

*The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 unaudited interim results of The Link REIT and its subsidiaries (the “**Group**”) for the six months ended 30 September 2013.

The interim results and the condensed consolidated interim financial information of the Group for the six months ended 30 September 2013, after review by the audit committee of the Manager (the “**Audit Committee**”), were approved by the Board on 13 November 2013.

#### **OVERALL FINANCIAL REVIEW**

For the six months ended 30 September 2013, revenue and net property income increased by 9.3% and 11.6% year-on-year to HK\$3,493 million (six months ended 30 September 2012: HK\$3,197 million) and HK\$2,517 million (six months ended 30 September 2012: HK\$2,256 million), respectively. Interim distribution per unit for the six months ended 30 September 2013 increased by 12.9% year-on-year to HK80.22 cents (six months ended 30 September 2012: HK71.08 cents).

Valuation of the investment properties portfolio continued to improve due primarily to income growth and reached HK\$100,987 million, an increase of 5.9% compared to 31 March 2013. Net asset value per unit increased by 6.6% as compared to 31 March 2013 and reached HK\$38.04. Compared to 30 September 2012, valuation of the investment properties portfolio and net asset value per unit increased by 20.4% and 23.4%, respectively.

## FINANCIAL REVIEW

### Revenue Analysis

Driven by robust tenant sales growth and a favourable retail market, rental growth for the period continued to be strong. For the six months under review, total revenue rose to HK\$3,493 million (six months ended 30 September 2012: HK\$3,197 million), comprising rental income from retail properties of HK\$2,602 million (six months ended 30 September 2012: HK\$2,400 million), car parks of HK\$729 million (six months ended 30 September 2012: HK\$639 million) and other property related revenue of HK\$162 million (six months ended 30 September 2012: HK\$158 million).

	Six months ended 30 September 2013 HK\$'M	Six months ended 30 September 2012 HK\$'M	Year-on-year change %	Percentage contribution six months ended 30 September 2013 %
<b>Retail rentals:</b>				
Shops <sup>(1)</sup>	2,122	1,950	8.8	60.8
Markets/Cooked Food Stalls	335	317	5.7	9.6
Education/Welfare, Office and Ancillary	67	64	4.7	1.9
Mall Merchandising	78	69	13.0	2.2
<b>Car parks rentals:</b>				
Monthly	544	476	14.3	15.6
Hourly	185	163	13.5	5.3
<b>Expenses recovery and other miscellaneous revenue:</b>				
Property related revenue <sup>(2)</sup>	162	158	2.5	4.6
<b>Total</b>	<b>3,493</b>	<b>3,197</b>	<b>9.3</b>	<b>100.0</b>

Notes:

<sup>(1)</sup> Rental from shops includes base and turnover rents.

<sup>(2)</sup> Including other revenue from retail properties of HK\$160 million (six months ended 30 September 2012: HK\$157 million) and car parks of HK\$2 million (six months ended 30 September 2012: HK\$1 million).

## Expenses Analysis

Total property operating expenses for the period under review were steady and increased by 3.7% to HK\$976 million (six months ended 30 September 2012: HK\$941 million). The net property income margin improved further to 72.1%.

Property managers' fees increased during the period mainly due to the increase in statutory minimum wage in May 2013 which was first introduced in 2011.

Utilities expenses decreased by 4.4% compared to the same period in 2012. The decrease in energy consumption through the energy management programme continued to outweigh the impact of increases in electricity tariffs.

Repair and maintenance costs were lower due to better planning of works as the Manager further improved the property conditions of The Link REIT's portfolio. Government rent and rates increased due to a reduction in Government rates concession and increase in rental income.

The efforts to develop more focused promotional events to enhance the shopping centres' attractiveness have resulted in an increase in promotion and marketing expenses.

	Six months ended 30 September 2013 HK\$'M	Six months ended 30 September 2012 HK\$'M	Year-on-year change %	Percentage contribution six months ended 30 September 2013 %
Property managers' fees, security and cleaning	267	244	9.4	27.4
Staff costs	159	156	1.9	16.3
Repair and maintenance	99	103	(3.9)	10.1
Utilities	175	183	(4.4)	17.9
Government rent and rates	107	92	16.3	11.0
Promotion and marketing expenses	45	42	7.1	4.6
Estate common area costs	57	57	0.0	5.8
Other property operating expenses	67	64	4.7	6.9
<b>Total property operating expenses</b>	<b>976</b>	<b>941</b>	<b>3.7</b>	<b>100.0</b>

## Valuation Review

Total value of The Link REIT's investment properties increased 5.9% from HK\$95,366 million as at 31 March 2013 to HK\$100,987 million as at 30 September 2013. The increase in valuation was largely due to the increase in net property income while the capitalisation rate of the portfolio remained steady. Compared to 30 September 2012, the value of the investment properties increased by 20.4%.

As at 30 September 2013, the value of the retail properties increased 5.5% from HK\$80,090 million as at 31 March 2013 to HK\$84,460 million while the value of the car parks increased 8.2% from HK\$15,276 million as at 31 March 2013 to HK\$16,527 million. Compared to 30 September 2012, the value of the retail properties and the car parks increased by 18.8% and 29.7%, respectively.

Jones Lang LaSalle Limited, the principal valuer of The Link REIT, valued The Link REIT's property portfolio as at 30 September 2013 through a combination of discounted cash flow ("DCF") and income capitalisation approaches. In accordance with the requirements of the Code on Real Estate Investment Trusts (the "REIT Code"), Jones Lang LaSalle Limited will retire after serving a consecutive term of three years and CBRE Limited will take over as The Link REIT's new principal valuer.

### Valuation Approach

	As at 30 September 2013	As at 31 March 2013
<b>Income Capitalisation Approach – Capitalisation Rate</b>		
Retail properties	<b>4.50–6.75%</b>	4.50–6.75%
Retail properties: weighted average	<b>5.20%</b>	5.20%
Car parks	<b>5.00–8.25%</b>	5.00–8.25%
Car parks: weighted average	<b>6.41%</b>	6.42%
Overall weighted average	<b>5.39%</b>	5.39%
<b>DCF Approach</b>		
Discount rate	<b>7.50%</b>	7.50%

## Capital Management

In the period under review, The Link REIT issued HK\$350 million 7-year unsecured notes at a fixed rate of 3.15% per annum under the Guaranteed Euro Medium Term Note ("MTN") Programme and signed a total of HK\$1 billion 5-year new unsecured bilateral bank loan facilities at an all-in cost of HIBOR +1.30% per annum. In the same period, a HK\$1 billion secured loan from The Hong Kong Mortgage Corporation Limited and a HK\$650 million bilateral bank loan were repaid. As at 30 September 2013, available liquidity has increased slightly to HK\$6.36 billion (31 March 2013: HK\$6.21 billion), comprising HK\$2.55 billion (31 March 2013: HK\$3.15 billion) in cash and deposits and HK\$3.81 billion (31 March 2013: HK\$3.06 billion) in committed but undrawn facilities. Average outstanding life of the Group's committed debt facilities as at 30 September 2013 increased slightly to 4.1 years (31 March 2013: 4.0 years).

**Committed Debt Facilities<sup>(1)</sup>**  
**(As at 30 September 2013)**

(HK\$ billion)	Fixed rate debt <sup>(2)</sup>	Floating rate debt <sup>(2)</sup>	Utilised facilities	Undrawn facilities	Total committed facilities
Secured loan	1.25	1.75	3.00	–	3.00
Unsecured bank loans	0.90	1.81	2.71	3.81	6.52
MTN	4.32	2.03	6.35	–	6.35
<b>Total</b>	<b>6.47</b>	<b>5.59</b>	<b>12.06</b>	<b>3.81</b>	<b>15.87</b>
<b>Percentage</b>	<b>54%</b>	<b>46%</b>	<b>76%</b>	<b>24%</b>	<b>100%</b>

Notes:

<sup>(1)</sup> All amounts are at face value.

<sup>(2)</sup> After interest rate swaps.

Percentage of fixed rate debt to total debt increased slightly to 54% as at 30 September 2013 (31 March 2013: 53%). After the adjustment of cash and deposits, percentage of fixed rate debt to net debt stood at 68% as at 30 September 2013 (31 March 2013: 70%). Average life of fixed rate debt further increased from 6.0 years as at 31 March 2013 to 6.5 years as at 30 September 2013.

**Facility Maturity Profile<sup>(1)</sup>**  
**(As at 30 September 2013)**

(HK\$ billion)	Secured loan	Unsecured bank loans	MTN	Undrawn facilities	Total
Due in Financial Year 2013/2014	–	–	–	–	–
Due in Financial Year 2014/2015	2.00	0.85	–	0.25	3.10
Due in Financial Year 2015/2016	1.00	0.61	–	1.31	2.92
Due in Financial Year 2016/2017	–	1.25	1.02	1.25	3.52
Due in Financial Year 2017/2018	–	–	0.30	–	0.30
Beyond Financial Year 2017/2018	–	–	5.03	1.00	6.03
<b>Total</b>	<b>3.00</b>	<b>2.71</b>	<b>6.35</b>	<b>3.81</b>	<b>15.87</b>

Note:

<sup>(1)</sup> All amounts are at face value.

Total debt declined to HK\$12.06 billion (31 March 2013: HK\$13.36 billion) while the gearing level (total debt/total assets) further improved to 11.6% (31 March 2013: 13.6%). The overall effective interest rate of the debt portfolio, after taking into account interest rate hedging, further improved from 3.07% as at 31 March 2013 to 2.93% as at 30 September 2013. The Link REIT's credit ratings were affirmed by Standard & Poor's at A/Stable on 28 June 2013 and by Moody's Investors Service at A2/Stable on 5 August 2013.

## BUSINESS REVIEW

### Retail Portfolio

As at 30 September 2013, the overall occupancy rates of the retail portfolio and shops remained stable at 94.1% (31 March 2013: 94.1%) and 96.3% (31 March 2013: 96.3%), respectively. Steady improvement in tenant sales performance continued and the composite reversion rate for the period under review (on an average 3-year lease) stood at a healthy level of 23.6% (six months ended 30 September 2012: 25.9%). The average monthly unit rent improved from HK\$38.4 per square foot as at 31 March 2013 to HK\$40.2 per square foot as at 30 September 2013. Tenants' retention rate for the period was 76.2% (six months ended 30 September 2012: 80.3%).

Category	Occupancy rate		Composite reversion rate		Average monthly unit rent per leased IFA <sup>(1)</sup>		% of total IFA <sup>(2)</sup>
	As at	As at	Six months ended	Six months ended	As at	As at	As at
	30 September 2013	31 March 2013	30 September 2013	30 September 2012	30 September 2013	31 March 2013	30 September 2013
	%	%	%	%	HK\$ psf <sup>(3)</sup>	HK\$ psf <sup>(3)</sup>	%
Shops	96.3	96.3	22.6	27.9	40.5	38.7	82.1
Markets/Cooked Food Stalls	81.9	82.0	27.7	16.6	73.3	70.0	8.7
Education/Welfare, Office and Ancillary	85.9	86.0	13.1	12.0	6.7	6.4	9.2
<b>Total</b>	<b>94.1</b>	<b>94.1</b>	<b>23.6</b>	<b>25.9</b>	<b>40.2</b>	<b>38.4</b>	<b>100.0</b>

Notes:

- (1) IFA means internal floor area.
- (2) Total excluding self use office.
- (3) Psf means per square foot.

## Portfolio Breakdown

The Manager continued to achieve improvement across The Link REIT's retail portfolio of different sizes. The retail components of the top 10 properties and the properties ranked 11th to 50th by valuation contributed 26.0% and 45.2%, respectively, to the retail rentals of The Link REIT's portfolio and achieved an average monthly unit rent of HK\$57.8 psf and HK\$43.2 psf, respectively, as at 30 September 2013 (31 March 2013: HK\$55.7 psf and HK\$41.2 psf, respectively).

### Retail Portfolio Breakdown

Properties <sup>(1)</sup>	Retail properties valuation	Retail rentals	Average monthly unit rent per leased IFA		Occupancy rate	
	As at 30 September 2013 HK\$'M	Six months ended 30 September 2013 HK\$'M	As at 30 September 2013 HK\$ psf	As at 31 March 2013 HK\$ psf	As at 30 September 2013 %	As at 31 March 2013 %
1 – 10	24,219	677	57.8	55.7	98.6	98.4
11 – 50	38,813	1,177	43.2	41.2	95.5	95.0
51 – 100	17,784	614	31.0	30.0	91.9	91.9
101 – 153	3,644	134	22.2	20.8	87.7	89.6
<b>Total</b>	<b>84,460</b>	<b>2,602</b>	<b>40.2</b>	38.4	<b>94.1</b>	94.1

Note:

<sup>(1)</sup> Properties ranked by retail valuation as at 30 September 2013.

## Car Park Portfolio

Demand for car parking spaces across the portfolio continued to increase as a result of higher demand from neighbouring residents and higher patronage of the retail facilities. During the period, car park revenue grew 14.1% year-on-year to HK\$729 million (six months ended 30 September 2012: HK\$639 million). The strong growth was also supported by car park rates adjustments with effect from May 2013 and popularity of various parking incentive schemes. The net income margin was 68.8% for the six months under review (six months ended 30 September 2012: 64.5%).

### *Key Car Park Property Performance Indicators*

	<b>Six months ended 30 September 2013</b>	Six months ended 30 September 2012
Utilisation of car park space (%)	<b>86.4</b>	81.1
Car park income per space per month (HK\$)	<b>1,529</b>	1,338
Net property income margin (%)	<b>68.8</b>	64.5
Average valuation per space (HK\$'000)	<b>208</b>	160

## Asset Management

Asset management is an important driver for The Link REIT's long-term sustainable growth. The Manager continued to focus on improving the shopping environment across the portfolio by introducing new tenants and helping existing tenants grow in the portfolio.

The Manager has successfully introduced a number of new tenants into the portfolio including certain brand names which are new to the Hong Kong market. The products and services offered by these new tenants allowed the Manager to better serve the needs of shoppers in the community and increased the patronage of the retail facilities. This also attracted their peers to consider opening stores in The Link REIT's portfolio. For existing tenants, encouraging results can be observed from the increasing tenants' sales and high retention rate. While existing tenants with leading brands have seen positive results, some of them have started to roll out new brands, mostly targeting the shoppers of the mid-market, in The Link REIT's portfolio. Together with focused promotional events, these have attracted increasing number of shoppers in the neighbourhood, and helped bring The Link REIT's shopping centres to a higher standard.

During the period, The Link REIT's tenants' average monthly retail gross sales per square foot continued to improve and rose by 9.3% as compared to the same period last year. "Food and Beverage" and "Supermarkets and Foodstuff" posted a healthy year-on-year growth in gross sales per square foot of 13.3% and 5.2%, respectively, while "General Retail" recorded an increase of 10.1%.



***Retail Trade Mix by Monthly Rent and IFA***  
**(As at 30 September 2013)**

<b>Trade</b>	<b>By Monthly Rent</b>	<b>By Leased IFA</b>
Food and Beverage	25.0%	29.7%
Supermarkets and Foodstuff	22.7%	19.1%
Markets/Cooked Food Stalls	13.8%	7.6%
Services	11.3%	9.8%
Personal Care, Medicine, Optical, Books and Stationery	8.2%	5.7%
Education/Welfare, Office and Ancillary	1.4%	8.4%
Others <sup>(1)</sup>	17.6%	19.7%
	<b>100.0%</b>	<b>100.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

*Note:*

<sup>(1)</sup> Others include clothing, department stores, electrical and household products, leisure and entertainment, and valuable goods.

As at 30 September 2013, approximately 61.5% of monthly rent of The Link REIT's portfolio was attributed to "Food and Beverage", "Supermarkets and Foodstuff" and "Markets/Cooked Food Stalls" trades, catering to the daily needs of the community.

Apart from driving revenue growth, the Manager strives to enhance operational efficiency through diligent cost control. Amid the inflationary pressure, the ongoing chiller replacement and lighting improvement programmes have allowed The Link REIT to reduce energy consumption. During this six-month period, The Link REIT was able to achieve electricity consumption saving of 13.7 million kWh (six months ended 30 September 2012: 9.7 million kWh).

The Manager has been committed to enhancing service quality through a wide range of initiatives, including service monitoring through the Mystery Shopper Programme and upgrading the service standards. Property management fees have been adjusted to reflect these improved service standards with effect from October 2013. The adjustment in property management fees and the improvement in operating efficiency will ease pressure from rising costs and support continuous margin expansion.

## Asset Enhancement

Asset enhancement projects at Chung Fu Plaza and Sheung Tak Plaza were completed during the period under review with satisfactory returns on investments of 16.8% and 23.6%, respectively, bringing the total number of completed projects to 32. The upgrade of Chung Fu Plaza has reinforced its position as a regional centre serving an extended catchment population at the heart of the Tin Shui Wai district. The improvements at Sheung Tak Plaza have strengthened its competitiveness in the Tseung Kwan O district with a relatively large supply of new residential flats in the next few years.

As part of the strategic focus in New Territories West, the Manager has expanded the scope of the Yau Oi Commercial Centre (“**Yau Oi**”) and On Ting Commercial Complex (“**On Ting**”) project to capture the market opportunity in the district created by the changes in market dynamics. This will be the largest project since the listing of The Link REIT. The two centres will be integrated as “one-mall” with significant improvements in circulation and accessibility and will be rebranded under a new identity providing much enhanced shopping experience targeting shoppers in the mid-market, young families and Mainland shoppers. It will be repositioned into The Link REIT’s flagship centre in Tuen Mun when completed. The ample supply of car park spaces at Yau Oi and On Ting, the largest in the district, will also enable it to attract shoppers from the enlarged catchment stretching from Tsuen Wan to Tuen Mun after repositioning.

For the shopping centres outside the top 50 by valuation, the Manager has commenced the upgrade of Hoi Fu Shopping Centre, which will adopt a similar approach as the successful enhancement at Wah Sum Shopping Centre by rejuvenating the property to better serve the requirements of the local community.

### *Status of Asset Enhancement Projects*

	<b>Number of projects</b>	<b>Estimated costs HK\$’M</b>
Completed since initial public offering	32	2,935
Underway	8	1,399
Pending statutory approval	6	1,128
Others under planning	>13	>1,500
<b>Total</b>	<b>&gt;59</b>	<b>&gt;6,962</b>

## *Approved Asset Enhancement Projects Underway*

	<b>Estimated costs HK\$'M</b>	<b>Target completion date</b>
Lok Fu Fresh Market <sup>(1)</sup>	120	late 2013
Choi Wan Commercial Complex	222	late 2013
Sha Kok Shopping Centre <sup>(1)</sup>	125	mid 2014
Hoi Fu Shopping Centre <sup>(2)</sup>	39	mid 2014
Yau Oi Commercial Centre <sup>(1)</sup> } On Ting Commercial Complex }	474	late 2014
Un Chau Shopping Centre <sup>(2)</sup>	66	late 2014
Lung Cheung Plaza <sup>(3)</sup>	353	late 2015
<b>Total</b>	<b><u>1,399</u></b>	

### *Notes:*

- <sup>(1)</sup> Projects include a market upgrade.
- <sup>(2)</sup> Properties ranked outside of top 50 by valuation.
- <sup>(3)</sup> Properties ranked amongst top 10 by valuation.

## **SUSTAINABILITY FRAMEWORK**

The Link REIT's corporate sustainability efforts continue to reach new heights. In September 2013, The Link REIT was selected for the first time as a constituent of the Dow Jones Sustainability Asia Pacific Index, scoring 61 points out of 100, a 13% improvement over 2012. This is another global recognition of The Link REIT's sustainability efforts following its inclusion in the FTSE4Good Index earlier this year. Inclusion in this index is a result of The Link REIT's long-term commitment to ensure that sustainability is an integrated part of its business. The Link REIT has also been recognised with a "Green Star", the highest recognition in the Global Real Estate Sustainability Benchmark. This benchmark illustrates that The Link REIT is in the top tier of sustainability performers in the real estate industry. These accolades serve as an important confirmation that The Link REIT's sustainability strategy is on the right track and a reminder that it needs to continually work hard in ensuring sustainability is integrated throughout the business.

The Link REIT continues to implement the 10 principles of the United Nations Global Compact ("UNGC") into its strategies and operations. In September 2013, The Link REIT was recognised as a UNGC Advanced Level reporter, indicating a higher level of detail and transparency in the UNGC Communication on Progress reports.

Engaging with the local communities ensures that the Manager understands their needs and that the Manager is constantly adding value to the lives of those around us. The Link Community Sports Academy continues to be a popular programme, offering six different sports programmes across 12 properties. In the past six months, as part of the community engagement strategy, the Manager expanded the team of Community Relationship Managers to focus specifically on understanding community needs at the local level. This will help ensure that The Link REIT is meeting the needs of local communities. In the period, The Link Together Initiatives, the charity and community engagement programme, identified 10 inaugural projects to sponsor with funding of HK\$10.4 million. The Manager's staff was intimately involved throughout the entire selection process, and will continue to participate as staff sponsors who will assist in the implementation of the projects.

## STRATEGY AND OUTLOOK

Asset management and asset enhancement together act as interdependent building blocks in driving organic growth. Under asset management, The Link REIT will continue to leverage on its real estate expertise, financial strength and strong corporate governance in the execution of its business strategy. On the asset enhancement front, as a proven approach to drive reliable and sustainable growth, the Manager will keep rolling out its asset enhancement pipeline while advancing its strategic district approach. The Manager will also continue to review and monitor the portfolio performance in contemplation of enhancing operating efficiency, and will consider disposal of assets with outlying potential to recycle capital and create further value for the unitholders of The Link REIT (the “Unitholders”).

Furthermore, the Manager will continue to seize the opportunities arising from the influx of Mainland tourists. Over the past five years, the introduction of the Individual Visitor Scheme and the resulting increase in tourist arrivals from Mainland China have been supporting growth and shaping the local retail market. Given the increasing number of Mainland shoppers as well as steadily growing domestic household income, the Manager aims to expand The Link REIT's portfolio inorganically in Hong Kong by targeting acquisitions in the mid-market non-discretionary segment.

While many of The Link REIT's major tenants have seen the potential from the fast growing middle class and have expanded in China, in particular, in the Pearl River Delta, the Manager is also considering ways for The Link REIT to capture this growth opportunity as part of the long-term strategic plan to boost its inorganic growth potential in the region. As with the strategy in Hong Kong, the Manager will actively study the potential to expand The Link REIT's portfolio, in particular, in the mid-market non-discretionary segment to capture such growth opportunity.

Looking ahead, the Manager is confident that the Hong Kong retail market will remain healthy as supported by the uplift in domestic consumption and continuous growth in inbound tourism, particularly from the Mainland. Over half of the Mainland tourists to Hong Kong today are same-day travellers and these regular visitors provide a solid base for the Hong Kong retail sector.

Supported by positive market sentiment, the Manager expects rental to continue to grow steadily in the second half of the financial year.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 September 2013*

	<i>Note</i>	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
<b>Revenues</b>	4	<b>3,493</b>	3,197
Property operating expenses	6	<u>(976)</u>	<u>(941)</u>
Net property income		<b>2,517</b>	2,256
General and administrative expenses		<b>(106)</b>	(104)
Change in fair values of investment properties		<u>5,211</u>	<u>6,787</u>
<b>Operating profit</b>	7	<b>7,622</b>	8,939
Interest income		<b>14</b>	22
Finance costs on interest bearing liabilities	8	<u>(193)</u>	<u>(228)</u>
Profit before taxation and transactions with Unitholders		<b>7,443</b>	8,733
Taxation	10	<u>(368)</u>	<u>(317)</u>
<b>Profit for the period, before transactions with Unitholders (Note (i))</b>	11	<b>7,075</b>	8,416
Distributions paid to Unitholders (Note (ii))		<u>(1,725)</u>	<u>(1,502)</u>
		<u><b>5,350</b></u>	<u>6,914</u>
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units		<b>5,412</b>	6,970
Amount arising from cash flow hedging reserve movement	21	<u>(62)</u>	<u>(56)</u>
		<u><b>5,350</b></u>	<u>6,914</u>

*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 11 to the condensed consolidated interim financial information.
- (ii) This represents the final distribution of HK\$1,725 million for the year ended 31 March 2013 (2012: HK\$1,502 million) paid during the period.
- (iii) Total Distributable Income (as defined in the Trust Deed constituting The Link REIT) for the six months ended 30 September 2013 is determined in the consolidated statement of distributions. The interim distribution declared in respect of this financial period as set out in the consolidated statement of distributions will be paid to Unitholders on 10 December 2013.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 September 2013*

	<i>Note</i>	<b>Before transactions with Unitholders (Unaudited) HK\$'M</b>	<b>Transactions with Unitholders (Note (i)) (Unaudited) HK\$'M</b>	<b>After transactions with Unitholders (Unaudited) HK\$'M</b>
<b>Six months ended 30 September 2013</b>				
Profit for the period		7,075	(7,137)	(62)
Other comprehensive income				
Item that may be reclassified subsequently to the condensed consolidated income statement				
– Cash flow hedging reserve		62	–	62
Total comprehensive income for the period	(ii)	7,137	(7,137)	–
<b>Six months ended 30 September 2012</b>				
Profit for the period		8,416	(8,472)	(56)
Other comprehensive income				
Item that may be reclassified subsequently to the condensed consolidated income statement				
– Cash flow hedging reserve		56	–	56
Total comprehensive income for the period	(ii)	8,472	(8,472)	–

*Notes:*

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$1,725 million (2012: HK\$1,502 million) and change in net assets attributable to Unitholders, excluding issues of new units, of HK\$5,412 million (2012: HK\$6,970 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 period. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 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 six months ended 30 September 2013

	<i>Note</i>	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
<b>Profit for the period, before transactions with Unitholders</b>		<b>7,075</b>	8,416
Adjustments:			
– Change in fair values of investment properties		<b>(5,211)</b>	(6,787)
– Other non-cash income		<b>(10)</b>	(5)
<b>Total Distributable Income (Note (i))</b>		<b><u>1,854</u></b>	<u>1,624</u>
Interim distribution for the period, to be paid to the Unitholders (Note (ii))		<b><u>1,854</u></b>	<u>1,624</u>
As a percentage of Total Distributable Income		<b><u>100%</u></b>	<u>100%</u>
Units in issue as at 30 September	20	<b><u>2,310,889,561</u></b>	<u>2,284,402,553</u>
<b>Distribution per unit to Unitholders for the period</b> (Note (iii))		<b><u>HK80.22 cents</u></b>	<u>HK71.08 cents</u>

*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 period, before transactions with Unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the condensed consolidated income statement for the relevant period.
- (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 period 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 six months ended 30 September 2013. The interim distribution will be paid to Unitholders on 10 December 2013.
- (iii) The interim distribution per unit of HK80.22 cents for the six months ended 30 September 2013 is calculated based on the interim distribution of HK\$1,854 million for the period and 2,310,889,561 units in issue as at 30 September 2013. 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.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	<i>Note</i>	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
<b>Non-current assets</b>			
Goodwill		331	331
Investment properties	12	100,987	95,366
Property, plant and equipment	13	68	73
Derivative financial instruments	19	85	168
		<u>101,471</u>	<u>95,938</u>
<b>Current assets</b>			
Trade and other receivables	14	202	212
Deposits and prepayments		68	65
Derivative financial instruments	19	–	56
Short-term bank deposits	15	2,427	1,495
Cash and cash equivalents	15	126	1,657
		<u>2,823</u>	<u>3,485</u>
<b>Total assets</b>		<u>104,294</u>	<u>99,423</u>
<b>Current liabilities</b>			
Trade payables, receipts in advance and accruals	16	1,084	1,237
Security deposits		1,044	994
Provision for taxation		336	159
Current portion of long-term incentive plan provision	17	47	87
Interest bearing liabilities	18	2,000	1,706
Derivative financial instruments	19	–	15
		<u>4,511</u>	<u>4,198</u>
<b>Net current liabilities</b>		<u>1,688</u>	<u>713</u>
<b>Total assets less current liabilities</b>		<u>99,783</u>	<u>95,225</u>
<b>Non-current liabilities, excluding net assets attributable to Unitholders</b>			
Long-term incentive plan provision	17	18	52
Interest bearing liabilities	18	10,055	11,829
Derivative financial instruments	19	182	184
Deferred tax liabilities		1,616	1,518
		<u>11,871</u>	<u>13,583</u>
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<u>16,382</u>	<u>17,781</u>
<b>Net assets attributable to Unitholders</b>		<u>87,912</u>	<u>81,642</u>
Units in issue	20	<u>2,310,889,561</u>	<u>2,288,061,440</u>
<b>Net assets per unit attributable to Unitholders</b>		<u>HK\$38.04</u>	<u>HK\$35.68</u>



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

*For the six months ended 30 September 2013*

	<i>Note</i>	<b>Total equity (Unaudited) HK\$'M</b>	<b>Net assets attributable to Unitholders (Unaudited) HK\$'M</b>	<b>Total (Unaudited) HK\$'M</b>
Net assets attributable to Unitholders at 1 April 2013		–	81,642	81,642
Issuance of units				
– under distribution reinvestment scheme		–	779	779
– under long-term incentive plan		–	79	79
Profit for the period ended 30 September 2013, before transactions with Unitholders		–	7,075	7,075
Distributions paid to Unitholders – 2013 final distribution		–	(1,725)	(1,725)
Change in fair values of cash flow hedges	21	12	–	12
Amount transferred to the condensed consolidated income statement	21	50	–	50
Amount arising from cash flow hedging reserve movement	21	(62)	62	–
Change in net assets attributable to Unitholders for the period ended 30 September 2013, excluding issues of new units		–	5,412	5,412
<b>Net assets attributable to Unitholders at 30 September 2013</b>		<b>–</b>	<b>87,912</b>	<b>87,912</b>
Net assets attributable to Unitholders at 1 April 2012		–	62,735	62,735
Issuance of units				
– under distribution reinvestment scheme		–	629	629
– under long-term incentive plan		–	60	60
Profit for the period ended 30 September 2012, before transactions with Unitholders		–	8,416	8,416
Distributions paid to Unitholders – 2012 final distribution		–	(1,502)	(1,502)
Change in fair values of cash flow hedges		(34)	–	(34)
Amount transferred to the condensed consolidated income statement		90	–	90
Amount arising from cash flow hedging reserve movement		(56)	56	–
Change in net assets attributable to Unitholders for the period ended 30 September 2012, excluding issues of new units		–	6,970	6,970
Net assets attributable to Unitholders at 30 September 2012		–	70,394	70,394

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
<b>Operating activities</b>		
<b>Net cash generated from operating activities</b>	<u>2,328</u>	<u>2,115</u>
<b>Investing activities</b>		
Additions to investment properties	(483)	(407)
Additions to property, plant and equipment	(8)	(12)
Interest income received	18	22
Increase in short-term bank deposits with original maturity of more than three months	<u>(932)</u>	<u>(1,038)</u>
<b>Net cash used in investing activities</b>	<u>(1,405)</u>	<u>(1,435)</u>
<b>Financing activities</b>		
Proceeds from interest bearing liabilities, net of transaction costs	341	4,127
Repayment of interest bearing liabilities	(1,650)	(3,730)
Interest expenses paid on interest bearing liabilities	(199)	(236)
Distributions paid to Unitholders	<u>(946)</u>	<u>(873)</u>
<b>Net cash used in financing activities</b>	<u>(2,454)</u>	<u>(712)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(1,531)</u>	<u>(32)</u>
Cash and cash equivalents at 1 April	<u>1,657</u>	<u>150</u>
<b>Cash and cash equivalents at 30 September</b>	<u><u>126</u></u>	<u><u>118</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 Corporate information

The Link Real Estate Investment Trust is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Link REIT is governed by a trust deed entered into on 6 September 2005 (as amended and supplemented by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005, the Third Supplemental Deed dated 16 January 2006, the Fourth Supplemental Deed dated 21 November 2006, the Fifth Supplemental Deed dated 13 July 2007, the Sixth Supplemental Deed dated 23 July 2007, the Seventh Supplemental Deed dated 5 October 2009, the Eighth Supplemental Deed dated 23 July 2010 and the Ninth Supplemental Deed dated 25 July 2012) (together the “**Trust Deed**”).

The principal activity of The Link REIT and its subsidiaries is investment in non-residential properties (predominantly retail-based but excluding hotels and serviced apartments) and car park operations in Hong Kong. The addresses of the registered offices of the Manager, The Link Management Limited, and the trustee of The Link REIT, HSBC Institutional Trust Services (Asia) Limited, are 33/F., AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong and 1 Queen’s Road Central, Hong Kong, respectively.

## 2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2013.

As at 30 September 2013, the Group’s current liabilities exceeded its current assets by HK\$1,688 million (31 March 2013: HK\$713 million). Taking into account the unutilised committed bank loan facilities of HK\$3,810 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 condensed consolidated interim financial information.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 3 Accounting policies

The accounting policies adopted are consistent with those set out in the audited consolidated financial statements for the year ended 31 March 2013, except for the adoption of the following new standards, amendments and interpretations issued by the HKICPA which became effective for the six months ended 30 September 2013.

HKAS 1 (Revised) Amendment	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedged Accounting
HKFRS 1 Amendments	Government Loans
HKFRS 7 Amendments	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to HKFRSs 2009-2011 Cycle	

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

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in the condensed consolidated interim financial information. These are effective for the Group's accounting periods beginning on or after 1 April 2014.

HKAS 27 (2011), HKFRS 10 and HKFRS 12 Amendments	Separate Financial Statements, Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities <sup>1</sup>
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKAS 36 Amendments	Recoverable Amount Disclosures for Non-Financial Assets <sup>1</sup>
HKFRS 7 and HKFRS 9 Amendments	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>2</sup>
HKFRS 9	Financial Instruments <sup>2</sup>
HK(IFRIC)-Int 21	Levies <sup>1</sup>

<sup>1</sup> effective for accounting periods beginning on or after 1 January 2014

<sup>2</sup> 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 Hong Kong Financial Reporting Standards (“**HKFRSs**”) upon initial application. So far, the Manager has concluded that while the adoption of the new or revised HKFRSs may result in new or amended disclosures, these are unlikely to have a significant impact on the Group's results of operations and financial position.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 4 Revenues

Revenues recognised during the period comprise:

	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
Rentals from retail properties	<b>2,602</b>	2,400
Gross rentals from car parks	<u>729</u>	<u>639</u>
	<b>3,331</b>	3,039
Other revenues		
– Air conditioning service fees	<b>154</b>	149
– Other property related revenue	<u>8</u>	<u>9</u>
	<b>162</b>	158
Total revenues	<b><u>3,493</u></b>	<b><u>3,197</u></b>

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$68 million (2012: HK\$58 million) and had been included in the rental income.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 5 Segment information

	Retail properties HK\$'M	Car parks HK\$'M	Head office HK\$'M	Total HK\$'M
<b>For the six months ended 30 September 2013</b>				
<b>(Unaudited)</b>				
Revenues	<u>2,762</u>	<u>731</u>	<u>–</u>	<u>3,493</u>
Segment results	2,014	503	(106)	2,411
Change in fair values of investment properties	3,995	1,216	–	5,211
Interest income				14
Finance costs on interest bearing liabilities				<u>(193)</u>
Profit before taxation and transactions with Unitholders				7,443
Taxation				<u>(368)</u>
Profit for the period, before transactions with Unitholders				<u>7,075</u>
Capital expenditure	375	35	5	415
Depreciation	<u>–</u>	<u>–</u>	<u>(10)</u>	<u>(10)</u>
<b>As at 30 September 2013 (Unaudited)</b>				
Segment assets	84,625	16,578	122	101,325
Goodwill				331
Derivative financial instruments				85
Short-term bank deposits				2,427
Cash and cash equivalents				<u>126</u>
Total assets				<u>104,294</u>
Segment liabilities	1,747	127	254	2,128
Provision for taxation				336
Long-term incentive plan provision				65
Interest bearing liabilities				12,055
Derivative financial instruments				182
Deferred tax liabilities				<u>1,616</u>
Total liabilities, excluding net assets attributable to Unitholders				<u>16,382</u>
Net assets attributable to Unitholders				<u>87,912</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 5 Segment information (Continued)

	Retail properties HK\$'M	Car parks HK\$'M	Head office HK\$'M	Total HK\$'M
For the six months ended 30 September 2012 (Unaudited)				
Revenues	<u>2,557</u>	<u>640</u>	<u>–</u>	<u>3,197</u>
Segment results	1,843	413	(104)	2,152
Change in fair values of investment properties	5,429	1,358	–	6,787
Interest income				22
Finance costs on interest bearing liabilities				<u>(228)</u>
Profit before taxation and transactions with Unitholders				8,733
Taxation				<u>(317)</u>
Profit for the period, before transactions with Unitholders				<u>8,416</u>
Capital expenditure	371	28	10	409
Depreciation	<u>–</u>	<u>–</u>	<u>(14)</u>	<u>(14)</u>
As at 31 March 2013 (Audited)				
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				<u>1,657</u>
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				<u>1,518</u>
Total liabilities, excluding net assets attributable to Unitholders				<u>17,781</u>
Net assets attributable to Unitholders				<u>81,642</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 6 Property operating expenses

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	267	244
Staff costs ( <i>Note 9</i> )	159	156
Government rent and rates	107	92
Repair and maintenance	99	103
Utilities	175	183
Promotion and marketing expenses	45	42
Estate common area costs	57	57
Other property operating expenses	67	64
	<u>976</u>	<u>941</u>

### 7 Operating profit

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Operating profit for the period is stated after charging:		
Staff costs ( <i>Note 9</i> )	223	233
Depreciation of property, plant and equipment	10	14
Loss on disposal of property, plant and equipment	–	2
Trustee's fee	4	3
Valuation fee	1	1
Auditor's remuneration	1	1
Bank charges	2	2
Operating lease charges	11	8
Other legal and professional fees	4	8
	<u>4</u>	<u>8</u>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 8 Finance costs on interest bearing liabilities

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities wholly repayable within five years	103	103
Interest expenses on interest bearing liabilities wholly repayable beyond five years	70	72
Other borrowing costs ( <i>Note (i)</i> )	28	64
	<u>201</u>	<u>239</u>
Less: capitalised under investment properties ( <i>Note (ii)</i> )	(8)	(11)
	<u>193</u>	<u>228</u>

#### Notes:

- (i) Other borrowing costs include HK\$50 million (2012: HK\$90 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$31 million (2012: HK\$33 million) net gains on interest rate swap contracts and cross currency swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 3.14% (2012: 3.57%) per annum.

### 9 Staff costs

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Wages and salaries	231	196
Contributions to mandatory provident fund scheme	6	5
Long-term incentive plan awards ( <i>Note 17</i> )	13	56
	<u>250</u>	<u>257</u>
Less: capitalised under investment properties	(27)	(24)
	<u>223</u>	<u>233</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 9 Staff costs (Continued)

Staff costs can be further analysed as below:

	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
Included under property operating expenses ( <i>Note 6</i> )	159	156
Included under general and administrative expenses	<u>64</u>	<u>77</u>
	<u><u>223</u></u>	<u><u>233</u></u>

### 10 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 period.

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

	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
Current taxation	270	219
Deferred taxation		
– Accelerated depreciation allowances	<u>98</u>	<u>98</u>
Taxation	<u><u>368</u></u>	<u><u>317</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

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

	Six months ended 30 September 2013 (Unaudited)	Six months ended 30 September 2012 (Unaudited)
Profit after taxation and before transactions with Unitholders	<u>HK\$7,075 million</u>	<u>HK\$8,416 million</u>
Weighted average number of units for the period for calculating basic earnings per unit	2,295,748,263	2,269,869,817
Adjustment for dilutive contingently issuable units under long-term incentive plan	<u>1,658,939</u>	<u>2,527,006</u>
Weighted average number of units for the period for calculating diluted earnings per unit	<u>2,297,407,202</u>	<u>2,272,396,823</u>
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders	<u>HK\$3.08</u>	<u>HK\$3.71</u>
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders	<u>HK\$3.08</u>	<u>HK\$3.70</u>

### 12 Investment properties

#### (a) Details of the movements of investment properties are as follows:

	Retail properties (Unaudited) HK\$'M	Car parks (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2013	80,090	15,276	95,366
Additions	375	35	410
Change in fair values	<u>3,995</u>	<u>1,216</u>	<u>5,211</u>
<b>At 30 September 2013</b>	<u><b>84,460</b></u>	<u><b>16,527</b></u>	<u><b>100,987</b></u>

#### (b) Government leases

The properties included as investment properties on the condensed consolidated statement of financial position comprise properties where the Group has legal title under government leases for a fixed number of years (with renewal rights in one case). As at 30 September 2013, the remaining lease periods range from 30 to 47 years (31 March 2013: 30 to 47 years).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 12 Investment properties (Continued)

#### (c) Fair values

The investment properties were revalued on an open market value basis as at 31 March and 30 September 2013 by Jones Lang LaSalle Limited, an independent firm of professional qualified valuers and the principal valuer of The Link REIT.

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

The Link REIT acquired the commercial accommodation of Maritime Bay on 16 January 2012. In accordance with the REIT Code, The Link REIT is prohibited from disposing of its property for at least two years from the time such property is acquired, unless the Unitholders have passed a special resolution consenting to the proposed disposal.

#### (e) Security for the Group’s loan facilities

As at 30 September 2013, certain of the Group’s investment properties, amounting to approximately HK\$9.9 billion (31 March 2013: HK\$9.3 billion), were pledged to secure the loan from The Hong Kong Mortgage Corporation Limited. No property was pledged to secure any bank loan or medium term note.

### 13 Property, plant and equipment

	Leasehold improvements (Unaudited) HK\$’M	Motor vehicles (Unaudited) HK\$’M	Equipment (Unaudited) HK\$’M	Total (Unaudited) HK\$’M
At 1 April 2013	21	2	50	73
Additions	–	–	5	5
Depreciation charge for the period	(4)	–	(6)	(10)
<b>At 30 September 2013</b>	<b>17</b>	<b>2</b>	<b>49</b>	<b>68</b>
<b>At 30 September 2013</b>				
Cost	70	5	119	194
Accumulated depreciation	(53)	(3)	(70)	(126)
Net book value	17	2	49	68

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 14 Trade and other receivables

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
Trade receivables	<b>63</b>	72
Less: provision for impairment of trade receivables	<b>(2)</b>	(1)
	<hr/>	<hr/>
Trade receivables – net	<b>61</b>	71
Other receivables	<b>141</b>	141
	<hr/>	<hr/>
	<b>202</b>	212
	<hr/> <hr/>	<hr/> <hr/>

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

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

The ageing analysis of trade receivables is as follows:

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
0 – 30 days	<b>60</b>	70
31 – 90 days	<b>3</b>	1
Over 90 days	<b>–</b>	1
	<hr/>	<hr/>
	<b>63</b>	72
	<hr/> <hr/>	<hr/> <hr/>

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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 15 Cash and cash equivalents and short-term bank deposits

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
Cash at bank	34	29
Short-term bank deposits with original maturity of less than three months	<u>92</u>	<u>1,628</u>
Cash and cash equivalents	126	1,657
Short-term bank deposits with original maturity of more than three months	<u>2,427</u>	<u>1,495</u>
	<u><u>2,553</u></u>	<u><u>3,152</u></u>

### 16 Trade payables, receipts in advance and accruals

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
Trade payables	31	58
Receipts in advance	117	146
Accruals	<u>936</u>	<u>1,033</u>
	<u><u>1,084</u></u>	<u><u>1,237</u></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:

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
0 – 30 days	26	47
31 – 90 days	5	10
Over 90 days	<u>–</u>	<u>1</u>
	<u><u>31</u></u>	<u><u>58</u></u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 17 Long-term incentive plan provision

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
Long-term incentive plan provision	<b>65</b>	139
Less: current portion of long-term incentive plan provision	<u>(47)</u>	<u>(87)</u>
Non-current portion of long-term incentive plan provision	<u><b>18</b></u>	<u>52</u>

A long-term incentive plan (the “**Plan**”) was approved and adopted by ordinary resolution on 23 July 2007 at the annual general meeting of the Unitholders. The Plan shall be valid and effective for 10 years commencing on the adoption date.

Under the Plan, the Manager may grant three types of awards, the Restricted Unit Awards (“**RUA**”), Unit Options and Conditional Cash Awards (“**CCA**”) (collectively the “**Awards**”) to directors and key employees of the Manager. Awards are approved by the Human Resources and Compensation Committee and, in the case of directors of the Manager, by the Board on recommendation of the Remuneration Committee. The RUA granted under the Plan, in general, will vest approximately two to three years from the date of grant. No Unit Option has been granted since the adoption date.

Upon the vesting of RUA, units are to be issued to the grantees on a sliding scale, depending on the scale of achievement against the total Unitholders return (“**TUR**”) or net property income (“**NPI**”), where appropriate, providing that the minimum criteria for the performance measure determined by the Human Resources and Compensation Committee has been met.

The eventual numbers of units to be issued under RUA on vesting, which are linked to the performance of The Link REIT based on the TUR or NPI, where appropriate, will range from 0% to 200% of RUA granted. CCA is granted in conjunction with the grant of RUA, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to Unitholders during the vesting period, multiplied by the number of units that will eventually be issued to such grantee pursuant to RUA vested.

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

During the period, the Group issued 2,055,632 units (2012: 1,834,701 units) for RUA vested in accordance with the vesting conditions under the Plan.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 17 Long-term incentive plan provision (Continued)

Movements in the number of RUA during the period and the maximum number of units to be issued upon vesting of RUA are as follows:

Date of grant	Vesting period	Outstanding as at 1 April 2013	Granted during the period	Vested during the period <sup>(i)</sup>	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2013	Maximum to be issued on vesting date <sup>(ii)</sup>
12 November 2010	12 November 2010 to 30 June 2013	509,808	–	(509,808) <sup>(iii)</sup>	–	–	–	–
23 September 2011	23 September 2011 to 30 June 2013	554,052	–	(533,302) <sup>(iii)</sup>	(16,250)	(4,500)	–	–
	23 September 2011 to 30 June 2014	552,681	–	–	–	(11,921)	540,760	1,081,520
16 July 2012	16 July 2012 to 30 June 2014	538,750	–	–	–	(1,133)	537,617	1,075,234
	16 July 2012 to 30 June 2015	538,750	–	–	–	(1,595)	537,155	1,074,310
Subtotal		2,694,041	–	(1,043,110)	(16,250)	(19,149)	1,615,532	3,231,064
Additional units vested over 100% of RUA granted		–	–	(1,012,522) <sup>(iii)</sup>	–	–	–	–
Total		<u>2,694,041</u>	<u>–</u>	<u>(2,055,632)</u>	<u>(16,250)</u>	<u>(19,149)</u>	<u>1,615,532</u>	<u>3,231,064</u>

*Notes:*

- (i) RUA vesting percentages during the period ranged from 188% to 200%.
- (ii) If certain vesting conditions are met.
- (iii) Additional units over 100% of RUA granted were vested pursuant to the relevant vesting conditions.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 18 Interest bearing liabilities

	30 September 2013 (Unaudited) HK\$'M	31 March 2013 (Audited) HK\$'M
Bank borrowings	2,677	3,413
Medium term notes	6,378	6,122
Secured loan	3,000	4,000
	<u>12,055</u>	<u>13,535</u>
Less: current portion of interest bearing liabilities	(2,000)	(1,706)
Non-current portion of interest bearing liabilities	<u>10,055</u>	<u>11,829</u>

Interest bearing liabilities are repayable as follows:

	30 September 2013 (Unaudited) HK\$'M	31 March 2013 (Audited) HK\$'M
<b>Due in the first year</b>		
Bank borrowings	–	706
Secured loan	2,000	1,000
	<u>2,000</u>	<u>1,706</u>
<b>Due in the second year</b>		
Bank borrowings	1,437	858
Secured loan	1,000	2,000
	<u>2,437</u>	<u>2,858</u>
<b>Due in the third year</b>		
Bank borrowings	1,240	610
Medium term notes	179	–
Secured loan	–	1,000
	<u>1,419</u>	<u>1,610</u>
<b>Due in the fourth year</b>		
Bank borrowings	–	1,239
Medium term notes	1,111	1,015
	<u>1,111</u>	<u>2,254</u>
<b>Due in the fifth year</b>		
Medium term notes	1,100	300
<b>Due beyond the fifth year</b>		
Medium term notes	3,988	4,807
	<u>12,055</u>	<u>13,535</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 18 Interest bearing liabilities (Continued)

Notes:

- (i) Except for a bank loan of HK\$277 million (31 March 2013: HK\$311 million) and medium term notes of HK\$179 million (31 March 2013: HK\$201 million) which are denominated in Australian 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 2.93% (31 March 2013: 3.07%). The carrying amounts of the interest bearing liabilities approximate their fair values.

### 19 Derivative financial instruments

	30 September 2013 (Unaudited) HK\$'M	31 March 2013 (Audited) HK\$'M
<b>Derivative assets</b>		
<b>Current item</b>		
Designated as fair value hedge		
– cross currency swap contract	–	56
	-----	-----
<b>Non-current item</b>		
Designated as fair value hedge		
– cross currency swap contracts	–	11
– interest rate swap contracts	85	157
	-----	-----
	85	168
	-----	-----
	85	224
	-----	-----
<b>Derivative liabilities</b>		
<b>Current item</b>		
Designated as cash flow hedge		
– interest rate swap contracts	–	(15)
	-----	-----
<b>Non-current item</b>		
Designated as cash flow hedge		
– interest rate swap contracts	(131)	(178)
Designated as fair value hedge		
– cross currency swap contracts	(51)	(6)
	-----	-----
	(182)	(184)
	-----	-----
	(182)	(199)
	-----	-----
	(97)	25
	=====	=====

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 19 Derivative financial instruments (Continued)

*Notes:*

- (i) The Group uses interest rate swap contracts and cross currency swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in interest rates and foreign currency exchange rates in relation to its interest bearing liabilities. The fair values of these interest rate swap contracts and cross currency swap contracts are classified as non-current items should the remaining maturities of the hedged items extend for more than 12 months. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair values of cross currency swap contracts are recognised directly in the condensed consolidated income statement. A net amount of HK\$62 million (2012: HK\$56 million) had been credited to the hedging reserve during the period as further set out in Note 21.
- (ii) As at 30 September 2013, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 2.4 years on HK\$2.15 billion borrowings (31 March 2013: 2.1 years on HK\$3.15 billion borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 30 September 2013 were HK\$2.15 billion (31 March 2013: HK\$3.15 billion) and 3.56% (31 March 2013: 3.76%) respectively.
- (iii) As at 30 September 2013, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group's borrowings into Hong Kong Dollars floating rates interest bearing liabilities. The notional principal amounts of the outstanding interest rate swap contracts and cross currency swap contracts qualifying as fair value hedges as at 30 September 2013 were HK\$1.82 billion (31 March 2013: HK\$1.82 billion) and HK\$507 million (31 March 2013: HK\$907 million) respectively.
- (iv) Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 21) as at 30 September 2013 will be released to the condensed consolidated income statement.

### 20 Units in issue

	<b>Number of units</b>
At 1 April 2013	2,288,061,440
Units issued under distribution reinvestment scheme	20,772,489
Units issued under long-term incentive plan	<u>2,055,632</u>
<b>At 30 September 2013</b>	<b><u>2,310,889,561</u></b>

Closing price of the units as at 30 September 2013 was HK\$38.05 (31 March 2013: HK\$42.30) per unit. Based on 2,310,889,561 units in issue as at 30 September 2013 (31 March 2013: 2,288,061,440 units), market capitalisation was HK\$87,929 million (31 March 2013: HK\$96,785 million).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 21 Reserves

	Hedging reserve (Unaudited) HK\$'M	Earnings retained for cash flow hedge adjustments (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M
At 1 April 2013	(193)	193	–
Cash flow hedges:			
– Change in fair values	12	–	12
– Amount transferred to the condensed consolidated income statement ( <i>Note</i> )	50	–	50
	62	–	62
Net assets attributable to Unitholders:			
– Amount arising from cash flow hedging reserve movement	–	(62)	(62)
<b>At 30 September 2013</b>	<b>(131)</b>	<b>131</b>	<b>–</b>

*Note:* Amount transferred to the condensed consolidated income statement in respect of cash flow hedges was included in “Finance costs on interest bearing liabilities” (Note 8).

### 22 Capital commitments

	30 September 2013 (Unaudited) HK\$'M	31 March 2013 (Audited) HK\$'M
Improvement projects to existing investment properties		
– Authorised but not contracted for	1,474	1,346
– Contracted but not provided for	717	544
	<b>2,191</b>	<b>1,890</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 23 Connected party transactions and significant related party transactions and balances

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

#### (a) Nature of relationship with connected/related parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) “Related Party Disclosures”, and nature of their relationship with the Group as at 30 September 2013:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the “ <b>Trustee</b> ”)*	The Trustee of The Link REIT
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the “ <b>HSBC Group</b> ”) *	Associates <sup>#</sup> of the Trustee
Jones Lang LaSalle Limited (the “ <b>Principal Valuer</b> ”)	The Principal Valuer of The Link REIT
Jones Lang LaSalle Management Services Limited	Associate <sup>#</sup> of the Principal Valuer
Aedas Limited and its subsidiaries (the “ <b>Aedas Group</b> ”)*	Associates <sup>#</sup> of director
Foundation for the Arts and Music in Asia Limited	Associate <sup>#</sup> of director
Industrial and Commercial Bank of China (Asia) Limited (“ <b>ICBC (Asia)</b> ”)	Associate <sup>#</sup> of director
Standard Chartered Bank (Hong Kong) Limited (“ <b>SCBHK</b> ”)	Associate <sup>#</sup> of director
The Chamber of Hong Kong Listed Companies	Associate <sup>#</sup> of director
Wing Hang Bank, Limited (“ <b>Wing Hang Bank</b> ”)*	Associate <sup>#</sup> of director

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

# “Associate” has the meaning ascribed to it under the REIT Code.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 23 Connected party transactions and significant related party transactions and balances (Continued)

#### (b) Transactions with connected/related parties

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

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Trustee fee paid and payable to the Trustee ( <i>Note (ii)</i> )	(4)	(3)
Transactions with the HSBC Group ( <i>Note (iii)</i> )		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities and interest rate swap contracts	(17)	(48)
Rental income from the HSBC Group on leasing of retail units	13	11
Valuation fee paid and payable to the Principal Valuer ( <i>Note (iii)</i> )	(1)	(1)
Charges for provision of fitter services paid and payable to Jones Lang LaSalle Management Services Limited ( <i>Note (iii)</i> )	(9)	–
Architectural/renovation consultancy services fees paid and payable to the Aedas Group ( <i>Note (iii)</i> )	(1)	(2)
Transactions with ICBC (Asia) ( <i>Note (iii)</i> )		
Rental income from ICBC (Asia) on leasing of retail units	4	3
Interest income from ICBC (Asia) on short-term bank deposits	1	1
Transactions with SCBHK ( <i>Note (iii)</i> )		
Interest expense and various financing charges to SCBHK on interest bearing liabilities	(1)	–
Rental income from SCBHK on leasing of retail units	4	–
Interest income from SCBHK on short-term bank deposits	1	–
Transactions with Wing Hang Bank ( <i>Note (iii)</i> )		
Interest income from Wing Hang Bank on short-term bank deposits	<u>1</u>	<u>2</u>

*Notes:*

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 23 Connected party transactions and significant related party transactions and balances (Continued)

#### (c) Balances with related parties

Balances with related parties are set out below:

	<b>30 September 2013 (Unaudited) HK\$'M</b>	31 March 2013 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(400)	(400)
Net interest rate swap contracts with the HSBC Group	(13)	(17)
Security deposits from the HSBC Group	(2)	(2)
Net interest payable to the HSBC Group	(1)	(3)
Deposits placed with the HSBC Group	27	24
Deposits placed with Wing Hang Bank	<u>100</u>	<u>80</u>

#### (d) Key management compensation

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

	<b>Six months ended 30 September 2013 (Unaudited) HK\$'M</b>	Six months ended 30 September 2012 (Unaudited) HK\$'M
Fees	4	4
Basic salaries, allowances and other benefits	38	26
Long-term incentive plan awards	<u>4</u>	<u>32</u>
	<u>46</u>	<u>62</u>

### 24 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was authorised for issue by the Board on 13 November 2013.

## **HUMAN RESOURCES**

The Manager's remuneration policy and practices are to ensure that remuneration packages are in line with the market trends to stay competitive in attracting and retaining high performing staff. The remuneration policy and practices will be reviewed regularly with the assistance of independent consultants. The remuneration package for a full-time and permanent staff comprises a basic salary and a discretionary bonus, the payment of which is based on both the individual's performance and the overall performance of The Link REIT. As at 30 September 2013, the Manager had 902 staff (31 March 2013: 882).

Full-time staff meeting prescribed criteria are eligible to participate in the employee unit purchase plan ("EUPP") to purchase units of The Link REIT in the market through an independent third party intermediary with subsidy from the Manager, the amount of which for each eligible participant is determined in accordance with the rules of the EUPP with reference to length of service and appraised performance.

## **AWARDS AND ACCOLADES**

In recognition for its efforts in running the business in a sustainable manner and creating value for stakeholders, The Link REIT has received a number of awards and endorsements from reputable local and global institutions over the years. During the six months ended on 30 September 2013, The Link REIT has been selected as an index component of the Dow Jones Sustainability Asia Pacific Index, another global recognition of The Link REIT's sustainability achievements following its inclusion in the FTSE4Good Index in early 2013. The Link REIT has also been named "Best Investment Manager in Hong Kong" in the global real estate survey 2013 conducted by Euromoney, a renowned international financial magazine, and won three awards in the Property Sector of the "2013 All-Asia Executive Team Survey" compiled by Institutional Investor.

## **APPRECIATION**

The Board would like to take this opportunity to thank the management team and entire staff for their commitment and hard work. In addition, the Board would like to express its appreciation to Mr Michael Ian ARNOLD who, after serving for nine years, retired as an Independent Non-Executive Director and a member of the nomination committee, the human resources and compensation committee, and the finance and investment committee of the Manager with effect from 3 September 2013.

## **REVIEW BY AUDIT COMMITTEE AND AUDITOR**

The interim results and the condensed consolidated interim financial information of the Group for the six months ended 30 September 2013 have been reviewed by the Audit Committee. The interim financial information has also been reviewed by PricewaterhouseCoopers, The Link REIT's auditor, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.



## **CORPORATE GOVERNANCE**

Throughout the six months ended 30 September 2013, The Link REIT and the Manager complied with the applicable requirements of the Securities and Futures Ordinance, the REIT Code, (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 compliance manual of the Manager which sets out the key processes, systems and measures and the corporate governance policy. 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 contained in Appendix 14 to the Listing Rules throughout the period.

The Manager has adopted a “Board Diversity Policy” which has been published on the corporate website of The Link REIT ([www.thelinkreit.com](http://www.thelinkreit.com)). Save as disclosed, the authorisation structure of The Link REIT and the corporate governance policy and practices adopted for the six months ended 30 September 2013 were in line with those in place for the financial year ended 31 March 2013 as disclosed in the corporate governance report of the annual report 2013. Further details will be set out in the interim report 2013/2014 of The Link REIT.

## **ISSUE OF NEW UNITS**

22,828,121 new units of The Link REIT were issued in the period, comprising (i) 20,772,489 new units issued on 2 August 2013 at an issue price of HK\$37.52 per unit pursuant to the distribution reinvestment scheme in respect of the final distribution for the financial year ended 31 March 2013; and (ii) 2,055,632 new units issued pursuant to the long-term incentive plan of The Link REIT.

Based on 2,310,889,561 units in issue as at 30 September 2013, the number of new units issued in the period represented approximately 1.0%.

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

During the six months ended 30 September 2013, neither the Manager nor any of The Link REIT’s subsidiaries purchased, sold or redeemed any of The Link REIT’s listed units.

## **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 the issued units in public hands.

## **INTERIM DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS**

The interim distribution of HK80.22 cents per unit for the six months ended 30 September 2013 will be paid wholly in cash (without a scrip alternative) on Tuesday, 10 December 2013 to Unitholders whose names appear on the register of Unitholders of The Link REIT on Monday, 2 December 2013. For the purpose of ascertaining Unitholders' entitlement to the interim cash distribution, the register of Unitholders will be closed from Thursday, 28 November 2013 to Monday, 2 December 2013, both days inclusive, during which period no transfer of units will be registered. In order to qualify for the interim cash 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, 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 Wednesday, 27 November 2013.

## **DESPATCH OF INTERIM REPORT 2013/2014**

The interim report 2013/2014 of The Link REIT will be despatched to Unitholders on Thursday, 28 November 2013.

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, 13 November 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*  
William CHAN Chak Cheung  
Anthony CHOW Wing Kin  
Patrick FUNG Yuk Bun  
Stanley KO Kam Chuen  
May Siew Boi TAN  
David Charles WATT  
Richard WONG Yue Chim  
Elaine Carole YOUNG