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領展
LINK

Link Real Estate Investment Trust

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

(stock code: 823)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The board of directors (the ***Board***) of Link Asset Management Limited (the ***Manager***), as manager of Link Real Estate Investment Trust (***Link***), is pleased to report to unitholders (the ***Unitholders***) the audited consolidated final results of Link and its subsidiaries (the ***Group***) for the year ended 31 March 2022.

The final results and the consolidated financial statements of the Group for the year ended 31 March 2022, after review by the audit and risk management committee of the Manager (the ***Audit and Risk Management Committee***), were approved by the Board on 1 June 2022.

OVERALL FINANCIAL RESULTS

Revenue and net property income increased by 8.0% and 6.5% year-on-year to HK$11,602 million (2021: HK$10,744 million) and HK$8,776 million (2021: HK$8,238 million), respectively.

Valuation of the investment property portfolio increased by 6.9% to HK$212,761 million (31 March 2021: HK$199,074 million) mainly due to acquisition of assets and exchange gain. Profit for the year, before transactions with Unitholders was HK$6,907 million (2021: HK$752 million). Net asset value per unit increased by 1.1% to HK$77.10 (31 March 2021: HK$76.24).

Total distributable amount, after adjustments and a discretionary distribution of HK$146 million paid in 1H 2021/2022 (2021: HK$290 million), amounted to HK$6,419 million (2021: HK$6,010 million). Distribution per unit (***DPU***) for the year was HK305.67 cents (2021: HK289.99 cents). Excluding the discretionary distribution HK7 cents (2021: HK14 cents), DPU for the year increased by 8.2% to HK298.67 cents (2021: HK275.99 cents), comprising an interim DPU of HK152.59 cents (2021: HK134.65 cents) and a final DPU of HK146.08 cents (2021: HK141.34 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

2021/2022 Highlights

In the pursuit of Vision 2025, our key performance indicators reflect resilient business performance despite the ongoing macroeconomic challenges and uncertainties.

Financial	• Occupancy in Hong Kong retail improved from 96.8% to 97.7%. • Over 660 new leases were signed in Hong Kong retail portfolio in addition to renewals. • DPU (including the discretionary distribution HK7 cents) grew by 5.4% to HK305.67 cents.
Portfolio	• Actively managed portfolio and announced investments in 17 properties from April 2021 to May 2022. • Completed three asset enhancement projects in Hong Kong and Mainland China.
Talent	• Established group organisation structure with segregation of regional operations from group functions. • Strengthened management bench strength. • Retained a diverse workforce with 52% female and 48% male.
Natural	• Ceased distribution of single-use plastic umbrella bags across our 75 shopping centres in Hong Kong. • Piloted styrofoam box recycling in Hong Kong to prevent over 59,000 boxes being disposed to landfill.
Social & Relationship	• Upsized tenant support scheme to around HK$220 million and sponsored HK$13 million worth of F&B coupons to shoppers. • Initiated an upward social mobility program to promote community employment.
Innovation	• Commenced detailed flood risk exposure covering Mainland China and Hong Kong properties in the Greater Bay Area (***GBA***). • Completed implementation of Facilities Management IT System across 127 properties, enabling delivery of higher service level standards, detailed assessment of equipment performance and just-in-time inventory management.

Operational Highlights – China

Hong Kong Portfolio

Our portfolio in Hong Kong comprises primarily retail and car park facilities attached/adjacent to public residential developments. The shopping malls offer daily necessities and essential services to the general public. Parking services are made available to shoppers visiting our malls and residents of the surrounding estates. These assets are a part of Hong Kong's consumption infrastructure with resilient revenue streams, underpinning our financial strength amid uncertainty. The Quayside, a joint venture office building in Kowloon East, and two car park/car service centres and godown buildings in Hung Hom and Chai Wan provide additional growth avenues.

The Hong Kong portfolio showed encouraging results early in the financial year with the COVID recovery well underway. The fifth wave of COVID emerged in late January 2022, leading to the implementation of stringent social distancing measures. Our tenants experienced different degrees of disruption, some having to suspend their operations temporarily. Despite this, our tenants have demonstrated agility and resilience in combating COVID. Our consistent engagement with tenants and active asset management helped retain tenants and maintain the overall rental collection rate at a strong level of 98% for the reporting year. Total retail revenue improved by 2.7%. The total car park and related business revenue improved by 13.2% year-on-year.

Retail

- As at the financial year end, occupancy reached a high level of 97.7%, even under the fifth wave of COVID. This shows the resilience of our non-discretionary focused retail properties and the role they play in the lives of local communities.

- Despite the challenges in lease negotiation brought about by the fifth wave of COVID, over 660 new leases were signed in Hong Kong. The Hong Kong overall average reversion rate improved to 4.8%. Average unit rent edged up slightly to HK$62.7 per square foot (***psf***).

- Robust year-on-year tenant sales recovery was supported by strong local consumption until the beginning of 2022. Link's tenants experienced a relatively small degree of disruption during the year and as a result, a stable 7.8% year-on-year growth in tenant gross sales psf was achieved, outperforming Hong Kong average. Overall rent-to-sales ratio stayed at the healthy level of 13.1%.

- In response to the fifth wave of COVID, Link has provided rental concessions to tenants in sectors required to close for business under the government's epidemic control measures. We were among the first businesses in Hong Kong to announce a HK$120 million scheme to help alleviate tenants' financial burdens. The scheme was then upsized to around HK$220 million. A range of support measures were offered on a case-by-case basis, including rent reductions, grant of rent-free periods, allowing rent payment by instalments and late payments interest charges and service charges waiver. In addition, we have been working closely with tenants on a variety of additional initiatives to provide flexibility, such as lease restructuring. Record-high occupancy levels achieved during the year helped to partially offset the spending on the tenant support scheme. We will continue to assess epidemic developments and will remain flexible to help our tenants cope with these challenges.

- With the strong support provided to our tenants, no major rental arrears were recorded. Our rental income stream is well buffered against market fluctuations due to a diverse tenant base, with the top 20 tenants accounting for around 40% of the total retail revenue. The government has also offered a new round of consumption vouchers of HK$10,000 and an Employment Support Scheme, to eligible individuals and employers, respectively. We expect the consumption voucher scheme to be an effective tool to boost leasing sentiment and local consumption. We are confident that this round of support measures, coupled with relaxation in social distancing measures, will lead to an encouraging post-pandemic recovery. Similar to 2020, given our financial health and the challenges the government is addressing, we have not applied for the Employment Support Scheme.

Revenue Breakdown

	Year ended 31 March 2022 *HK$'M*	Year ended 31 March 2021 *HK$'M*	Year-on-year change *%*
Retail rental:			
Shops [(1)]	**4,919**	4,881	0.8
Markets/Cooked Food Stalls	**977**	954	2.4
Education/Welfare and Ancillary	**141**	140	0.7
Mall Merchandising	**186**	184	1.1
Expenses recovery and other miscellaneous revenue [(2)]	**866**	741	16.9
Total retail revenue	**7,089**	6,900	2.7

Notes:

(1) Rental from shops included base rent of HK$4,830 million (2021: HK$4,826 million) and turnover rent of HK$89 million (2021: HK$55 million).

(2) Other miscellaneous revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue.

Operational Statistics

	Occupancy rate		**Reversion rate**		**% of total area**[(1)]
	As at 31 March 2022 %	As at 31 March 2021 %	**Year ended 31 March 2022 %**	Year ended 31 March 2021 %	**As at 31 March 2022 %**
Shops	**98.1**	97.0	**2.9**	(5.8)	**84.0**
Markets/Cooked Food Stalls	**95.2**	94.4	**19.0**	18.2	**9.2**
Education/Welfare and Ancillary	**97.0**	98.4	**6.7**	5.3	**6.8**
Total	**97.7**	96.8	**4.8**	(1.8)	**100.0**

Note:

(1) Total excluding self-use office.

Tenant Retail Gross Sales Growth and Rent-to-sales Ratio
(Year ended 31 March 2022)

Trade	Tenant retail gross sales growth psf %	Rent-to-sales ratio[1] %
Food and Beverage	16.6	14.6
Supermarket and Foodstuff	(2.3)	10.7
General Retail [2]	10.3	14.4
Overall	**7.8**	**13.1**

Notes:

[1] A ratio of base rent (excluding management fee) to tenant retail gross sales psf.

[2] 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 retail others.

Portfolio Breakdown

	No. of properties	Retail property valuation	Retail rentals	Average monthly unit rent [1]		Occupancy rate	
Properties	**As at 31 March 2022**	**As at 31 March 2022** *HK$'M*	**Year ended 31 March 2022** *HK$'M*	**As at 31 March 2022** *HK$ psf*	As at 31 March 2021 *HK$ psf*	**As at 31 March 2022** %	As at 31 March 2021 %
Destination	**6**	**26,436**	**1,225**	**76.5**	79.3	**97.7**	94.0
Community	**35**	**67,364**	**3,514**	**69.7**	69.2	**98.2**	97.6
Neighbourhood	**57**	**29,078**	**1,484**	**45.5**	44.6	**97.1**	97.2
Total	**98**	**122,878**	**6,223**	**62.7**	62.4	**97.7**	96.8

Note:

[1] Average monthly unit rent represents the average base rent (excluding management fee) per month psf of leased area.

Trade Mix
(As at 31 March 2022)

Trade	By monthly rent[1] %	By leased area %
Food and Beverage	27.9	29.5
Supermarket and Foodstuff	22.1	17.6
Markets/Cooked Food Stalls	16.8	9.0
Services	10.7	10.6
Personal Care/Medicine	5.4	3.8
Education/Welfare and Ancillary	1.0	6.8
Valuable Goods (Jewellery, watches and clocks)	0.7	0.4
Others [2]	15.4	22.3
Total	**100.0**	**100.0**

Notes:

(1) Refers to base rent (excluding management fee).

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

Lease Expiry Profile
(As at 31 March 2022)

	% of total area %	% of monthly rent[1] %
2022/2023	31.4	34.1
2023/2024	26.2	28.5
2024/2025 and Beyond	33.0	29.6
Short-term Lease and Vacancy	9.4	7.8
Total	**100.0**	**100.0**

Note:

(1) Refers to base rent (excluding management fee).

Car Park and Related Business

- Notwithstanding the negative impact of the fifth wave of COVID on mall footfall, car park performance remained steady and resilient. During the year, monthly car park ticket sales remained stable while hourly car park usage improved significantly as more shoppers drove rather than took public transportation.

- On 31 December 2021, the acquisition of two car park/car service centres and godown buildings in Hung Hom and Chai Wan was completed. This investment brought us three months of rental revenue amounting HK$52 million during the year. We have secured a sale and long-term leasing arrangement with the seller, with an embedded 4% yearly rental escalation, providing stable income growth. As at the financial year end, both properties were fully let to Zung Fu Company Limited, the exclusive car dealer of Mercedes-Benz in Hong Kong and a wholly-owned subsidiary of Jardine Matheson.

- Including new contribution from the above mentioned investments, revenue from car park and related business recorded a 13.2% year-on-year growth. Car park income per space per month surged by 10.4% year-on-year to HK$3,064.

- As at 31 March 2022, average car park valuation per space was approximately HK$607,000, increased by 8.8% year-on-year.

Revenue Breakdown

	Year ended 31 March 2022 *HK$'M*	Year ended 31 March 2021 *HK$'M*	Year-on-year change %
Rental income:			
Monthly car park	**1,517**	1,432	5.9
Hourly car park	**561**	451	24.4
Car park related business [1]	**52**	–	N/A
Expense recovery and other miscellaneous revenue	**8**	5	60.0
Total car park and related business revenue	**2,138**	1,888	13.2

Note:

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

Office

- We improved the committed occupancy rate of our joint venture office building, The Quayside, to 96.6% as of 17 May 2022.

- The Quayside is strategically located in the heart of Kowloon East, where the formation of an alternative business hub is underway. Its leasing progress has outperformed the market, as its best-in-class building specifications and accredited green features are attractive to occupiers seeking high-quality and sustainable office spaces.

- Although the COVID pandemic has posed operational challenges for the office sector, we believe Hong Kong office leasing momentum will continue as the "flight-to-quality" persists, backed by upgrading demand for Grade A office spaces.

Property Operating Expenses

- Total property operating expenses increased by 7.6% year-on-year while net property income margin remained at 76.3% (2021: 76.8%).

- Utility charges increased due to the absence of government subsidies and an increase in energy consumption to improve ventilation as one of the COVID preventive measures.

- Promotion and marketing expenses increased as Link organised a wide range of events to aid tenants' sales.

- Staff costs increased due to higher accrual for awards granted under our long-term incentive plan and the expanded management team to broaden management bandwidth.

- As announced in 2022/2023 Budget Speech, rates concession and wavier of water and sewage charges payable by non-domestic properties will continue to be extended. This helps ease our operating pressure and keeps the net property income margin at a healthy level in next year.

Property Operating Expenses Breakdown

	Year ended 31 March 2022 *HK$'M*	Year ended 31 March 2021 *HK$'M*	Year-on-year change %
Property managers' fees, security and cleaning	**599**	592	1.2
Staff costs	**460**	367	25.3
Repair and maintenance	**212**	227	(6.6)
Utilities	**262**	236	11.0
Government rent and rates	**279**	270	3.3
Promotion and marketing expenses	**174**	139	25.2
Estate common area costs	**102**	91	12.1
Other property operating expenses	**160**	167	(4.2)
Total property operating expenses	**2,248**	2,089	7.6

Mainland China Portfolio

2021/2022 was a fruitful year for our Mainland China operations. We expanded our footprint with four new investments, namely a 50% interest in Qibao Vanke Plaza[(1)] in Shanghai (acquired in April 2021), Happy Valley Shopping Mall in Guangzhou (acquired in June 2021) and 75% interests in each of two logistics properties in Dongguan and Foshan (acquired in October 2021). In January 2022, we completed our first large-scale asset enhancement project in Mainland China at Link CentralWalk in Shenzhen. We created value by re-positioning this asset as an "urban paradise on the central axis of Futian" which provides shoppers exceptional shopping and dining experiences.

In 2021/2022, our Mainland China portfolio achieved 20.9% and 15.9% growth in total revenue and net property income, respectively. Overall rental collection remained healthy at 97%.

Note:

(1) A Qualified Minority-owned Property.

Retail

- Revenue from Mainland China retail portfolio grew by 24.4% year-on-year.

- As our shopping malls are primarily situated in close proximity to residential developments, tenant sales were well supported by local consumption demand. Positive tenant sales growth rates were recorded in stabilised shopping malls in Beijing and Guangzhou as their operations were largely unaffected during the year.

- Our five 100%-owned shopping malls in Mainland China delivered robust average reversion at 8.8% despite the market turmoil. Separately, Qibao Vanke Plaza achieved a strong reversion of 27.5%.

- Although the recent outbreak of COVID in Mainland China dampened the retail sentiment, overall average occupancy of this portfolio remained steady at 88.5% as at the financial year end. Happy Valley Shopping Mall will shortly undergo asset enhancement. Excluding this mall, the overall average occupancy of our Mainland China retail portfolio would be higher at 92.3%. We expect the overall average occupancy to normalise after its enhancement has been completed.

- Since March 2022, occasional COVID outbreaks and city-wide lockdowns have resulted in business interruptions for our tenants. Except for supermarkets, the affected malls were required to close, food and beverage tenants were only permitted to offer takeaways. The negative impact on Mainland China retail malls is expected to linger to next financial year.

Office

- The occupancy of our office asset in Mainland China, Link Square in Shanghai, edged up to 97.0% as at 31 March 2022 despite the new office supply in Shanghai. Office reversion was at -8.1%.

- In March 2022, the local government encouraged workers in Shanghai to implement flexible work arrangements in view of the COVID outbreak. Physical occupancy of Link Square has been affected. However, rental collection percentage has stayed strong at 99%. To retain its competitiveness among premium grade A offices, Link Square is being upgraded through the enhancement of the office lobby and common areas, which is targeted to complete in 2022.

Lease Expiry Profile
(As at 31 March 2022)

	Retail		Office	
	% of total area %	% of monthly rent[(1)] %	% of total area %	% of monthly rent[(1)] %
2022/2023	24.4	29.8	38.2	41.4
2023/2024	13.0	20.6	17.5	19.2
2024/2025 and Beyond	51.1	49.6	41.3	39.4
Vacancy	11.5	–	3.0	–
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:
(1) Refers to base rent (excluding management fee).

Logistics

- We are pleased to enter the logistics sector through the acquisition of 75% interests in two recently-developed modern logistics properties in Dongguan and Foshan which was completed in October 2021. Both assets were fully let to reputable tenants as at 31 March 2022.

- We entered into a 75:25 joint-venture with the vendor, First Priority Group, a well-experienced logistics operations manager with the largest market share in Dongguan and the second largest logistics stock in the GBA. As at 31 March 2022, the Dongguan and Foshan assets have a weighted average lease expiry (***WALE***) of 2.5 years and 3.4 years, respectively. We expect these logistics properties to offer stable returns.

- Following the financial year end, we agreed to acquire three logistics properties in the affluent Yangtze River Delta (***YRD***) in May 2022. The seller, Fujian Dongbai Group, is a listed company on the Shanghai Stock Exchange. Our acquired assets are located in the logistics hubs – Jiaxing and Changshu. Two of the assets having recently been completed to excellent building specifications. They are fully-leased, and their tenants are reputable local players in third-party logistics (***3PLs***) and e-commerce fields. The third asset is under the final stage of construction. Its completion certificate is being processed. These assets are strategically located and well connected in YRD through artery expressways. They are well positioned as the regional distribution centres for e-commerce and consumer products, capturing the surging logistics demands from 3PLs. We are positive on the logistics market in Mainland China. To enhance distribution of the Group, we will continue to seek for assets that can benefit from strong demand and relatively low future supply of logistics warehouses.

Investment Summary

	Jiaxing Asset	Changshu North Asset (under construction)	Changshu South Asset	Total
Property Particulars				
Land Tenure	50 years expiring in 2067	50 years expiring in 2056	50 years expiring in 2055	
Completion	2019	May 2022 (estimated)	2021	
GFA (square meter)	99,323	69,045	23,776	192,144
Specifications	Double-storey ramp	Double-storey ramp	Single-storey	
Monthly Gross Passing Income[(1)] (RMB Million)	3.3	N/A	0.8[(2)]	4.1
WALE (years)	1.8	N/A	5.0	
Valuation				
Agreed Property Value (RMB Million)	649	337	120	1,106
Valuation by Colliers [(3)] (RMB Million)	660	343	125	1,128

Notes:

(1) Monthly gross passing income includes rental income and management fee income.

(2) The current monthly gross passing income is RMB0.05 million as the asset is still in the fit-out period. After the fit-out period ends in July 2022, the monthly gross passing income will be RMB0.8 million.

(3) Source: Valuation as of March 2022.

Operational Highlights – Overseas

A geographically diversified portfolio strengthens our resilience, allowing us to profit from the distinct economic cycles of different economies. During the year, we seized the opportunity to scale up our investments in Australia through the acquisition of 50% interests in three iconic retail assets in Sydney and five prime office assets in Sydney and Melbourne through a joint venture with a 49.9% interest in this office portfolio. Together with the existing overseas assets, this portfolio positions us to benefit from the current economic rebound in Australia and aligns with our Vision 2025 growth and diversification strategy. Overall rental collection rate remained healthy at 97%.

Retail Portfolio

- The acquisition of 50% interests in three iconic retail assets – namely Queen Victoria Building, The Galeries and The Strand Arcade is expected to complete shortly. Occupancy reached 95.5% at the end of April 2022. Located in the heart of Sydney, these assets have a diversified tenant base and enjoy excellent footfall from local visitors and international tourists. Coupled with the strategic co-owner partnership with Vicinity, we are committed to delivering the best retail experience and curating a productive portfolio.

- We believe Australia's retail sales and our shopping malls will be well-supported by the re-opening and strong recovery of the Australian economy post pandemic.

Office Portfolio

- During the year, the two office assets, 100 Market Street in Australia and The Cabot in the United Kingdom, continued to provide a stable income stream when the retail market was impacted by COVID. These grade A office spaces, fully occupied by blue-chip tenants, are our core investment. They also possess long WALE of >7 years (100 Market Street) and >9 years (The Cabot). The total revenue and net property income of these assets amounted to HK$482 million and HK$339 million, respectively.

- In February 2022, we announced a joint venture with Oxford Properties Group, a leading global real estate investor, to own the Investa Gateway Office portfolio, which will be locally managed by Investa. It consists of five prime office assets, namely 126 Phillip Street, 388 George Street, 151 Clarence Street and 347 Kent Street, all in Sydney and 567 Collins Street in Melbourne. It is one of the highest quality, sustainability focused, prime office portfolios available in the Australian market. This quality portfolio is well-positioned to capture the rising demand from quality-seeking occupiers and the recovery of Australian corporates. These investments are expected to complete in June 2022.

- We believe that the office sector in our overseas markets will continue to benefit from the re-opening and return of office workers. The "Flight-to-quality" trend supports grade A office demand. Australia's market outlook remains positive as a world-leader in commodity exports and a beneficiary of the surge in commodity prices.

Asset Enhancement

Optimising and maintaining the condition of its assets is vital for any real estate manager. Our rolling asset enhancement programme realises the full potential of our assets. Delivering high environmental standards, boosting the volume and flow of people and fulfilling the demand of different shoppers have all been critical to this strategy.

Completed projects in 2021/2022

- In 1H 2021/2022, we completed two asset enhancement projects in Hong Kong. A total capex of HK$86 million was spent on enhancing Hing Wah Plaza and Tai Wo Plaza, with an estimated return on investments (***ROIs***) of 13.2% and 3.6%, respectively.

- Our first large-scale asset enhancement project in Mainland China, Link CentralWalk in Shenzhen's Futian district, was completed in January 2022, with a total capex of RMB286 million and an ROI of 11.0%. We increased the total number of shops by approximately 20%, and the green area of Link CentralWalk now spans more than 18,000 square metres, with a total green coverage ratio being raised by 10 percentage points to 43.1%. We believe these renovations will support long-term value creation for this asset.

Approved Asset Enhancement Projects Underway

- Asset enhancement of Tai Yuen Market, Lok Fu Market and Tak Tin Market in Hong Kong are underway. We expect the projects to incur an estimated capex of HK$22 million, HK$32 million and HK$73 million, respectively. The projects are expected to complete in mid 2022.

- We have also started planning for the asset enhancement of Happy Valley Shopping Mall in Guangzhou to capture the spending from middle-income households that is underserved in Zhujiang New Town. The asset enhancement project will be conducted in phases. The first phase is expected to start in 2022/2023 with an estimated capex of more than RMB150M, and involves the renovation and repartition of the area previously occupied by a department store. We also target to improve the visibility and attractiveness of the mall by upgrading the façade and recreating an outdoor piazza.

- We target to spend an aggregate of over HK$1 billion capex on asset enhancements projects.

Valuation Review

Colliers International (Hong Kong) Limited, the principal valuer of Link, valued Link's properties as at 31 March 2022, using the income capitalisation approach with reference to market comparables via the direct comparison approach. As at 31 March 2022, total value of investment properties rose 6.9% year-on-year to HK$212,761 million due to the recent completion of the acquisitions and exchange gain.

- As at 31 March 2022, the value of our Hong Kong retail and office properties decreased by 1.4% and 0.9% year-on-year to HK$122,878 million and HK$8,860 million, respectively as the valuer has assumed a decline in rental projection given the dampened economy and property market. The car parks and related business were valued at HK$40,102 million. The increase in value was mainly due to new acquisition and the significant improvement in car parks net passing income.

- Our properties in Mainland China (including 50% value of Qibao Vanke Plaza) were valued at HK$38,433 million (31 March 2021: HK$27,160 million). The increase of HK$11,273 million in valuation was mainly attributable to acquisitions and exchange gain from Renminbi appreciation compared with last year end. Excluding the translation difference and on a like-for-like basis, the value of our Mainland China properties went up by 0.2% in Renminbi terms.

- The total value of office buildings in Australia and the United Kingdom was HK$7,974 million as at 31 March 2022.

Valuation

	Valuation		**Capitalisation Rate**	
	As at 31 March 2022 *HK$'M*	As at 31 March 2021 *HK$'M*	**As at 31 March 2022**	As at 31 March 2021
Hong Kong				
Retail properties	**122,878**	124,581	**3.10% – 4.50%**	3.10% – 4.50%
Car parks and related business	**40,102**	31,516	**2.90% – 5.30%**	3.10% – 5.30%
Office property	**8,860**[(1)]	8,943[(1)]	**3.00%**	3.00%
	171,840	165,040		
Mainland China				
Retail properties	**29,936**[(2)]	20,713	**4.25% – 4.75%**	4.25% – 4.75%
Office property	**6,782**	6,447	**4.25%**	4.25%
Logistics properties	**1,715**	–	**5.00%**	N/A
	38,433	27,160		
Australia				
Office property	**4,112**	4,038	**4.40%**	4.50%
United Kingdom				
Office property	**3,862**	4,019	**5.19%**	5.24%
Total valuation	**218,247**	200,257		
Total valuation of investment properties	**212,761**[(3)]	199,074[(3)]		

Notes:

(1) The amount represents the office portion only of The Quayside.

(2) The amount includes 50% value of Qibao Vanke Plaza.

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

Capital Management

(Face Value as at 31 March 2022)

The rapid spread of the Omicron variant of COVID stalled the global economic recovery, counteracting solid growth that was seen at the end of 2021. The Russia-Ukraine war reshaped the global energy supply and has driven up food and energy prices. Inflation in the United States reached a near 40-year high, forcing the US Fed, for the first time since December 2018, to raise its benchmark interest rate. It started with a 25bps rise in March 2022 and another 50bps rate rise in May 2022. More aggressive rate hikes by the US Fed are expected in the near term to counter inflation.

In light of the impact of expected interest rate hikes in the year ahead, Link has proactively fixed and secured low cost financing, reserving liquidity for business development and acquisition needs.

Increased access to capital markets

During the year, we arranged a total of HK$30.8 billion debt comprising bonds and bank loans in different currencies. This newly arranged debt provides funding support for our strategic acquisitions, debt replenishment and pre-financing before the anticipated rate hikes.

Link started off 2022 with two flagship pre-financing arrangements.

- In January 2022, we issued a US$600 million 10-year USD bond at a coupon rate of 2.75%.

- In March 2022, we signed a HK$12 billion sustainability-linked syndicated loan facility comprising two equal tranches of 4-year and 5-year tenor.

Both transactions were well received by the market. The sustainability-linked syndicated loan facility was the largest of its kind in the real estate sector in Asia Pacific.

Financing arranged since April 2021

April 2021	HK$500 million 5-year sustainability-linked loan
May 2021	CNH650 million 3-year notes at 2.8% per annum
June 2021	CNH250 million 3-year notes at 2.8% per annum
August 2021	HK$800 million 2-year loan facility
September 2021	3 to 5-year loan facilities totalling HK$2.7 billion
	5-year sustainability-linked loans totalling HK$1.5 billion
October 2021	HK$800 million 5-year notes at 1.48% per annum
	HK$782 million 10-year notes at 2.23% per annum
	CNH300 million 3-year notes at 3.00% per annum
	CNH460 million 3-year notes at 3.25% per annum
December 2021	1 to 5-year loan facilities totalling HK$5.0 billion
January 2022	USD600 million 10-year notes at 2.75% per annum
March 2022	HK$12 billion dual-tranche sustainability-linked syndicated loan facility
April to May 2022	A$500 million bridge loan facility
	5-year AUD loan facilities totalling A$600 million

Strong capital base and liquidity position

As at 31 March 2022:

- Total debt rose by HK$11.6 billion to HK$50.2 billion.
- Gearing ratio[1] increased from 18.4% to 22.0%.
- HK$22.6 billion undrawn committed facilities and HK$2.9 billion cash and bank balances.
- Debt maturity averaged at 3.5 years and staggered over the coming 17 years.
- Record-low average borrowing cost of 2.3% for the year ended 31 March 2022.

Note:

(1) After adjusting for the impact of the acquisition of 50% interests in a Sydney CBD retail portfolio announced on 7 November 2021, the acquisition of 49.9% interests in a joint venture that owns interests in 5 prime office properties in Sydney and Melbourne announced on 10 February 2022, the acquisition of three logistics properties in Mainland China announced on 12 May 2022, and the final distribution declared, the gearing ratio of Link as at 31 March 2022 will increase to 24.9%.

Prudently managed foreign currency exposure

- Overseas acquisitions and investments are principally funded by local currency borrowings where practicable and cost efficient, which provide for a natural hedge.
- Distributable income from offshore properties is largely hedged into HKD terms through foreign currencies forward contracts.

Create value for Unitholders

- **Distribution reinvestment scheme:** Provided eligible Unitholders with the option to reinvest in Link units via scrip distributions. In respect of the interim distribution of the six months ended 30 September 2021, HK$1,267.1 million of the cash distribution was reinvested with approximately 19.6 million new units issued at a unit price of HK$64.795.

- **Capital return and unit buyback:** Since having first announced the discretionary distribution plan in November 2019, which was implemented to replace the loss of DPU resulting from our prior divestments, we have acquired approximately HK$22 billion of new assets.

  Despite the challenging environment, our portfolio remained resilient in 2021/2022. In the financial year, we have completed HK$15 billion of acquisitions, which has further supplemented DPU growth resulting in DPU for the year growing 5.4% year-on-year, excluding any continuation of the discretionary distribution.

  While we continue with our earlier commitment to return this capital to unitholders, which amounts in this case to approximately HK$150 million, we believe that an announced unit buyback programme is of greater benefit to unitholders; delivering a long-term positive impact on DPU yield accretion in contrast to the payment of a one-off discretionary distribution, especially given that the unit price is currently trading at a discount. Whilst both discretionary distributions and unit buy backs return capital to unitholders, we believe that in this instance, a buyback provides a better and longer-term value proposition than a one-off discretionary distribution. Our execution of the buyback programme depends on market conditions, unit price, trading volume and other regulatory considerations.

  A total of 1.3 million units were bought back during the year under review at an average price of HK$65.2, utilising an aggregated cost of HK$82.6 million.

- **Relevant Investments:** A HK$2.0 billion investment-grade bond portfolio was held as of 31 March 2022, generating an average yield of 3.51%.

Credit ratings supported by resilient performance

- Rating agencies acknowledged Link's resilient financial fundamentals, our diversification strategy and our well-managed capital structure in spite of the increasing number of acquisitions throughout the year.

- 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 31 March 2022)

Debt Mix by Types

	HK$ billion	*%*
Bank Loans	22.7	45.2%
Medium Term Notes	23.5	46.8%
Convertible Bond	4.0	8.0%
Total	**50.2**	**100.0%**

Debt Mix by Fixed/Floating Rates
(After interest rate swaps)

	HK$ billion	*%*
Fixed	30.8	61.4%
Floating	19.4	38.6%
Total	**50.2**	**100.0%**

Debt Mix by Years to Maturity

	HK$ billion	*%*
Due in 2022/2023	8.9	17.7%
Due in 2023/2024 and 2024/2025	17.7	35.3%
Due in 2025/2026, 2026/2027 and 2027/2028	16.8	33.5%
Due in 2028/2029 and beyond	6.8	13.5%
Total	**50.2**	**100.0%**

Debt Mix by Currencies
(After currency swaps)

	HK$ billion	*%*
HKD	36.8	73.3%
RMB	5.6	11.2%
AUD	4.0	8.0%
GBP	3.8	7.5%
Total	**50.2**	**100.0%**

Vision 2025 Update

Portfolio Growth

Link has a proven track record of growing its portfolio both organically and inorganically through active portfolio management. The aim is to provide our Unitholders with steady returns and long-term sustainable growth.

Originated in Hong Kong and being the first REIT listed on HKEx in 2005, Link made its first acquisitions in Hong Kong in 2011/2012, Nan Fung Plaza and Maritime Bay. In 2014/2015, we initiated our portfolio optimisation, completing several rounds of non-core asset divestments. In 2015, we made our entry into Mainland China, acquiring Link Plaza • ZGC in Beijing and Link Square in Shanghai. Along this transformation journey, we continued to lower our concentration risk by further strengthening our presence in Mainland China tier one cities.

Over the past few years, we have actively grown our portfolio through prudent diversification across three axes – asset class, geography and our role in the real estate value chain. While much of our resources and efforts over the past two years were focused on managing and responding to the challenges of COVID, we made remarkable progress during 2021/2022 in diversifying our portfolio, preserving its long-term resilience and productivity. From April 2021 to May 2022, approximately HK$15 billion worth of real estate investment was completed and another HK$11 billion of investment was announced, consisting of 17 assets spanning different geographies and asset classes.

Asset Class

2021/2022 marked our entry into the logistics sector, making two limited scale and prudent investments in two logistics properties (75% interests) in Dongguan and Foshan in the GBA. Following this, in May 2022, we agreed on the acquisition of three logistics properties in Jiaxing and Changshu, the connecting points and Shanghai’s satellite cities. We believe logistics is an upward trending sector in Mainland China, underpinned by accelerated growth of e-commerce and reconfigured supply chain due to COVID, the government’s focus on increasing the middle income population and its efforts to transition towards a domestic consumption driven economic growth model.

“Core” and “Core-plus” properties remain our investment focus and we will continue to prudently pursue “Value-add” and “Opportunistic” investments for additional inorganic growth.

Geography

We continue to hold a positive view on the long-term growth potential of Hong Kong, top tier cities and their surrounding delta areas in Mainland China and the four selected overseas markets. In addition to the aforementioned logistics properties, we added two more shopping malls (Happy Valley Shopping Mall in Guangzhou and 50% interest in Qibao Vanke Plaza in Shanghai) to the Mainland China portfolio. Two car park/car service centres were added to the Hong Kong portfolio, and the Australian property portfolio was expanded with two partial stakes investments (50% interests in three retail assets in Sydney and 49.9% interests in a joint venture in a prime office portfolio in Sydney and Melbourne CBDs) which are expected to complete shortly.

Entry point into the real estate value chain

Apart from our earlier joint venture to develop The Quayside in Kowloon East, our approach to portfolio management has largely been a "full ownership and self-manage model". This provides us with key insights into stakeholder needs and expectations and control over day-to-day operations to maintain high service standards. However, the scalability of this approach, particularly for growing beyond our current footprint and exposure is challenging, requiring significant lead time to either build or procure knowledge and experience. Promising investment opportunities do not wait. In 2021/2022, we embraced growth through co-ownership and partial investments to catalyse the development of our expertise and footprint in these areas by learning from others. We are careful in selecting which business partners to work with, preferring those with demonstrable experience and alignment with our own values and approaches. While involvement in direct, day-to-day operations is reduced, we maintain budgetary control and are deeply involved in long-term strategic planning of how the assets remain resilient and productive, generating returns for Unitholders.

Moving forward, we will continue to assess a range of investment opportunities along these axes, striving to curate a diversified and productive portfolio that provides both growth and stability.

Culture of Excellence

Successfully growing beyond requires a strong talent pipeline and leadership succession planning that is aligned with our growth strategy and direction.

During the year, we undertook an in-depth review of our competency framework to ensure our talent and leadership pipeline possesses the qualities and attributes required for future business success. To complement and support our portfolio growth, we expanded our talent pipeline, recruiting from a diversity of backgrounds with targeted skillsets, and regional/international expertise.

Organic growth of our talent pipeline focuses on developing leaders internally by identifying and providing high-potential candidates with the required learning opportunities and experience to accelerate their career trajectories. Furthermore, this year a record 18 recruits enrolled in our Management Associate and Management Trainee programmes. These young talents will embark on an intensive two-year targeted development journey where they will get exposure to various facets of the business, preparing them to be an integral component of our long-term success.

The COVID pandemic has reminded us of the virtues of an agile and resilient mindset, but, more importantly, we need to be attuned to the changing expectations and preferences of our own talent pool. In response to evolving talent expectations, we encourage mobility, in terms of where and how you work, to broaden Linkers' horizon and exposure. Despite travel bans and lockdowns amid the pandemic, a number of Hong Kong employees from different departments were assigned to Mainland China for short-term assignments or extended business trips in 2021/2022.

Lastly, in 2021/2022, we made strides in upgrading and enhancing our office space to attain the same level of barrier free accessibility that is common across our portfolio. Diversity and inclusion are truly integrated throughout our business and operations.

To further enhance our organisational effectiveness, we rolled out an Enterprise Resource Planning (***ERP***) system this year. ERP is an integrated, cloud-based human resources management, procurement, and finance system, which provides standardisation and global consistency, enabling us to achieve better internal control and corporate governance as we manage an increasingly diverse asset portfolio in different geographies. As part of the ERP rollout, we have been preparing for the launch of a new human resources management system which will enhance both operational efficiency and employee experience by digitising manual processes.

Link was named one of the Best Companies to Work for in Asia for the second consecutive year and received the WeCare certification at the HR Asia Best Companies to Work for in Asia Awards 2021. These awards recognised the remarkable employee engagement and workplace excellence Link has shown and the care and empathy we have demonstrated to our employees, respectively.

In addition, we also received five Stevie Awards in recognition of our innovative human resource initiatives and our swift and targeted responses to the pandemic with cross-departmental effort. These included two Gold Stevie Awards for Link's innovative employee initiatives in driving a life-long learning culture and demonstrating the power of team collaboration, one Silver Stevie Award in the "Most Exemplary Employer" category, and a Silver Stevie Award and a Bronze Stevie Award in the "Most Valuable Corporate Response" category for the company's COVID response, recognising our strong support to employees and the wider community during the pandemic.

Visionary Creativity

Creativity in finding ways to enhance resilience and improve efficiency is just as important as creativity in exploring new ideas.

As a long-standing contributor to various international and industry climate working groups, we have been investigating, assessing and mitigating the potential impact of climate change on our portfolio. We have stress-tested the climate resilience of our assets following 1.5°C and 2°C pathways, using different methodologies such as MSCI's Climate Value-at-Risk and EU-backed Carbon Risk Real Estate Monitor. Results from both approaches are favourable, indicating our asset portfolio has relatively low exposure to physical and transitional climate risks.

While these results are promising, we are adamant that our climate resilience efforts must not wane and that a deeper understanding of climate exposures will lead to better investment decisions. The GBA and YRD are economically thriving locations with high growth potential but are likely susceptible to flood risks. How can we capture the growth while minimising risks? Prior to 2021/2022, most climate resilience assessments, particularly for the Asia Pacific region, have incomplete or very little granular data on flood risks, making detailed resilience planning difficult.

Climate impacts are intensifying and accelerating, demanding "low-regret"[1] transformative adaptation action. As the latest Intergovernmental Panel on Climate Change (***IPCC***) warned, multi-metre sea level rise by the end of this century cannot be ruled out. So this year, to strengthen our belief in the GBA's long-term growth potential, we commenced a local, detailed geospatial analysis of coastal threats. Our GBA portfolio was stress tested against three "low-regret" scenarios that have factored in both sea level rise according to the latest IPCC findings, and potential storm surges.

Results of these "low-regret" stress-tests revealed:

- Around half of our GBA assets demonstrate strong resilience against coastal flood risk, and day-to-day operations will likely be minimally affected even in the 8m stress test.

- Less than a fifth of our GBA assets, including our headquarters in Kwun Tong, are exposed to storm tides of 6m.

- Detailed property-specific vulnerabilities, enabling targeted allocation of resources that can enhance and maximise portfolio storm tide resilience.

- Potential red flag locations where current public infrastructure and accessibility may be compromised by coastal flooding (sea level rise & storm tides), providing vital data to make climate-informed investment decisions.

Note:

(1) To analyse and plan/adapt for the highest plausible worst-case scenario so that one will have fewer regrets in the future.

These findings provide a firm baseline, against which to plan, track and allocate further resilience improvements to build a climate-informed portfolio. Moving forward we will use these data as a foundation to catalyse transformative and collaborative adaptation discussions with business partners and peers.

In anticipation of more frequent and intense rainfall, we have begun installing remote moisture sensors that will trigger alerts at the very early onset of leaks or flooding. These sensors are located in high-risk areas such as electrical rooms, elevator and escalator pits and along key pipes, enabling us to quickly pinpoint water breaches to minimise damage and potential downtime. These form part of our asset and region-specific climate risk management plans, which will future-proof our portfolio from physical damage and operational disruption.

OUTLOOK

We remain committed to building a resilient and productive portfolio. Our robust balance sheet, strong governance mindset and Business As Mutual ethos will continue to guide business strategy and decision making, particularly as we grow beyond. Our expanded asset class and extended market reach promise continued long term growth and prosperity. While clouds clearly loom on the horizon – continued market volatility and geopolitical instability, inflation, and supply chain disruptions – our activities over the past year have positioned us well to build and transform our portfolio to meet and overcome the challenges and explore growth opportunities.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 HK$'M	2021 HK$'M
Revenue	2	**11,602**	10,744
Property operating expenses		**(2,826)**	(2,506)
Net property income		**8,776**	8,238
General and administrative expenses		**(512)**	(428)
Change in fair values of investment properties and impairment of goodwill		**426**	(5,322)
Interest income		**98**	126
Finance costs		**(1,005)**	(770)
Loss on disposals of financial assets at amortised cost		**(11)**	–
Share of net profit of a joint venture	8	**364**	–
Profit before taxation and transactions with Unitholders	4	**8,136**	1,844
Taxation	5	**(1,229)**	(1,092)
Profit for the year, before transactions with Unitholders		**6,907**	752
Distributions paid to Unitholders:			
– 2022 interim distribution		**(3,336)**	–
– 2021 final distribution		**(3,089)**	–
– 2021 interim distribution		**–**	(2,921)
– 2020 final distribution		**–**	(2,999)
		482	(5,168)
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		**2,030**	(2,566)
Amount arising from reserve movements		**(1,561)**	(2,169)
Non-controlling interests		**13**	(433)
		482	(5,168)
Profit for the year, before transactions with Unitholders attributable to			
– Unitholders *(Note)*	6	**6,894**	1,185
– Non-controlling interests		**13**	(433)
		6,907	752

Note: Earnings per unit, based upon profit for the year, before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in Note 6 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Before transactions with Unitholders *HK$'M*	Transactions with Unitholders *(Note (i))* *HK$'M*	After transactions with Unitholders *(Note (ii))* *HK$'M*	Non-controlling interests *HK$'M*	Total *HK$'M*
For the year ended 31 March 2022					
Profit for the year	**6,894**	**(8,455)**	**(1,561)**	**13**	**(1,548)**
Other comprehensive income					
Items that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	**372**	**–**	**372**	**–**	**372**
– Exchange reserve	**1,189**	**–**	**1,189**	**4**	**1,193**
Total comprehensive income for the year	**8,455**	**(8,455)**	**–**	**17**	**17**
For the year ended 31 March 2021					
Profit for the year	1,185	(3,354)	(2,169)	(433)	(2,602)
Other comprehensive income					
Items that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	120	–	120	–	120
– Exchange reserve	2,049	–	2,049	–	2,049
Total comprehensive income for the year	3,354	(3,354)	–	(433)	(433)

Notes:

(i) Transactions with Unitholders comprise the distributions to Unitholders of HK$6,425 million (2021: HK$5,920 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, which is an increase of HK$2,030 million (2021: a decrease of HK$2,566 million).

(ii) In accordance with the Trust Deed, the units of Link contain contractual obligations to pay to its Unitholders cash distributions and also, upon 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 YEAR ENDED 31 MARCH 2022

	2022 *HK$'M*	2021 *HK$'M*
Profit for the year, before transactions with Unitholders attributable to Unitholders	**6,894**	1,185
Adjustments:		
– Change in fair values of investment properties and impairment of goodwill attributable to Unitholders	**(714)**	4,910
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	**172**	(12)
– Change in fair values of derivative component of convertible bonds	**(32)**	32
– Change in fair values of financial instruments	**(80)**	(320)
– Depreciation and amortisation of real estate and related assets	**51**	54
– Loss on disposals of financial assets at amortised cost	**11**	–
– Other non-cash income	**(29)**	(129)
Discretionary distribution *(Note (i))*	**146**	290
Total Distributable Amount *(Note (i))*	**6,419**	6,010
Interim distribution paid	**3,336**	2,921
Final distribution, to be paid to the Unitholders	**3,083**	3,089
Total distributions for the year	**6,419**	6,010
Units in issue at 31 March	**2,110,193,850**	2,081,862,866
Distributions per unit to Unitholders:		
– Interim distribution per unit, paid *(Note (ii))*	**HK159.59 cents**	HK141.65 cents
– Final distribution per unit, to be paid to the Unitholders *(Note (iii))*	**HK146.08 cents**	HK148.34 cents
Distribution per unit for the year	**HK305.67 cents**	HK289.99 cents

Notes:

(i) Under the terms of the Trust Deed, Link is required to distribute to Unitholders no less than 90% of its distributable income for each financial year. Distributable income, according to the Trust Deed, is the Group's consolidated profit after taxation attributable to Unitholders, as adjusted to eliminate the effect of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year. For the year ended 31 March 2022, the Manager has decided to distribute 100% (2021: 100%) of its distributable income to Unitholders. In addition, the Manager distributed a capital return in the form of a discretionary distribution of HK$146 million (2021: HK$290 million). Together with the discretionary distribution, Total Distributable Amount represented 102% (2021: 105%) of the distributable income of the Group for the year ended 31 March 2022.

(ii) The interim distribution per unit of HK159.59 cents (2021: HK141.65 cents) for the six months ended 30 September 2021 was calculated based on the interim distribution of HK$3,336 million (2021: HK$2,921 million) for the period and 2,090,637,780 units (2021: 2,062,427,353 units) in issue as at 30 September 2021. The interim distribution was paid to Unitholders on 31 December 2021.

(iii) The final distribution per unit of HK146.08 cents (2021: HK148.34 cents) for the year ended 31 March 2022 is calculated based on the final distribution to be paid to the Unitholders of HK$3,083 million (2021: HK$3,089 million) for the second half of the financial year and 2,110,193,850 units (2021: 2,081,862,866 units) in issue as at 31 March 2022, without taking into account any change in the number of units in issue subsequent to the approval of the consolidated financial statements. The final distribution will be paid to Unitholders on 2 August 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	**2022**	2021
		HK$'M	*HK$'M*
Assets			
Goodwill		**400**	392
Investment properties	*7*	**212,761**	199,074
Interests in a joint venture	*8*	**3,756**	–
Property, plant and equipment		**1,248**	1,301
Financial assets at amortised cost		**2,082**	2,742
Deposits and prepayments		**722**	2,433
Derivative financial instruments		**414**	218
Trade and other receivables	*9*	**1,384**	1,195
Bank deposits		**170**	–
Cash and cash equivalents		**2,779**	2,530
Total assets		**225,716**	209,885
Liabilities, excluding net assets attributable to Unitholders			
Deferred tax liabilities		**3,348**	3,029
Long-term incentive scheme provision		**153**	82
Other liabilities		**3,948**	4,048
Interest bearing liabilities	*10*	**45,714**	34,634
Convertible bonds	*11*	**4,031**	4,002
Security deposits		**1,920**	1,789
Derivative financial instruments		**429**	129
Provision for taxation		**483**	975
Trade payables, receipts in advance and accruals	*12*	**2,700**	2,504
Total liabilities, excluding net assets attributable to Unitholders		**62,726**	51,192
Non-controlling interests		**302**	(27)
Net assets attributable to Unitholders		**162,688**	158,720
Units in issue		**2,110,193,850**	2,081,862,866
Net assets per unit attributable to Unitholders		**HK$77.10**	HK$76.24

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2022

	Unitholders' equity *HK$'M*	Net assets attributable to Unitholders *HK$'M*	Non-controlling interests *HK$'M*
At 1 April 2021	**–**	**158,720**	**(27)**
Issuance of units under distribution reinvestment scheme	**–**	**2,020**	**–**
Units bought back for cancellation	**–**	**(82)**	**–**
Acquisition of non-controlling interests	**–**	**–**	**312**
Profit for the year ended 31 March 2022, before transactions with Unitholders	**–**	**6,894**	**13**
Distributions paid to Unitholders			
– 2022 interim distribution	**–**	**(3,336)**	**–**
– 2021 final distribution	**–**	**(3,089)**	**–**
Change in fair values of cash flow hedges	**312**	**–**	**–**
Amount transferred to the consolidated income statement	**60**	**–**	**–**
Foreign currency translations	**1,189**	**–**	**4**
Amount arising from reserve movements	**(1,561)**	**1,561**	**–**
Change in net assets attributable to Unitholders and non-controlling interests for the year ended 31 March 2022, excluding issues of new units, units bought back and acquisition of non-controlling interests	**–**	**2,030**	**17**
At 31 March 2022	**–**	**162,688**	**302**
At 1 April 2020	–	159,711	406
Issuance of units under distribution reinvestment scheme	–	1,954	–
Units bought back for cancellation	–	(379)	–
Profit for the year ended 31 March 2021, before transactions with Unitholders	–	1,185	(433)
Distributions paid to Unitholders			
– 2021 interim distribution	–	(2,921)	–
– 2020 final distribution	–	(2,999)	–
Change in fair values of cash flow hedges	63	–	–
Amount transferred to the consolidated income statement	57	–	–
Foreign currency translations	2,049	–	–
Amount arising from reserve movements	(2,169)	2,169	–
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2021, excluding issues of new units and units bought back	–	(2,566)	(433)
At 31 March 2021	–	158,720	(27)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	HK$'M	*HK$'M*
Operating activities		
Net cash generated from operating activities	**6,698**	7,078
Investing activities		
Acquisition of assets	**(9,010)**	(6,729)
Acquisition of a joint venture	**(947)**	–
Acquisition of businesses	**–**	(750)
Additions to investment properties	**(858)**	(859)
Additions to property, plant and equipment	**(28)**	(37)
Interest income received	**116**	138
Proceeds from disposal and maturity of financial assets at amortised costs	**647**	–
Deposits paid for acquisition of joint ventures	**(332)**	(2,305)
Increase in bank deposits with original maturity of more than three months	**(170)**	–
Net cash used in investing activities	**(10,582)**	(10,542)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	**25,237**	20,627
Repayment of interest bearing liabilities	**(14,948)**	(17,458)
Repayment of borrowings acquired in acquisition of assets	**(713)**	–
Increase in amount due to a non-controlling interest	**29**	49
Interest expenses paid	**(978)**	(928)
Payment of lease liabilities	**(2)**	(5)
Distributions paid to Unitholders	**(4,405)**	(3,966)
Units bought back for cancellation	**(82)**	(379)
Net cash generated from/(used in) financing activities	**4,138**	(2,060)
Net increase/(decrease) in cash and cash equivalents	**254**	(5,524)
Cash and cash equivalents at 1 April	**2,530**	7,877
Effect on exchange rate changes on cash and cash equivalents	**(5)**	177
Cash and cash equivalents at 31 March	**2,779**	2,530

1 Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (***HKFRSs***), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the REIT Code issued by the Securities and Futures Commission of Hong Kong. HKFRSs is a collective term which includes all applicable HKFRSs, Hong Kong Accounting Standards (***HKASs***) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

(b) Accounting Convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, long-term incentive scheme provision, the derivative component of convertible bonds, investment properties, and non-controlling interest put option obligation, which are stated at fair values.

(c) Adoption of New and Revised Accounting Policies

For the year ended 31 March 2022, the Group has adopted all the new standards and amendments that are currently in issue and effective.

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

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

1 Basis of Preparation (Continued)

(c) Adoption of New and Revised Accounting Policies (Continued)

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

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

(1) effective for accounting periods beginning on or after 1 January 2022
(2) effective for accounting periods beginning on or after 1 January 2023
(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 standards, amendments, interpretations and revised accounting guidelines upon initial application.

2 Revenue

Revenue recognised during the year comprises:

	2022	2021
	HK$'M	*HK$'M*
Rentals		
– Hong Kong retail properties	**6,223**	6,159
– Hong Kong car parks and related business	**2,130**	1,883
– Mainland China retail properties	**1,061**	850
– Hong Kong, Mainland China and overseas offices	**854**	778
– Mainland China logistics	**32**	–
Other revenue *(Note)*	**1,302**	1,074
Total revenue	**11,602**	10,744

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$119 million (2021: HK$86 million) and have been included in the rental income.

3 Segment Information

	Hong Kong retail properties *HK$'M*	Hong Kong car parks and related business *HK$'M*	Mainland China retail properties *HK$'M*	Others *HK$'M*	Total *HK$'M*
For the year ended 31 March 2022					
Revenue	7,089	2,138	1,263	1,112	11,602
Segment results	5,380	1,675	894	315	8,264
Change in fair values of investment properties	(2,069)	2,672	(232)	55	426
Share of net profit of a joint venture	–	–	364	–	364
Interest income					98
Finance costs					(1,005)
Loss on disposals of financial assets at amortised cost					(11)
Profit before taxation and transactions with Unitholders					8,136
Taxation					(1,229)
Profit for the year, before transactions with Unitholders					6,907
Capital additions	365	5,917	7,489	1,722	15,493
Depreciation	–	–	(2)	(82)	(84)

3 Segment Information (Continued)

	Hong Kong retail properties HK$'M	Hong Kong car parks and related business HK$'M	Mainland China retail properties HK$'M	Others HK$'M	Total HK$'M
As at 31 March 2022					
Segment assets	123,700	40,127	25,909	26,379	216,115
Interests in a joint venture	–	–	3,756	–	3,756
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	2,562	221	748	1,089	4,620
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

For the year ended 31 March 2022, revenue of HK$1,641 million (2021: HK$1,357 million) is attributable to external customers from Mainland China, HK$9,479 million (2021: HK$9,016 million) is attributable to external customers from Hong Kong, and HK$482 million (2021: HK$371 million) is attributable to external customers from overseas.

As at 31 March 2022, investment properties, interests in a joint venture, property, plant and equipment, and goodwill amounting to HK$38,084 million (2021: HK$27,288 million) are located in Mainland China, HK$172,102 million (2021: HK$165,422 million) are located in Hong Kong and HK$7,979 million (2021: HK$8,057 million) are located in overseas.

3 Segment Information (Continued)

	Hong Kong retail properties *HK$'M*	Hong Kong car parks and related business *HK$'M*	Mainland China retail properties *HK$'M*	Others *HK$'M*	Total *HK$'M*
For the year ended 31 March 2021					
Revenue	6,900	1,888	1,015	941	10,744
Segment results	5,329	1,448	743	290	7,810
Change in fair values of investment properties and impairment of goodwill	(3,554)	(273)	(161)	(1,334)	(5,322)
Interest income					126
Finance costs					(770)
Profit before taxation and transactions with Unitholders					1,844
Taxation					(1,092)
Profit for the year, before transactions with Unitholders					752
Capital additions	621	56	115	7,308	8,100
Depreciation	–	–	(1)	(90)	(91)

3 Segment Information (Continued)

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

4 Profit Before Taxation and Transactions with Unitholders

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

	2022	2021
	HK$'M	*HK$'M*
Staff costs	**923**	659
Depreciation of property, plant and equipment	**84**	91
Trustee's fee	**16**	15
Valuation fee	**4**	4
Auditor's remuneration		
Audit and audit-related assurance services	**12**	11
Acquisition related professional fees	**1**	3
Others	**2**	1
Professional fees capitalised under investment properties	**(1)**	(3)
Bank charges	**7**	8
Commission to property agents	**15**	20
Donations	**15**	14
Exchange (gain)/loss on financial instruments	**(31)**	79
Short-term lease expenses	**8**	5
Other legal and professional fees	**18**	7

5 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 year. Income taxes in Mainland China and Australia have been provided for at the applicable rate on the estimated assessable profit for the year.

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

	2022	2021
	HK$'M	*HK$'M*
Current taxation		
– Hong Kong	**785**	786
– Mainland China	**170**	174
– Australia	**7**	–
Deferred taxation	**267**	132
Taxation	**1,229**	1,092

The differences between the Group's expected tax charge, using the Hong Kong profits tax rate, and the Group's taxation for the year were as follows:

	2022	2021
	HK$'M	*HK$'M*
Profit before taxation and transactions with Unitholders	**8,136**	1,844
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2021: 16.5%)	**1,342**	304
Tax effect of different taxation rates	**32**	56
Tax effect of non-deductible expenses	**91**	900
Tax effect of non-taxable income	**(120)**	(84)
Tax effect of other temporary differences	**(138)**	(69)
Utilisation of previously unrecognised tax loss	**(24)**	(13)
Withholding tax on unremitted earnings of subsidiaries	**46**	(2)
Taxation	**1,229**	1,092

5 Taxation (Continued)

On 18 March 2021, the Group received a protective additional tax assessment for the year of assessment 2014/15 from Hong Kong's Inland Revenue Department (***IRD***) amounting to HK$345 million. Such additional profits tax assessment was made on the gain in respect of the disposal of properties. The Group lodged an objection to IRD on the basis that profits tax shall not be charged on the profits derived from the sales of the properties, which sales were capital rather than trading in nature. According to the instruction of IRD, tax reserve certificates (***TRCs***) amounting to HK$172 million were purchased on 10 May 2021 as a condition for the tax payable holdover arrangement. On 28 February 2022, IRD determined that no tax would be charged on the disposal of properties. The TRCs were redeemed from IRD on 7 April 2022.

6 Earnings Per Unit Based Upon Profit for the Year, Before Transactions with Unitholders Attributable to Unitholders

	2022	2021
Profit for the year, before transactions with Unitholders attributable to Unitholders for calculating basic earnings per unit	**HK$6,894 million**	HK$1,185 million
Adjustment for dilutive convertible bonds	**HK$72 million**	–
Profit for the year, before transactions with Unitholders attributable to Unitholders for calculating diluted earnings per unit	**HK$6,966 million**	HK$1,185 million
Weighted average number of units for the year for calculating basic earnings per unit	**2,092,485,656**	2,066,880,618
Adjustment for dilutive convertible bonds	**36,566,414**	–
Weighted average number of units for the year for calculating diluted earnings per unit	**2,129,052,070**	2,066,880,618
Basic earnings per unit	**HK$3.29**	HK$0.57
Diluted earnings per unit	**HK$3.27**	HK$0.57

For the year ended 31 March 2021, the basic and diluted earnings per unit were the same as the convertible bonds had an anti-dilutive effect on the basic earnings per unit.

7 Investment Properties

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

	HK$'M
At 1 April 2021	**199,074**
Exchange adjustments *(Note (e))*	**1,054**
Acquisition of assets	**11,348**
Additions	**859**
Change in fair values	**426**
At 31 March 2022	**212,761**
At 1 April 2020	193,224
Exchange adjustments *(Note (e))*	3,050
Acquisition of assets	7,253
Additions	823
Change in fair values	(5,276)
At 31 March 2021	199,074

(b) Valuation Process

The investment properties were revalued on a market value basis as at 31 March 2021 and 31 March 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.

7 Investment Properties (Continued)

(c) Valuation Techniques

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

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

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 valuation technique is summarised in the below table with its significant unobservable inputs.

		Significant unobservable inputs	**Relationship of significant unobservable inputs to fair value**
Income capitalisation approach	i)	Capitalisation rate (Blended): 2.90% – 5.30% (2021: 3.01% – 5.24%)	The higher the capitalisation rate, the lower the fair value.
	ii)	Net passing income per annum: HK$0.9M – HK$313.4M (2021: HK$0.7M – HK$363.9M)	The higher the net passing income, the higher the fair value.

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

7 Investment Properties (Continued)

(d) Restrictions under the REIT Code

Link acquired 100 Market Street in Sydney, The Cabot in London, 50% interest in Qibao Vanke Plaza in Shanghai, Happy Valley Shopping Mall in Guangzhou, 75% interest in two logistics properties in Dongguan and Foshan, two car park/car service centres and godown buildings in Hong Kong, the completions of which were on 7 April 2020, 25 August 2020, 2 April 2021, 28 June 2021, 27 October 2021 and 31 December 2021 respectively. In accordance with the REIT Code, Link is prohibited from disposing of its properties (held through a special purpose vehicle or joint venture entity) for at least two years from the time such properties are acquired, unless the Unitholders approve the proposed disposal by way of a special resolution passed in accordance with the Trust Deed.

(e) Exchange Adjustments

The net exchange gain on translation is attributable to the exchange gain on the Group's investment properties in Mainland China amounting to HK$1,227 million and exchange loss on the Group's investment properties in Australia and the United Kingdom amounting to HK$23 million and HK$150 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 31 March 2022, certain of the Group's investment properties in Mainland China and Australia, amounting to approximately HK$4,866 million (2021: HK$3,005 million) and HK$4,112 million (2021: HK$4,038 million) respectively, were pledged to secure the Group's loan facilities totalling HK$3,920 million (2021: HK$3,416 million).

8 Interests in a Joint Venture

	2022 HK$'M	2021 HK$'M
Cost of investment in a joint venture	**3,252**	–
Share of post-acquisition results and other comprehensive income	**504**	–
	3,756	–

On 24 February 2021, Link, through a wholly-owned subsidiary, entered into a framework agreement and an equity transfer agreement to acquire 50% issued share capital of 上海莘寶企業管理有限公司 at an adjusted consideration of RMB2,744 million (equivalent to approximately HK$3,243 million). Link incurred acquisition-related transaction costs of HK$9 million. The transaction was completed on 2 April 2021. 上海莘寶企業管理有限公司 owns the Qibao Vanke Plaza located at 5/3 Qiu, 620 Block, Qibao Town, Minhang District, Shanghai.

Link held the following joint venture as at 31 March 2022:

Name	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital/registered capital	Interest held
上海莘寶企業管理有限公司	People's Republic of China, limited liability company/ People's Republic of China	Property holding and leasing	RMB1,318,010,000	50%

The Group's interests in a joint venture amounting to HK$3,756 million as at 31 March 2022 are accounted for using the equity method in the consolidated financial statements. No dividend is received from the joint venture during the year. The Manager considers that the interests in the joint venture are not material to the Group.

8 Interests in a Joint Venture (Continued)

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

	2022	2021
	HK$'M	*HK$'M*
Share of net profit	**364**	–
Share of net property income	**191**	–
Share of investment properties carried at fair value	**4,240**	–

9 Trade and Other Receivables

	2022	2021
	HK$'M	*HK$'M*
Trade receivables	**329**	320
Less: provision for impairment of trade receivables	**(59)**	(67)
Trade receivables – net	**270**	253
Other receivables	**1,114**	942
	1,384	1,195

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.

9 Trade and Other Receivables (Continued)

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

	2022	2021
	HK$'M	*HK$'M*
0–30 days	**216**	181
31–90 days	**61**	77
Over 90 days	**52**	62
	329	320

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. Included in the net trade receivables of HK$270 million (2021: HK$253 million) presented above were HK$40 million (2021: HK$40 million) of accrued car park income and HK$20 million (2021: HK$19 million) of accrued turnover rent, which were not yet due as at 31 March 2022.

Movements on the provision for impairment of trade receivables are as follows:

	2022	2021
	HK$'M	*HK$'M*
At 1 April	**67**	60
Provision for impairment of trade receivables	**2**	14
Receivables written off during the year as uncollectible	**(11)**	(11)
Exchange adjustments	**1**	4
At 31 March	**59**	67

The creation and release of provision for impairment of trade receivables have been included in property operating expenses in the consolidated income statement. Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

The other classes of receivables included in the trade and other receivables do not contain impaired assets since the expected credit loss of the other receivables is close to zero.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables.

10 Interest Bearing Liabilities

	2022	2021
	HK$'M	*HK$'M*
Unsecured bank borrowings	**18,633**	14,448
Secured bank borrowings	**3,920**	3,416
Medium term notes	**23,161**	16,770
	45,714	34,634

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

	2022	2021
	HK$'M	*HK$'M*
Due in the first year		
Unsecured bank borrowings	**4,297**	1,751
Secured bank borrowings	**209**	56
Medium term notes	**1,229**	1,441
	5,735	3,248
Due in the second year		
Unsecured bank borrowings	**8,205**	299
Secured bank borrowings	**215**	78
Medium term notes	**–**	1,228
	8,420	1,605
Due in the third year		
Unsecured bank borrowings	**1,635**	8,038
Secured bank borrowings	**174**	89
Medium term notes	**6,624**	–
	8,433	8,127
Due in the fourth year		
Unsecured bank borrowings	**3,005**	1,249
Secured bank borrowings	**2,755**	89
Medium term notes	**1,877**	4,692
	7,637	6,030

10 Interest Bearing Liabilities (Continued)

	2022 HK$'M	2021 HK$'M
Due in the fifth year		
Unsecured bank borrowings	**1,491**	3,111
Secured bank borrowings	**157**	2,725
Medium term notes	**6,014**	1,899
	7,662	7,735
Due beyond the fifth year		
Secured bank borrowings	**410**	379
Medium term notes	**7,417**	7,510
	7,827	7,889
	45,714	34,634

Notes:

(i) After taking into account the cross currency swap contracts, except for bank borrowings of HK$5,625 million (2021: HK$2,834 million), HK$3,996 million (2021: HK$3,861 million) and HK$3,759 million (2021: HK$3,833 million) which are denominated in Renminbi, Australian Dollars and British Pound Sterling respectively, all the other interest bearing liabilities are denominated in Hong Kong Dollars.

(ii) As a result of the global interest rate benchmark reform, the Group has switched all of the London Interbank Offered Rate (LIBOR)-based bank borrowings of HK$2,047 million with Sterling Overnight Index Average (SONIA) during the year. 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 31 March 2022 was 2.21% (2021: 2.40%) and that of the interest bearing liabilities which are denominated in Renminbi, Australian Dollars and British Pound Sterling was 3.68% (2021: 3.84%), 1.13% (2021: 1.06%) and 1.44% (2021: 1.02%) respectively.

11 Convertible Bonds

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

On 4 April 2022, the Group has, at the option of the bondholders, redeemed 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. All the redeemed bonds were cancelled on 4 April 2022.

	2022	2021
	HK$'M	*HK$'M*
Liability component		
At 1 April	**3,970**	3,910
Finance costs	**125**	125
Interest expenses paid	**(64)**	(65)
At 31 March	**4,031**	3,970
Derivative component		
At 1 April	**32**	–
Change in fair value	**(32)**	32
At 31 March	**–**	32
	4,031	4,002

12 Trade Payables, Receipts in Advance and Accruals

	2022	2021
	HK$'M	*HK$'M*
Trade payables	**104**	58
Receipts in advance	**522**	401
Accruals	**2,074**	2,045
	2,700	2,504

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

	2022	2021
	HK$'M	*HK$'M*
Within one year	**2,695**	2,502
After one year	**5**	2
	2,700	2,504

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

	2022	2021
	HK$'M	*HK$'M*
0–30 days	**65**	42
31–90 days	**6**	6
Over 90 days	**33**	10
	104	58

APPRECIATION

The Board is delighted to welcome Ms Jenny GU Jialin, who was appointed as an independent non-executive director and a member of the Audit and Risk Management Committee of the Manager on 17 August 2021. Ms May Siew Boi TAN (***Ms TAN***) and Ms Elaine Carole YOUNG (***Ms YOUNG***) retired from the Board on 31 January 2022. The Board wishes to express its deep gratitude to Ms TAN and Ms YOUNG for their service, commitment and invaluable contribution to Link.

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

REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE AND AUDITOR

The final results and the consolidated financial statements of the Group for the year ended 31 March 2022 have been reviewed by the Audit and Risk Management Committee in conjunction with Link's external auditor, PricewaterhouseCoopers.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in this final results announcement have been agreed by PricewaterhouseCoopers, the external auditor, to the amounts set out in the audited consolidated financial statements for the year ended 31 March 2022 of Link. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no assurance has been expressed by PricewaterhouseCoopers on this final results announcement.

AMENDMENTS TO THE COMPLIANCE MANUAL

On 1 April 2022, the Manager's compliance manual (the ***Compliance Manual***) was updated to (i) reflect the amendments to the Corporate Governance Code (the ***CG Code***) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ***Listing Rules***); (ii) incorporate the updated terms of reference of the board committees; and (iii) reflect the latest business practices and operations of Link (including the Manager).

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2022, Link and the Manager complied with the Code on Real Estate Investment Trusts (the ***REIT Code***), the Securities and Futures Ordinance, applicable provisions of the Listing Rules, Link's trust deed (the ***Trust Deed***), and in all material respects, the Compliance Manual. Link and the Manager also applied the principles and complied with, to the extent appropriate, the code provisions in the CG Code throughout the year, save and except code provision B.2.2[(1)]. The Manager considers that rigid application of code provision B.2.2[(1)] to our executive directors is not in the best interests of the Unitholders. Business continuity and longevity at the most senior levels of management work for the long-term benefit of Link. Frequent re-shuffles of the executive directorate, absent the anchor of a controlling Unitholder, may promote "short-termism". Any risk of entrenchment in office is counter-balanced by an overwhelming majority of independent non-executive directors on our Board, who have the collective power (and the Unitholders also have the same power under the Trust Deed) to remove a recalcitrant executive director of the Manager. The corporate governance report for the year ended 31 March 2022 of Link is set out in the Annual Report 2021/2022.

Note:

(1) The code provision numbers in the CG Code have been re-arranged with effect from 1 January 2022. This code provision was formerly A.4.2.

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

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

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

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

ISSUE OF NEW UNITS

During the year under review, 29,594,984 new units of Link were issued, comprising (i) 10,038,914 new units issued on 12 August 2021 at an issue price of HK$75.063 per unit pursuant to the final distribution reinvestment scheme for the year ended 31 March 2021; and (ii) 19,556,070 new units issued on 31 December 2021 at an issue price of HK$64.795 per unit pursuant to the interim distribution reinvestment scheme for the six months ended 30 September 2021. Based on 2,110,193,850 units in issue as at 31 March 2022, the number of new units issued during the year under review represented approximately 1.40% of the issued units of Link.

PUBLIC FLOAT

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

FINAL DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS

For Final Distribution

The final distribution of HK146.08 cents per unit for the year ended 31 March 2022 will be paid on Tuesday, 2 August 2022 to those Unitholders whose names appear on the register of Unitholders of Link on Thursday, 23 June 2022. For the purpose of ascertaining Unitholders' entitlement to the final distribution, the register of Unitholders of Link will be closed from Monday, 20 June 2022 to Thursday, 23 June 2022, both days inclusive, during which period no transfer of units will be registered. In order for Unitholders to qualify for the final distribution, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (the ***Unit Registrar***), 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 Friday, 17 June 2022.

Distribution Reinvestment Scheme

A distribution reinvestment scheme will be available to eligible Unitholders, who may elect to receive the final distribution for the year ended 31 March 2022, wholly in cash or wholly in new units or a combination of both. An announcement giving further information of this scheme will be published on or around Thursday, 23 June 2022, and a circular containing details of this scheme together with the relevant election form or revocation notice will be despatched to Unitholders on or around Thursday, 30 June 2022.

For Annual General Meeting of Unitholders

For the purpose of ascertaining Unitholders' right to attend the forthcoming annual general meeting of Unitholders of Link to be held on Wednesday, 20 July 2022, the register of Unitholders of Link will also be closed from Friday, 15 July 2022 to Wednesday, 20 July 2022, both days inclusive, during which period no transfer of units will be registered. In order for Unitholders to be eligible to attend and vote at the forthcoming annual general meeting, all transfer documents accompanied by the relevant unit certificates must be lodged with the Unit Registrar (at the address above) for registration not later than 4:30 p.m. on Thursday, 14 July 2022.

DESPATCH OF ANNUAL REPORT 2021/2022

The Annual Report 2021/2022 of Link will be available on the websites of the Stock Exchange and Link and be despatched to Unitholders on or around Friday, 17 June 2022.

ANNUAL GENERAL MEETING OF UNITHOLDERS

The forthcoming annual general meeting of Unitholders of Link will be held on Wednesday, 20 July 2022. Notice convening the meeting will be issued to Unitholders in accordance with the REIT Code, the Listing Rules, the Trust Deed and other applicable requirements.

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

Hong Kong, 1 June 2022

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

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

Executive Directors
George Kwok Lung HONGCHOY *(Chief Executive Officer)*
NG Kok Siong *(Chief Financial Officer)*

Non-Executive Director
Ian Keith GRIFFITHS

Independent Non-Executive Directors
Christopher John BROOKE
Ed CHAN Yiu Cheong
Jenny GU Jialin
Lincoln LEONG Kwok Kuen
Blair Chilton PICKERELL
Poh Lee TAN
Peter TSE Pak Wing
Nancy TSE Sau Ling