Chief Financial Officer of the Manager
Chairman	Chairman of the Board (unless the context requires otherwise)
CLO	Chief Legal Officer of the Manager
Compliance Manual	the compliance manual of the Manager which sets out (among others) the key processes, systems and measures in respect of Link’s operations and the corporate governance policy of Link
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)
COVID	Coronavirus Disease
Director(s)	director(s) of the Manager
DPU	distribution per Unit in respect of the total distributable amount of Link for a financial year/period
ED(s)	Executive Director(s) of the Manager (unless the context requires otherwise)
ESG	environmental, social and governance
EUPP	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing, through an independent third-party intermediary, Units 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)
Government	the Government of the Hong Kong Special Administrative Region

Group	Link and its subsidiaries (unless the context requires otherwise)
Hong Kong Stock Exchange or Stock Exchange or HKEx	The Stock Exchange of Hong Kong Limited
INED(s)	Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise)
KPI(s)	key performance indicator(s)
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
Link or Link REIT	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 contained in Appendix 14 to the Listing Rules
Manager	Link Asset Management Limited, which is the manager of Link
market capitalisation	the market value of the REIT calculated by multiplying the number of Units in issue by the prevailing Unit price quoted on the Stock Exchange
Maximum Cap	25% of Link's GAV as a cap to the total sum of: (i) all Relevant Investments; (ii) Non-qualified Minority-owned Properties; (iii) other ancillary investments; and (iv) all of the property development costs together with the aggregate contract value of the uncompleted units of real estate
MTN	note(s) and/or green bond issued or to be issued from time-to-time pursuant to the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009
NED	Non-Executive Director of the Manager (unless the context requires otherwise)
NGO(s)	non-governmental organisation(s)
Non-qualified Minority-owned Properties	all minority-owned properties other than Qualified Minority-owned Properties under 7.7C of the REIT Code
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
Property Development Cap	25% of Link's GAV as a cap to property development and related activities of Link under the REIT Code
psf	per square foot
Qualified Minority-owned Property	qualified minority-owned property under 7.7C of the REIT Code

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
ROI or 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
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
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 14 supplemental deeds and two amending and restating 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
Unitholder(s)	holder(s) of Unit(s) of Link
WALE	weighted average lease expiry
yoy	year-on-year

Corporate Information

Board of Directors of the Manager

Chairman

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

Executive Directors

George Kwok Lung HONGCHOY
(Chief Executive Officer)

NG Kok Siong
(Chief Financial Officer)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE

Ed CHAN Yiu Cheong

Jenny GU Jialin

Lincoln LEONG Kwok Kuen

Blair Chilton PICKERELL

Poh Lee TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

Company Secretary of the Manager

Kenneth Tai Lun WONG⁽¹⁾

Responsible Officers of the Manager⁽²⁾

George Kwok Lung HONGCHOY

NG Kok Siong

Christine CHAN Suk Han

Authorised Representatives⁽³⁾

George Kwok Lung HONGCHOY

Kenneth Tai Lun WONG

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Cushman & Wakefield Limited⁽⁴⁾

Colliers International (Hong Kong) Limited⁽⁵⁾

Registered Office of the Manager

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77 Hoi Bun Road, Kwun Tong,
Kowloon, Hong Kong

Town Office of the Manager

Suite 901, 9th Floor, The Hong Kong Club Building,
3A Chater Road, Central, Hong Kong

Shanghai Office of the Manager

Unit 918-921, Building No. 1, Link Square,
No. 222 Hubin Road, Huangpu District,
Shanghai, Mainland China

Sydney Office of the Manager

Suite 28.02, Level 28, Australia Square Tower,
264 George Street, Sydney, NSW 2000, Australia

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
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Websites

Linkreit.com (corporate website)

Linkhk.com (customer website)

Mobile App



Linkhk.com

Notes:

(1) email: cosec@linkreit.com

(2) Required by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

(3) Required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

(4) Appointed on 17 November 2022

(5) Retired on 16 November 2022

