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The 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 FINANCIAL YEAR ENDED 31 MARCH 2013

The board of directors (the “**Board**”) of The Link Management Limited (the “**Manager**”), as manager of The Link Real Estate Investment Trust (“**The Link REIT**”), is pleased to report the audited consolidated final results of The Link REIT and its subsidiaries (the “**Group**”) for the year ended 31 March 2013.

The final results and the consolidated financial statements of the Group for the year ended 31 March 2013, after review by the audit committee of the Manager (“**Audit Committee**”), were approved by the Board on 5 June 2013.

OVERALL FINANCIAL RESULTS

The Link REIT has produced another set of record results for the year under review, extending its track record of healthy growth in total return to its unitholders (the “**Unitholders**”).

During the year, revenue and net property income grew 9.7% and 10.3% year-on-year to HK\$6,506 million (2012: HK\$5,932 million) and HK\$4,616 million (2012: HK\$4,185 million), respectively. Distribution per unit (“**DPU**”) for the year increased 13.1% to HK146.46 cents (2012: HK129.52 cents), comprising an interim DPU of HK71.08 cents (2012: HK63.11 cents) and a final DPU of HK75.38 cents (2012: HK66.41 cents). The total DPU represents a distribution yield of 3.5% based on the closing market price of the units of HK\$42.30 on 31 March 2013. The Manager has continued its policy of distributing 100% of The Link REIT’s distributable income.

Valuation of the investment properties portfolio continued to improve and increased by 24.4% from a year ago to HK\$95,366 million (2012: HK\$76,672 million). Net asset value per unit grew 28.7% to HK\$35.68 as at 31 March 2013 (31 March 2012: HK\$27.73).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue Analysis

Driven by strong rental reversion and continued positive contribution from The Link REIT's completed asset enhancement projects, total revenue for the year rose to HK\$6,506 million (2012: HK\$5,932 million), comprising rental income from retail properties of HK\$4,872 million (2012: HK\$4,451 million), car parks of HK\$1,315 million (2012: HK\$1,166 million) and other property related revenue of HK\$319 million (2012: HK\$315 million).

Revenue Breakdown

	Year ended 31 March 2013 HK\$'M	Year ended 31 March 2012 HK\$'M	Year-on -year change %	Percentage contribution in year ended 31 March 2013 %
Retail rentals:				
Shops ⁽¹⁾	3,974	3,575	11.2	61.1
Markets/Cooked Food Stalls	640	624	2.6	9.8
Education/Welfare, Office and Ancillary	128	129	(0.8)	2.0
Mall Merchandising	130	123	5.7	2.0
Car park rentals:				
Monthly	973	865	12.5	14.9
Hourly	342	301	13.6	5.3
Expenses recovery and other miscellaneous revenue:				
Property Related Revenue ⁽²⁾	319	315	1.3	4.9
Total	6,506	5,932	9.7	100.0

Notes:

⁽¹⁾ Rental from shops includes base and turnover rents.

⁽²⁾ Including other revenue from retail properties of HK\$316 million (2012: HK\$312 million) and car park portfolio of HK\$3 million (2012: HK\$3 million).

Expense Analysis

Total property operating expenses for the year were HK\$1,890 million (2012: HK\$1,747 million). Excluding the reversal of an over provision of car park waiver fees (grouped under “Other property operating expenses”) in the last financial year, the increase in total property operating expenses was moderate at below 5%. Net property income margin has grown to 70.9%, being the sixth consecutive year of improvement.

Property management expenses were steady as the Manager continued to achieve better operating efficiency in our frontline operations whilst upgrading our service standards. On utilities expenses, the increase in electricity tariff was offset by the decrease in energy consumption through extending the energy savings initiatives to better monitor and control energy consumption including chiller replacement, lighting improvement and installation of a building management system. Repair and maintenance costs were reduced due to better planning of works as the Manager further improves the property condition of The Link REIT’s portfolio.

Expense Breakdown

	Year ended 31 March 2013 HK\$'M	Year ended 31 March 2012 HK\$'M	Year-on -year change %	Percentage contribution in year ended 31 March 2013 %
Property managers’ fees, security and cleaning	499	494	1.0	26.4
Staff costs	326	277	17.7	17.3
Repair and maintenance	205	216	(5.1)	10.8
Utilities	305	307	(0.7)	16.1
Government rent and rates	187	172	8.7	9.9
Promotion and marketing expenses	109	95	14.7	5.8
Estate common area costs	116	105	10.5	6.1
Other property operating expenses	143	81	76.5	7.6
Total property expenses	1,890	1,747	8.2	100.0

Valuation Review

The increase in net property income of the portfolio and the improved quality of selected properties which had undergone asset enhancement had resulted in higher rental growth prospects and value appreciation from compression of capitalisation rates. Total value of The Link REIT's investment properties appreciated 24.4% to HK\$95,366 million as at 31 March 2013 (31 March 2012: HK\$76,672 million).

As at 31 March 2013, the valuation of the retail properties recorded a 22.6% increase from HK\$65,311 million as at 31 March 2012 to HK\$80,090 million, while the valuation of the car parks rose 34.5% from HK\$11,361 million as at 31 March 2012 to HK\$15,276 million.

Jones Lang LaSalle Limited, the principal valuer of The Link REIT, valued The Link REIT's property portfolio through a combination of the discounted cash flow ("DCF") and income capitalisation approaches.

Valuation Approach

	As at 31 March 2013	As at 31 March 2012
Income Capitalisation Approach – Capitalisation Rate		
Retail properties	4.50 – 6.75%	5.00 – 7.00%
Retail properties: weighted average	5.20%	5.87%
Car parks	5.00 – 8.25%	5.50 – 9.25%
Car parks: weighted average	6.42%	7.62%
Overall weighted average	5.39%	6.11%
DCF Approach		
Discount rate	7.50%	8.00%

Capital Management

The Link REIT has taken an active capital management approach to increase its liquidity and extend its debt maturity to fund future growth. During the year, The Link REIT issued from the Guaranteed Euro Medium Term Note ("MTN") Programme two tranches of HK\$500 million 15-year unsecured notes in June 2012 and February 2013 with fixed interest rates of 3.55% and 3.10% per annum respectively. As a result, available liquidity has increased to HK\$6.21 billion (31 March 2012: HK\$4.67 billion), comprising HK\$3.15 billion (31 March 2012: HK\$1.71 billion) in cash and deposits and HK\$3.06 billion (31 March 2012: HK\$2.96 billion) in committed but undrawn facilities. Average outstanding life of the Group's committed debt facilities as at 31 March 2013 was largely maintained at 4.0 years (31 March 2012: 4.3 years).

Committed Debt Facilities ⁽¹⁾

As at 31 March 2013

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Utilised facilities	Undrawn facilities	Total committed facilities
HKMC loan ⁽³⁾	2.25	1.75	4.00	–	4.00
2011 club loan	0.70	0.55	1.25	1.25	2.50
Bilateral loans	0.20	1.91	2.11	1.81	3.92
MTN	3.97	2.03	6.00	–	6.00
Total	7.12	6.24	13.36	3.06	16.42
Percentage	53%	47%	81%	19%	100%

Notes:

- (1) All amounts are at face value.
- (2) After interest rate swaps.
- (3) Loan from The Hong Kong Mortgage Corporation Limited (“HKMC”).

Fixed rate debt was maintained at HK\$7.12 billion as at 31 March 2013 (31 March 2012: HK\$7.12 billion). Due to the increased total borrowings to provide flexibility and increase available liquidity, percentage of fixed rate debt to total borrowings reduced slightly to 53% as at 31 March 2013 (31 March 2012: 57%). After the adjustment of cash and deposits, percentage of fixed rate debt to net debt was 70% as at 31 March 2013 (31 March 2012: 66%). Average life of fixed rate debt increased significantly from 5.0 years as at 31 March 2012 to 6.0 years as at 31 March 2013. With the extended period of interest rate protection, The Link REIT is well-positioned to face the potential increase in interest rates in the coming few years.

Facility Maturity Profile (as at 31 March 2013)⁽¹⁾

(HK\$ billion)	HKMC loan	Bank loans	MTN	Undrawn facilities	Total
Due in the first year	1.00	0.65	–	0.25	1.90
Due in the second year	2.00	0.85	–	0.25	3.10
Due in the third year	1.00	0.61	–	1.31	2.92
Due in the fourth year	–	1.25	1.02	1.25	3.52
Due in the fifth year	–	–	0.30	–	0.30
Beyond the fifth year	–	–	4.68	–	4.68
Total	4.00	3.36	6.00	3.06	16.42

Note:

- (1) All amounts are at face value.

Total borrowings increased to HK\$13.36 billion (31 March 2012: HK\$12.46 billion) along with the increased level of available liquidity. However, the gearing level (total debt/total assets) was reduced to 13.6% (31 March 2012: 15.9%) due to higher property valuations.

The overall effective interest rate of the debt portfolio, after taking into account interest rate hedging, improved from 3.35% as at 31 March 2012 to 3.07% as at 31 March 2013. Net interest coverage during the year reached 11.0 times, up from 9.9 times for the year ended 31 March 2012, indicating strong debt servicing capability.

The Link REIT's credit ratings were affirmed by Standard and Poor's at A/Stable on 11 December 2012 and by Moody's Investors Service at A2/Stable on 18 September 2012.

BUSINESS REVIEW

Retail Portfolio

As at 31 March 2013, the overall occupancy rate of the portfolio improved slightly to 94.1% (31 March 2012: 92.9%) while the occupancy rate for shops rose to an all-time high of 96.3%. Supported by healthy sales performance of the tenants, composite reversion rate for the year under review (on an average 3-year lease) stood at a healthy level of 24.6% (2012: 21.7%) and average monthly unit rent improved from HK\$35.8 per square foot as at 31 March 2012 to HK\$38.4 per square foot as at 31 March 2013. Tenants' retention rate for the year was 82.7% (2012: 79.2%).

Operational Statistics for the Portfolio

Category	Occupancy rate		Composite reversion rate		Average monthly unit rent per leased IFA ⁽¹⁾		% of total IFA ⁽²⁾
	As at	As at	Year ended	Year ended	As at	As at	As at
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013
	%	%	%	%	HK\$ psf	HK\$ psf	%
Shops	96.3	95.2	24.7	23.4	38.7	36.0	82.0
Markets/Cooked Food Stalls	82.0	81.2	28.0	14.6	70.0	65.2	8.9
Education/Welfare, Office and Ancillary	86.0	84.7	10.0	14.2	6.4	6.2	9.1
Total	94.1	92.9	24.6	21.7	38.4	35.8	100.0

Notes:

⁽¹⁾ IFA means internal floor area.

⁽²⁾ Total excluding self use office.

The top 10 properties, the majority of which had undergone asset enhancement that resulted in better quality and enhanced trade mix, contributed 25.9% of the portfolio's retail revenue. The average monthly unit rent per square foot of the top 10 properties reached HK\$55.7 as at 31 March 2013 (31 March 2012: HK\$50.4); while the 11th to 50th properties, some of which had undergone asset enhancement works, achieved average monthly unit rent per square foot of HK\$41.2 as at 31 March 2013 (31 March 2012: HK\$38.1).

All groups of properties, ranked by retail valuation of The Link REIT's portfolio, continued to demonstrate year-on-year improvement in average monthly unit rent and occupancy.

Retail Portfolio Breakdown

	Retail properties valuation		Retail revenue		Average monthly unit rent per leased IFA		Occupancy rate	
	As at 31 March 2013	Year ended 31 March 2013	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
	HK\$'M	HK\$'M	HK\$ psf	HK\$ psf	%	%		
Properties ⁽¹⁾								
1-10	22,807	1,346	55.7	50.4	98.4	97.2		
11-50	36,858	2,370	41.2	38.1	95.0	93.9		
51-100	16,954	1,210	30.0	28.6	91.9	91.2		
101-153	3,471	262	20.8	19.7	89.6	86.6		
Total	80,090	5,188	38.4	35.8	94.1	92.9		

Note:

⁽¹⁾ Properties ranked by retail valuation as at 31 March 2013.

In the financial year ending 31 March 2014, leases accounting for approximately 32.5% by monthly base rent and approximately 31.5% by IFA of the retail properties will expire. Demand for retail space is expected to be strong with the healthy local economy and buoyant consumer confidence. The Manager is confident that retail space from expiring leases will be filled by existing or new tenants at competitive rents.

Car Park Portfolio

The Link REIT is a leading car park owner in Hong Kong with a portfolio comprising approximately 80,000 parking spaces which contributed about 20.3% of the total revenue of The Link REIT for the year.

Car parks performed well in the year under review as revenue grew 12.7% to HK\$1,318 million (2012: HK\$1,169 million) due to increased demand caused by the closure of open space car parks in certain districts by the Hong Kong Government and the implementation of various parking incentive schemes by the Manager. Utilisation rate as at 31 March 2013 went up to 83.5% (31 March 2012: 79.6%) while the car park net property income margin further improved to 65.5% this year (2012: 61.1%). The Link REIT has undertaken a number of initiatives to enhance the car park facilities, including implementation of the Tailgating Detection System, increased closed-circuit television coverage, improved barrier-free access facilities, and the installation of more energy efficient lighting systems.

Car Park Property Performance

	Year ended 31 March 2013	Year ended 31 March 2012
Gross receipts by monthly users (%)	74.0	74.2
Gross receipts by hourly users (%)	26.0	25.8
Utilisation of car park spaces (%)	83.5	79.6
Car park income per space per month (HK\$)	1,378	1,222
Net property income margin (%)	65.5	61.1 ⁽¹⁾
Average valuation per space (HK\$'000)	192	143

Note:

⁽¹⁾ Excluding the write-back of the car park waiver fees provision.

Asset Management

With the fast moving and competitive retail market, the Manager strives to enrich the shoppers' choices and enhance the tenant base diversity to cater for the constant changes in shoppers' demand. During the year, the Manager successfully introduced both business starters and new tenant groups and supported existing tenants to expand within our portfolio whilst maintaining the percentage of small tenants to preserve the uniqueness of the shopping centres.

The Manager rolled out a vast array of marketing campaigns to support our tenants' sales growth and strengthen our community engagement. During the year, The Link REIT's tenants' average monthly retail gross sales per square foot rose by 9.6% as compared to the last financial year. "Food and Beverage" and "Supermarket and Foodstuff", the dominant daily necessity trades in the portfolio, posted a healthy year-on-year growth in gross sales per square foot of 8.3% and 9.1%, respectively, while "General Retail" recorded an increase of 10.0%.

As at 31 March 2013, approximately 56.9% of leased IFA (or 62.1% by monthly rent) of The Link REIT's portfolio was attributed to "Food and Beverage", "Supermarket and Foodstuff" and "Markets/ Cooked Food Stalls" trades, catering to the daily needs of the community.

Asset Enhancement

The Manager adopts a strategic approach in identifying its asset enhancement projects by taking a macro view of individual districts and focusing on population growth, household income, spending trends, extension of transportation network and competitive environment in order to capitalise on projects with the best potential.

With the rapidly growing population, rising household income and improvement of transportation infrastructure, the Manager has invested considerably in Tseung Kwan O and Tuen Mun districts in recent years through asset enhancement and/or yield-accretive acquisitions to capture the potential growth of the districts.

Five asset enhancement projects were completed in the year, bringing the total number of completed projects to 30. The five newly completed projects, two of which included market upgrade and two properties ranked outside the top 50 by valuation, all achieved returns on investment which exceeded our target.

Return on Investment of Asset Enhancement Projects completed in the year ended 31 March 2013

	Total IFA as at 31 March 2013 '000 square feet	Total project capex HK\$'M	Estimated return on investment⁽³⁾ %
Leung King Plaza	175	243	18.7%
Oi Man Plaza ⁽¹⁾	191	117	20.6%
Wah Sum Shopping Centre ⁽²⁾	25	47	16.2%
Sun Chui Shopping Centre ⁽¹⁾	77	42	17.7%
Yiu On Shopping Centre ⁽²⁾	48	34	22.1%
	<hr/>	<hr/>	
Total	516	483	
	<hr/> <hr/>	<hr/> <hr/>	

Notes:

⁽¹⁾ Projects included a market upgrade.

⁽²⁾ Properties ranked outside of top 50 by valuation.

⁽³⁾ Estimated return on investment is calculated based on projected net property income post project minus net property income pre project divided by estimated project capital expenditures and loss of rental.

Oi Man Plaza and Leung King Plaza are comprehensive renovation projects which have been successfully revitalised with new designs and features to benefit shoppers and the surrounding communities, such as the green roof on top of Oi Man Market and the new open courtyard in Leung King Plaza. These renovated centres were well-received by tenants and communities, and both were almost fully-let before their respective re-openings.

Wah Sum Shopping Centre is our model asset enhancement project ranked outside of top 50 shopping centres. Design is based on a simple, pragmatic, yet stylish approach, which is well-appreciated by the local community. Going forward, we will pursue a similar approach for such shopping centres.

Since completing the renovation of our pilot award-winning Tai Yuen Market in 2011/12, we had completed two more market upgrades at Oi Man Plaza and Sun Chui Shopping Centre in 2012/13 with satisfactory results. We expect upgrading of markets will become one of the key elements in our future asset enhancement projects.

Asset enhancement initiatives continue to provide sustainable growth in net property income even after a number of years as the upgraded shopping centres become more and more popular with the local community.

The Manager continues to roll out asset enhancement projects with eight of them underway and five of them pending statutory approvals. The Manager believes the upgraded properties will continue to bring attractive returns to The Link REIT.

Status of Asset Enhancement Projects

	Number of projects	Estimated costs <i>HK\$'M</i>
Completed since initial public offering	30	2,678
Underway	8	1,121
Pending statutory approval	5	774
Others under planning	>13	>1,200
	<hr/>	<hr/>
Total	>56	>5,773
	<hr/> <hr/>	<hr/> <hr/>

Approved Asset Enhancement Projects Underway

	Estimated costs <i>HK\$'M</i>	Target completion date
Chung Fu Plaza (Phase II Project)	167	mid 2013
Sheung Tak Plaza	87	mid 2013
Choi Wan Commercial Complex	222	late 2013
Lok Fu Market ⁽¹⁾	120	late 2013
Sha Kok Shopping Centre ⁽¹⁾	120	late 2014
Yau Oi Commercial Centre ⁽¹⁾ }	339	late 2014
On Ting Commercial Complex }		
Un Chau Shopping Centre ⁽²⁾	66	late 2014
Total	1,121	

Notes:

- (1) Projects include a market upgrade.
- (2) Properties ranked outside of top 50 by valuation.

Asset Investment

The commercial portion of Nan Fung Plaza and the commercial accommodation of Maritime Bay, which were acquired in the last financial year, had been successfully integrated into The Link REIT's portfolio. Together with Hau Tak Shopping Centre in Tseung Kwan O, they have brought a better shopping environment for shoppers in the nearby areas and more business opportunities for tenants. These two properties provided full year contributions to The Link REIT's performance in the year.

At the last annual general meeting of The Link REIT held in July 2012, with the support of the majority of our Unitholders, the Manager expanded The Link REIT's investment scope to allow investments in all classes of sustainable-income producing non-residential properties, including but not limited to, stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong, but excluding hotels and serviced apartments.

The Manager believes the expanded investment scope provides The Link REIT with the investment flexibility when suitable accretive investment opportunities arise.

OUTLOOK AND STRATEGY

Uncertainties in the global economic environment, the potential slowdown of China's economic growth and waves of property-cooling measures imposed by the Hong Kong Government will continue to cause market volatility in the near term. Rising utility and material costs and labour shortage aggravated by the impact of statutory minimum wage adjustments affecting different layers of the labour force will add pressure on operating expenses.

The Manager sees opportunities against this challenging market backdrop. Strong growth in tourist arrivals, a continued low unemployment rate and rising household incomes, in particular, for the low income group due to the positive impact of the statutory minimum wage, should support further growth in retail sales of The Link REIT's tenants.

The Link REIT will continue to pursue an active asset management strategy by introducing better tenants and offering more choices to shoppers and identifying asset enhancement projects with attractive returns. The Manager will mitigate rising cost pressures by pursuing better operational efficiencies, standardising provisions and service levels across The Link REIT's diverse portfolio, and striving for further energy savings.

For asset investment, with our enhanced investment flexibility and our proven asset management capabilities, the Manager will continue to seek acquisition opportunities to expand The Link REIT's portfolio and create more value for Unitholders. To further optimise the overall portfolio yield, the Manager will also review the composition of The Link REIT's portfolio and may implement a more active portfolio management strategy, including disposals.

With its active capital management and strong credit ratings, The Link REIT's capital structure is well prepared to weather future fluctuations in the interest rate cycle and to support growth opportunities.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	<i>Note</i>	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Revenues	2	6,506	5,932
Property operating expenses		(1,890)	(1,747)
Net property income		4,616	4,185
General and administrative expenses		(223)	(269)
Change in fair values of investment properties		17,705	6,680
Operating profit	4	22,098	10,596
Interest income		39	33
Finance costs on interest bearing liabilities		(441)	(431)
Profit before taxation and transactions with Unitholders		21,696	10,198
Taxation	5	(634)	(596)
Profit for the year, before transactions with Unitholders (Note (i))		21,062	9,602
Distributions paid to Unitholders:			
– 2011 final distribution		–	(1,286)
– 2012 interim distribution		–	(1,420)
– 2012 final distribution		(1,502)	–
– 2013 interim distribution		(1,624)	–
		17,936	6,896
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units		18,065	6,943
Amount arising from cash flow hedging reserve movement		(129)	(47)
		17,936	6,896

Notes:

- (i) Earnings per unit, based upon profit after taxation and before transactions with Unitholders and the weighted average number of units in issue, is set out in Note 6 to the consolidated financial statements.
- (ii) Total Distributable Income (as defined in the Trust Deed constituting The Link REIT (the “**Trust Deed**”)) is determined in the consolidated statement of distributions. The final distribution declared in respect of this year as set out in the consolidated statement of distributions will be paid to Unitholders on 2 August 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013

	<i>Note</i>	Before transactions with Unitholders <i>HK\$'M</i>	Transactions with Unitholders <i>(Note (i))</i> <i>HK\$'M</i>	After transactions with Unitholders <i>HK\$'M</i>
For the year ended 31 March 2013				
Profit for the year		21,062	(21,191)	(129)
Other comprehensive income				
– Cash flow hedging reserve		129	–	129
Total comprehensive income for the year	<i>(ii)</i>	<u>21,191</u>	<u>(21,191)</u>	<u>–</u>
For the year ended 31 March 2012				
Profit for the year		9,602	(9,649)	(47)
Other comprehensive income				
– Cash flow hedging reserve		47	–	47
Total comprehensive income for the year	<i>(ii)</i>	<u>9,649</u>	<u>(9,649)</u>	<u>–</u>

- Notes:*
- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$3,126 million (2012: HK\$2,706 million) and change in net assets attributable to Unitholders, excluding issues of new units, of HK\$18,065 million (2012: HK\$6,943 million).
- (ii) In accordance with the Trust Deed, The Link REIT is required to distribute to Unitholders not less than 90% of Total Distributable Income for each financial year. Accordingly, the units contain contractual obligations of the trust to pay cash distributions. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	<i>HK\$'M</i>	<i>HK\$'M</i>
Profit for the year, before transactions with Unitholders	21,062	9,602
Adjustments:		
– Change in fair values of investment properties	(17,705)	(6,680)
– Other non-cash income	(8)	–
Total Distributable Income (Note (i))	3,349	2,922
Interim distribution, paid	1,624	1,420
Final distribution, to be paid to the Unitholders	1,725	1,502
Total distributions for the year (Note (ii))	3,349	2,922
As a percentage of Total Distributable Income	100%	100%
Units in issue at 31 March	2,288,061,440	2,262,372,930
Distributions per unit to Unitholders:		
– Interim distribution per unit, paid (Note (iii))	HK71.08 cents	HK63.11 cents
– Final distribution per unit, to be paid to the Unitholders (Note (iv))	HK75.38 cents	HK66.41 cents
Distribution per unit for the year	HK146.46 cents	HK129.52 cents

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the year, before transactions with Unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year.
- (ii) Pursuant to the Trust Deed, The Link REIT is required to ensure that the total amount distributed to Unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager has decided to distribute 100% (2012: 100%) of Total Distributable Income as the distribution for the year ended 31 March 2013. The interim distribution was paid to Unitholders on 11 January 2013. The final distribution will be paid to Unitholders on 2 August 2013.
- (iii) The interim distribution per unit of HK71.08 cents for the six months ended 30 September 2012 was calculated based on the interim distribution of HK\$1,624 million for the period and 2,284,402,553 units in issue as at 30 September 2012. The interim distribution per unit of HK63.11 cents for the six months ended 30 September 2011 was calculated based on the interim distribution of HK\$1,420 million for the period and 2,249,540,808 units in issue as at 30 September 2011.
- (iv) The final distribution per unit of HK75.38 cents for the year ended 31 March 2013 is calculated based on the final distribution to be paid to the Unitholders of HK\$1,725 million for the second half of the financial year and 2,288,061,440 units in issue as at 31 March 2013. The final distribution per unit of HK66.41 cents for the year ended 31 March 2012 was calculated based on the final distribution of HK\$1,502 million for the period and 2,262,372,930 units in issue as at 31 March 2012.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	<i>Note</i>	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Non-current assets			
Goodwill		331	331
Investment properties		95,366	76,672
Property, plant and equipment		73	76
Derivative financial instruments		168	191
		<u>95,938</u>	<u>77,270</u>
Current assets			
Trade and other receivables	7	212	188
Deposits and prepayments		65	55
Derivative financial instruments		56	–
Short-term bank deposits		1,495	1,562
Cash and cash equivalents		1,657	150
		<u>3,485</u>	<u>1,955</u>
Total assets		<u>99,423</u>	<u>79,225</u>
Current liabilities			
Trade payables, receipts in advance and accruals	8	1,237	1,118
Security deposits		994	897
Provision for taxation		159	179
Current portion of long-term incentive plan provision		87	51
Interest bearing liabilities	9	1,706	–
Derivative financial instruments		15	–
		<u>4,198</u>	<u>2,245</u>
Net current liabilities		<u>713</u>	<u>290</u>
Total assets less current liabilities		<u>95,225</u>	<u>76,980</u>
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive plan provision		52	35
Interest bearing liabilities	9	11,829	12,595
Derivative financial instruments		184	329
Deferred tax liabilities		1,518	1,286
		<u>13,583</u>	<u>14,245</u>
Total liabilities, excluding net assets attributable to Unitholders		<u>17,781</u>	<u>16,490</u>
Net assets attributable to Unitholders		<u>81,642</u>	<u>62,735</u>
Units in issue		<u>2,288,061,440</u>	<u>2,262,372,930</u>
Net assets per unit attributable to Unitholders		<u>HK\$35.68</u>	<u>HK\$27.73</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

FOR THE YEAR ENDED 31 MARCH 2013

	Total equity HK\$'M	Net assets attributable to Unitholders HK\$'M	Total HK\$'M
Net assets attributable to Unitholders at 1 April 2012	–	62,735	62,735
Issuance of units			
– under distribution reinvestment scheme	–	782	782
– under long-term incentive plan	–	60	60
Profit for the year ended 31 March 2013, before transactions with Unitholders	–	21,062	21,062
Distributions paid to Unitholders			
– 2012 final distribution	–	(1,502)	(1,502)
– 2013 interim distribution	–	(1,624)	(1,624)
Change in fair values of cash flow hedges	(31)	–	(31)
Amount transferred to the consolidated income statement	160	–	160
Amount arising from cash flow hedging reserve movement	(129)	129	–
Change in net assets attributable to Unitholders for the year ended 31 March 2013, excluding issues of new units	–	18,065	18,065
Net assets attributable to Unitholders at 31 March 2013	–	81,642	81,642
Net assets attributable to Unitholders at 1 April 2011	–	54,975	54,975
Issuance of units			
– under distribution reinvestment scheme	–	774	774
– under long-term incentive plan	–	43	43
Profit for the year ended 31 March 2012, before transactions with Unitholders	–	9,602	9,602
Distributions paid to Unitholders			
– 2011 final distribution	–	(1,286)	(1,286)
– 2012 interim distribution	–	(1,420)	(1,420)
Change in fair values of cash flow hedges	(173)	–	(173)
Amount transferred to the consolidated income statement	220	–	220
Amount arising from cash flow hedging reserve movement	(47)	47	–
Change in net assets attributable to Unitholders for the year ended 31 March 2012, excluding issues of new units	–	6,943	6,943
Net assets attributable to Unitholders at 31 March 2012	–	62,735	62,735

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Operating activities		
Net cash generated from operating activities	4,199	3,770
	-----	-----
Investing activities		
Acquisition of businesses	–	(1,748)
Additions to investment properties	(871)	(858)
Additions to property, plant and equipment	(25)	(27)
Interest income received	38	27
Decrease/(increase) in short-term bank deposits with original maturity of more than three months	67	(1,407)
	-----	-----
Net cash used in investing activities	(791)	(4,013)
	-----	-----
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	5,424	14,345
Repayment of interest bearing liabilities	(4,530)	(12,290)
Interest expenses paid on interest bearing liabilities	(451)	(429)
Distributions paid to Unitholders	(2,344)	(1,932)
	-----	-----
Net cash used in financing activities	(1,901)	(306)
	-----	-----
Net increase/(decrease) in cash and cash equivalents	1,507	(549)
Cash and cash equivalents at 1 April	150	699
	-----	-----
Cash and cash equivalents at 31 March	1,657	150
	=====	=====

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong. HKFRSs is a collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

As at 31 March 2013, the Group’s current liabilities exceeded its current assets by HK\$713 million (2012: HK\$290 million). Taking into account the unutilised committed bank loan facilities of HK\$3,060 million, the Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the consolidated financial statements.

(b) Accounting convention and functional currency

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, investment properties and long-term incentive plan awards, which are stated at fair values.

The consolidated financial statements are presented in millions of Hong Kong Dollars, the functional currency of The Link REIT.

(c) Adoption of new and revised HKFRSs

For the year ended 31 March 2013, the Group has adopted all the amendments that are currently in issue and effective.

HKFRS 1 Amendments	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 Amendments	Disclosures – Transfers of Financial Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1 Basis of preparation (continued)

(c) Adoption of new and revised HKFRSs (continued)

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in these consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2013.

HKAS 1 (Revised) Amendment	Presentation of Items of Other Comprehensive Income ¹
HKAS 19 (2011)	Employee Benefits ²
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 27 (2011), HKFRS 10 and HKFRS 12 Amendments	Separate Financial Statements, Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities ³
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities ³
HKFRS 1 Amendments	Government Loans ²
HKFRS 7 Amendments	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
HKFRS 7 and HKFRS 9 Amendments	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosures of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ²
Annual Improvements to HKFRSs 2009 – 2011 Cycle ²	

¹ effective for accounting periods beginning on or after 1 July 2012

² effective for accounting periods beginning on or after 1 January 2013

³ effective for accounting periods beginning on or after 1 January 2014

⁴ effective for accounting periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Manager has concluded that while the adoption of the new or revised HKFRSs may result in new or amended disclosures, it is unlikely to have a significant impact on the Group's results of operations and financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 Revenues

Revenues recognised during the year comprise:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Rentals from retail properties	4,872	4,451
Gross rentals from car parks	1,315	1,166
	<hr/>	<hr/>
	6,187	5,617
	<hr/>	<hr/>
Other revenues		
– Air conditioning service fees	301	291
– Other property related revenue	18	24
	<hr/>	<hr/>
	319	315
	<hr/>	<hr/>
Total revenues	6,506	5,932
	<hr/> <hr/>	<hr/> <hr/>

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$124 million (2012: HK\$125 million) and have been included in the rental income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Segment information

	Retail properties <i>HK\$'M</i>	Car parks <i>HK\$'M</i>	Head office <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2013				
Revenues	<u>5,188</u>	<u>1,318</u>	<u>–</u>	<u>6,506</u>
Segment results	3,753	863	(223)	4,393
Change in fair values of investment properties	13,867	3,838	–	17,705
Interest income				39
Finance costs on interest bearing liabilities				(441)
Profit before taxation and transactions with Unitholders				21,696
Taxation				(634)
Profit for the year, before transactions with Unitholders				<u>21,062</u>
Capital expenditure	912	77	27	1,016
Depreciation	<u>–</u>	<u>–</u>	<u>(27)</u>	<u>(27)</u>
As at 31 March 2013				
Segment assets	80,237	15,342	137	95,716
Goodwill				331
Derivative financial instruments				224
Short-term bank deposits				1,495
Cash and cash equivalents				1,657
Total assets				<u>99,423</u>
Segment liabilities	1,794	147	290	2,231
Provision for taxation				159
Long-term incentive plan provision				139
Interest bearing liabilities				13,535
Derivative financial instruments				199
Deferred tax liabilities				1,518
Total liabilities, excluding net assets attributable to Unitholders				<u>17,781</u>
Net assets attributable to Unitholders				<u>81,642</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Segment information (continued)

	Retail properties <i>HK\$'M</i>	Car parks <i>HK\$'M</i>	Head office <i>HK\$'M</i>	Total <i>HK\$'M</i>
For the year ended 31 March 2012				
Revenues	4,763	1,169	–	5,932
Segment results	3,413	772	(269)	3,916
Change in fair values of investment properties	5,189	1,491	–	6,680
Interest income				33
Finance costs on interest bearing liabilities				(431)
Profit before taxation and transactions with Unitholders				10,198
Taxation				(596)
Profit for the year, before transactions with Unitholders				9,602
Capital expenditure	2,612	62	25	2,699
Depreciation	–	–	(25)	(25)
As at 31 March 2012				
Segment assets	65,456	11,410	125	76,991
Goodwill				331
Derivative financial instruments				191
Short-term bank deposits				1,562
Cash and cash equivalents				150
Total assets				79,225
Segment liabilities	1,590	136	289	2,015
Provision for taxation				179
Long-term incentive plan provision				86
Interest bearing liabilities				12,595
Derivative financial instruments				329
Deferred tax liabilities				1,286
Total liabilities, excluding net assets attributable to Unitholders				16,490
Net assets attributable to Unitholders				62,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Operating profit

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Operating profit for the year is stated after charging:		
Staff costs	479	405
Depreciation of property, plant and equipment	27	25
Loss on disposal of property, plant and equipment	3	–
Trustee's fee	6	6
Valuation fee	3	4
Auditor's remuneration		
– audit service	4	4
– non-audit service	2	4
Bank charges	4	4
Operating lease charges	19	13
Other legal and professional fees	18	22
Commission to property agents	–	12
	<u> </u>	<u> </u>

5 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

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

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Current taxation	402	370
Deferred taxation		
– Accelerated depreciation allowances	232	226
Taxation	<u>634</u>	<u>596</u>

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:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Profit before taxation	<u>21,696</u>	<u>10,198</u>
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2012: 16.5%)	3,580	1,683
Tax effect of non-deductible expenses	12	21
Tax effect of non-taxable income	(2,928)	(1,108)
Adjustment in respect of prior years	(30)	–
Taxation	<u>634</u>	<u>596</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Earnings per unit based upon profit after taxation and before transactions with Unitholders

	2013	2012
Profit after taxation and before transactions with Unitholders	HK\$21,062 million	HK\$9,602 million
Weighted average number of units for the year for calculating basic earnings per unit	2,277,918,225	2,246,879,750
Adjustment for dilutive contingently issuable units under long-term incentive plan	3,192,105	2,576,563
Weighted average number of units for the year for calculating diluted earnings per unit	2,281,110,330	2,249,456,313
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$9.25	HK\$4.27
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$9.23	HK\$4.27

7 Trade and other receivables

	2013	2012
	<i>HK\$'M</i>	<i>HK\$'M</i>
Trade receivables	72	55
Less: provision for impairment of trade receivables	(1)	(2)
Trade receivables – net	71	53
Other receivables	141	135
	212	188

Receivables are denominated in Hong Kong Dollars and the carrying amounts of these receivables approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 Trade and other receivables (continued)

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

The ageing analysis of trade receivables is as follows:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
0 – 30 days	70	51
31 – 90 days	1	2
Over 90 days	1	2
	<u>72</u>	<u>55</u>

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

Included in the net trade receivables of HK\$71 million (2012: HK\$53 million) presented above were HK\$50 million (2012: HK\$31 million) of accrued car park income and HK\$15 million (2012: HK\$11 million) of accrued turnover rent, which were not yet due as at 31 March 2013. The remaining HK\$6 million (2012: HK\$11 million) were past due but not impaired.

The ageing analysis of the past due but not impaired trade receivables is as follows:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
0 – 30 days	5	9
31 – 90 days	1	2
	<u>6</u>	<u>11</u>

As at 31 March 2013, trade receivables of HK\$1 million (2012: HK\$2 million) were considered as impaired and had been provided for. The individually impaired receivables are those where collectibility is in doubt.

The ageing analysis of the impaired trade receivables is as follows:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Over 90 days	<u>1</u>	<u>2</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 Trade and other receivables (continued)

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

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
At 1 April	2	4
Provision for impairment of trade receivables	1	1
Receivables written off during the year as uncollectible	(2)	(3)
	<hr/>	<hr/>
At 31 March	<u>1</u>	<u>2</u>

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.

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

8 Trade payables, receipts in advance and accruals

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Trade payables	58	74
Receipts in advance	146	127
Accruals	1,033	917
	<hr/>	<hr/>
	<u>1,237</u>	<u>1,118</u>

Payables are denominated in Hong Kong Dollars and the carrying amounts of these payables approximate their fair values.

The ageing analysis of trade payables is as follows:

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
0 – 30 days	47	38
31 – 90 days	10	34
Over 90 days	1	2
	<hr/>	<hr/>
	<u>58</u>	<u>74</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Interest bearing liabilities

	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Bank borrowings	3,413	3,491
HKMC loan (secured)	4,000	4,000
Medium term notes	6,122	5,104
	<u>13,535</u>	<u>12,595</u>
Less: current portion of interest bearing liabilities	(1,706)	–
Non-current portion of interest bearing liabilities	<u>11,829</u>	<u>12,595</u>
Interest bearing liabilities are repayable as follows:		
	2013 <i>HK\$'M</i>	2012 <i>HK\$'M</i>
Due in the first year		
Bank borrowings	706	–
HKMC loan (secured)	1,000	–
	<u>1,706</u>	–
Due in the second year		
Bank borrowings	858	694
HKMC loan (secured)	2,000	1,000
	<u>2,858</u>	<u>1,694</u>
Due in the third year		
Bank borrowings	610	854
HKMC loan (secured)	1,000	2,000
	<u>1,610</u>	<u>2,854</u>
Due in the fourth year		
Bank borrowings	1,239	708
HKMC loan (secured)	–	1,000
Medium term notes	1,015	–
	<u>2,254</u>	<u>1,708</u>
Due in the fifth year		
Bank borrowings	–	1,235
Medium term notes	300	1,011
	<u>300</u>	<u>2,246</u>
Due beyond the fifth year		
Medium term notes	4,807	4,093
	<u>13,535</u>	<u>12,595</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Interest bearing liabilities (continued)

Notes:

- (i) Except for a bank loan of HK\$311 million (2012: HK\$308 million) and medium term notes of HK\$201 million (2012: HK\$200 million) which are denominated in Australian Dollars and a bank loan of HK\$456 million (2012: HK\$445 million) which is denominated in New Zealand Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) The effective interest rate of the interest bearing liabilities (taking into account interest rate swap contracts and cross currency swap contracts) at the reporting date was 3.07% (2012: 3.35%). The carrying amounts of the interest bearing liabilities approximate their fair values.

10 Security for the Group's loan facilities

As at 31 March 2013, certain of the Group's investment properties, amounting to approximately HK\$9.3 billion (2012: HK\$7.6 billion), were pledged to secure the loan from HKMC. No property was pledged to secure any bank loan or medium term note.

HUMAN RESOURCES

The Manager's remuneration policy provides an equitable, motivating and competitive remuneration package in order to attract, motivate and retain high performing staff. The remuneration policies and practices will be reviewed regularly with the assistance of independent consultants in order to keep in line with market trends and practices. In addition to a basic salary, all full-time and permanent staff are eligible for a discretionary bonus, the payment of which is based on both the individual's performance and the overall performance of The Link REIT. Other staff benefits, amongst others, include contribution to mandatory provident fund, annual leave, sick leave, maternity/paternity leave, birthday leave, medical insurance, life and personal accident insurance, employee compensation, and industry-specific club/professional association memberships. As at 31 March 2013, the Manager had 882 (31 March 2012: 833) staff.

Over the past three years, the Manager has embarked on different people management initiatives to foster an environment of high staff engagement, stimulating great performance and continuous development. Employees are engaged as partners in the business. Through the introduction of the Employee Unit Purchase Plan in September 2012, employees are now partakers of the fruits of The Link REIT's success. To complement the fast and rigorous growth pace, the Manager has an equally rigorous work life balance programme to provide the necessary support for its people. A reward for performance culture is what the Manager wants to firmly establish. The Manager has implemented a high degree of transparency in its reward and recognition programmes to its employees. In line with talent sustainability and development of the staff, the Manager partnered with The Hong Kong Polytechnic University in starting an executive diploma in Shopping Mall Management.

The Manager still has a long way to go in becoming an employer of choice but has narrowed the gap considerably in the last three years. The Manager will continue to improve on how it works with its employees and further engage them in its path to success.

APPRECIATION

Our Board has been at forefront of increasing board diversity. It extends its warmest welcome to two new female Independent Non-Executive Directors who were appointed on 1 February 2013 – Ms May Siew Boi TAN who is experienced in banking, finance, and regulatory matters and Ms Elaine Carole YOUNG who is a veteran in the retail and hospitality industry.

The Board would also like to thank all the management and staff for their contributions to the growth and success of The Link REIT and our Unitholders for their continuous support and confidence in The Link REIT throughout the year.

REVIEW BY AUDIT COMMITTEE

The final results and the consolidated financial statements of the Group for the year ended 31 March 2013 had been reviewed by the Audit Committee in conjunction with The Link REIT'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 2013 of The Link REIT. 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.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2013, The Link REIT and the Manager complied with the REIT Code, the Securities and Futures Ordinance, (wherever applicable) the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Trust Deed (as amended by supplemental deeds) constituting The Link REIT and the corporate governance policy set out in the compliance manual of the Manager. The Link REIT and the Manager also applied the principles and complied with, to the extent appropriate, the code provisions in the Corporate Governance Code in Appendix 14 to the Listing Rules throughout the year.

The authorisation structure of The Link REIT and the corporate governance report for the year ended 31 March 2013 will be set out in The Link REIT’s Annual Report 2013.

PURCHASE, SALE OR REDEMPTION OF THE LINK REIT’S LISTED UNITS

During the year ended 31 March 2013, neither the Manager nor any of The Link REIT’s subsidiaries purchased, sold or redeemed any of The Link REIT’s listed units.

ISSUE OF NEW UNITS

During the year ended 31 March 2013, 25,688,510 new units of The Link REIT in aggregate were issued, comprising (i) 1,834,701 new units issued pursuant to the long-term incentive plan of The Link REIT; (ii) 20,194,922 new units issued on 2 August 2012 at an issue price of HK\$31.18 per unit pursuant to the final distribution reinvestment scheme for the year ended 31 March 2012; and (iii) 3,658,887 new units issued on 11 January 2013 at an issue price of HK\$41.56 per unit pursuant to the interim distribution reinvestment scheme for the six months ended 30 September 2012.

PUBLIC FLOAT

Based on the information publicly available to the Manager, The Link REIT 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

The final distribution of HK75.38 cents per unit for the year ended 31 March 2013 will be paid on Friday, 2 August 2013 to those Unitholders whose names appear on the register of Unitholders of The Link REIT on Tuesday, 25 June 2013. For the purpose of ascertaining Unitholders' entitlement to the final distribution, the register of Unitholders of The Link REIT will be closed from Friday, 21 June 2013 to Tuesday, 25 June 2013, both days inclusive, during which period no transfer of units will be registered. In order to qualify for the final distribution, all transfer documents accompanied by the relevant unit certificates must be lodged with The Link REIT'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 Thursday, 20 June 2013.

Further, for the purpose of ascertaining Unitholders' right to attend the forthcoming annual general meeting of Unitholders of The Link REIT to be held on Wednesday, 31 July 2013, the register of Unitholders of The Link REIT will also be closed from Monday, 29 July 2013 to Wednesday, 31 July 2013, 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 Friday, 26 July 2013.

DISTRIBUTION REINVESTMENT SCHEME

A distribution reinvestment scheme will be made available to eligible Unitholders who may elect to receive the final distribution for the year ended 31 March 2013 wholly in cash or wholly in new units or a combination of both. An announcement giving further information of such scheme will be published on Tuesday, 25 June 2013, and a circular containing details of such scheme together with the relevant election form or entitlement advice will be despatched to Unitholders on Thursday, 4 July 2013.

DESPATCH OF ANNUAL REPORT 2013

The Annual Report 2013 of The Link REIT will be despatched to Unitholders on Friday, 28 June 2013.

ANNUAL GENERAL MEETING OF UNITHOLDERS

The forthcoming annual general meeting of Unitholders of The Link REIT will be held on Wednesday, 31 July 2013. Notice convening the meeting will be issued to Unitholders in accordance with the requirements of the REIT Code, the Listing Rules, the Trust Deed and other applicable requirements.

By order of the board of directors of
The Link Management Limited
(as manager of The Link Real Estate Investment Trust)
Ricky CHAN Ming Tak
Company Secretary

Hong Kong, 5 June 2013

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

Chairman (also an Independent Non-Executive Director)

Nicholas Robert SALLNOW-SMITH

Executive Directors

George Kwok Lung HONGCHOY *(Chief Executive Officer)*

Andy CHEUNG Lee Ming *(Chief Financial Officer)*

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Michael Ian ARNOLD

William CHAN Chak Cheung

Anthony CHOW Wing Kin

Patrick FUNG Yuk Bun

Stanley KO Kam Chuen

May Siew Boi TAN

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