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 YEAR ENDED 31 MARCH 2015

The board of directors (the "**Board**") of The Link Management Limited (the "**Manager**"), as manager of The Link Real Estate Investment Trust ("**The Link**"), is pleased to report to unitholders (the "**Unitholders**") the audited consolidated final results of The Link and its subsidiaries (the "**Group**") for the year ended 31 March 2015.

The final results and the consolidated financial statements of the Group for the year ended 31 March 2015, after review by the audit and risk management committee of the Manager (the "**Audit and Risk Management Committee**"), were approved by the Board on 10 June 2015.

A FRUITFUL YEAR

Key Achievements

2014	
July/December	Disposal of nine non-core properties for HK$2,956 million
September	Acquisition of Lions Rise Mall for HK$1,380 million
December	Completed HK$477 million repositioning of H.A.N.D.S, our flagship shopping centre in Tuen Mun
	Became a constituent stock of the Hang Seng Index
2015	
January	Expanded investment mandate to include property development
	Acquisition of commercial development land for HK$5,860 million via joint venture
March	Announced the first acquisition in Mainland China – Beijing EC Mall for RMB2,500 million

MANAGEMENT DISCUSSION AND ANALYSIS

It has been five years since we first articulated our corporate vision of being a world class real estate investor and manager serving and improving the lives of those around us. This guiding principle has seen us steadily improving our business by keeping a long-term perspective while maintaining a disciplined approach to managing and upgrading our portfolio. In line with this, among our priorities is enhancing the resilience of our business to continue delivering strong and sustainable growth.

In the past, the growth of our business focused solely on asset management, asset enhancement, and asset acquisition. Moving forward, our battery of growth drivers has evolved and expanded to include asset disposal, property development and property re-development.

These new endeavours are natural extensions of our core growth drivers, and provide us with access to create value along the entire property life cycle. Together, our expanded set of growth drivers will enable us to build a productive and quality portfolio.

Asset Management

The management of our retail and car park facilities has evolved to be our strength and expertise. Over the years, we have established a track record of increasing revenue complemented by the effective control of property operating costs. Through scalable innovation, we continue to leverage this competitive advantage. This strategy is supported by close monitoring and analysis of changes in district demographics and shoppers' preferences. Augmenting this is our proactive marketing approach which drives footfall, raises brand awareness and encourages shoppers' loyalty.

Retail Leasing

2014/2015 marked another productive year for our leasing team with composite reversion rate at 22.0% and a 7.2% year-on-year retail rental growth. Occupancy rate for the portfolio as at 31 March 2015 reached 94.8%.

During the year, our rental revenue rose through a more efficient allocation of shop floor space that introduced new shop areas and retail choices by creating themed trade zones. This year, much effort was made to enrich shoppers' choices and enhance tenant base diversity. We introduced startup businesses and new tenant groups into our portfolio. We supported existing tenants to expand to other properties in our portfolio while maintaining the percentage of small tenants that characterises the uniqueness of our shopping centres.

Operational Statistics of the Retail Portfolio

	Occupancy rate		Composite reversion rate		% of total IFA[1] [2]
	As at 31 March 2015 %	As at 31 March 2014 %	**Year ended 31 March 2015 %**	Year ended 31 March 2014 %	**As at 31 March 2015 %**
Shops	**96.5**	96.6	**23.3**	25.8	**82.4**
Markets/Cooked food stalls	**86.4**	82.4	**12.0**	25.1	**8.7**
Education/Welfare, Office and Ancillary	**87.2**	86.3	**20.0**	14.1	**8.9**
Total	**94.8**	94.4	**22.0**	25.7	**100.0**

Notes:

[1] Total excluding self use office.

[2] IFA means internal floor area.

In parallel, we rolled out a variety of marketing campaigns to support our tenants' sales growth and strengthen our community engagement. Our marketing team delivered 60 events and programmes during the year generating tenant sales through redemption campaigns and incentives.

Performance of our properties as ranked by retail valuation validates our leasing strategy. Our top 10 properties, the majority of which had undergone asset enhancement, contributed 25.1% of the portfolio's retail rentals, while all groups of properties continued to demonstrate year-on-year improvement in average monthly unit rent.

Retail Portfolio Breakdown

	Retail properties valuation	Retail rentals	Average monthly unit rent per leased IFA [2]		Occupancy rate [2]	
Properties [1]	**As at 31 March 2015** ***HK$'M***	**Year ended 31 March 2015** ***HK$'M***	**As at 31 March 2015** ***HK$ psf[3]***	As at 31 March 2014 *HK$ psf[3]*	**As at 31 March 2015 %**	As at 31 March 2014 %
1-10	**28,453**	**1,433**	**64.5**	60.5	**98.4**	98.7
11-50	**50,892**	**2,627**	**49.8**	46.1	**95.5**	95.8
51-100	**24,118**	**1,360**	**34.6**	32.1	**92.8**	91.7
Remaining	**3,863**	**233**	**23.3**	22.2	**92.1**	89.6
Properties disposed	**–**	**58**	**–**	–	**–**	–
Total	**107,326**	**5,711**	**45.4**	42.5	**94.8**	94.4

Notes:

[1] Properties ranked by retail valuation as at 31 March 2015.

[2] Figures exclude nine properties disposed of in July and December 2014.

[3] psf means per square foot.

Portfolio Lease Expiry Profile *(as at 31 March 2015)*

	as % of total IFA %	as % of monthly base rent %
2015/2016	35.7	32.4
2016/2017	23.3	28.2
2017/2018 and Beyond	30.8	34.7
Short-term Lease and Vacancy	10.2	4.7
Total	**100.0**	**100.0**

As a result of our continuous efforts in upgrading trade mix and improving tenant business environment, during the year under review, tenants' average monthly retail gross sales per square foot continued to improve and rose by 6.0% 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 3.9%, respectively, while "General Retail" recorded an increase of 5.8%.

Car Parks

Being one of the largest car park owners in Hong Kong, we benefit from the strong demand in parking spaces due to growth in licensed private cars as well as the government's policy to tighten parking provisions at new housing schemes. The increased demand, coupled with our enhanced shopping centres, have underpinned the strong performance of our car park business throughout the year. The utilisation rate of our car parks increased to 94.1% as at 31 March 2015 from 88.1% as at 31 March 2014. Individual car park income per space per month increased by 12.8% to HK$1,767.

Key Car Park Performance Indicators

	Year ended 31 March 2015	Year ended 31 March 2014
Utilisation of car park space (%)	**94.1**	88.1
Car park income per space per month (HK$)	**1,767**	1,566
Net property income margin (%)	**70.3**	69.1
Average valuation per space (HK$'000)	**330**	235

With a view to improve performance, we enhanced customer services and operations. We incurred capital expenditures to upgrade the car park facilities such as tailgating system, patrol management and directional signage at various properties. The 10-year car park refurbishment programme started since 2013 has also been progressing well with a total investment of approximately HK$400 million.

Property Management

Ongoing property management efforts put operational costs under control to be close to, if not lower than, inflation for five consecutive years. Our extensive building management system and the strategic Link Energy Management programme reduced our annual energy consumption by 1.7% in 2014/2015 for the fifth consecutive year of our efforts in reducing energy consumption and has been moving us closer to our 2020 target of 30% reduction as compared with our consumption level in 2010. In 2014/2015, our annual energy consumption stood at 239 million kWh, which was a reduction of 24.6% since 2010. With many quick-fix energy saving measures at our “legacy assets” already implemented, our energy savings programme will rely on utilising our extensive building management system to monitor daily and process-level energy consumption.

We completed a one-year study of our upcoming waste management challenges, and are in the process of establishing a comprehensive strategy that examines compliance with the forthcoming waste regulations. Building upon our initial effort when we installed waste management facilities at 46 of our properties, this new strategy includes working closely with tenants, service providers, non-governmental organisations and the government to develop an optimal solution to minimise and manage waste production at our properties.

Satisfaction over the quality of services and amenities in our properties is measured and monitored through our mystery shopper programme, which is independently assessed by the Hong Kong Quality Assurance Agency. We have made steady improvement each year with this key performance index.

Asset Enhancement

Asset enhancement revitalises and renovates our existing property portfolio and the objectives are to enhance shopping centre performance, capitalise on changing district potentials, create and deliver a consistent brand image, and improve utilisation of internal floor areas.

In the year under review, we completed four asset enhancement projects at Hoi Fu Shopping Centre, Mei Lam Commercial Centre, Un Chau Shopping Centre and H.A.N.D.S (which includes a shopping centre and a fresh market). H.A.N.D.S is being repositioned as a destination location in Tuen Mun. These properties individually and collectively showcase the different aspects of our asset enhancement strategies, covering our top 50 properties, beyond top 50 properties, and fresh markets, with different upgrades ranging from simple refurbishment to major repositioning, all of which have provided satisfactory return on investment.

Return on Investment of Asset Enhancement Projects Completed in the Year Ended 31 March 2015

	Total IFA as at 31 March 2015 *'000 square feet*	Total project CAPEX *HK$'M*	Estimated return on investment [4] *%*
Hoi Fu Shopping Centre [2]	40	39	19.1
Mei Lam Commercial Centre [1]	75	87	17.8
Un Chau Shopping Centre [2]	50	64	21.5
H.A.N.D.S [1] [3]	193	477	15.3
Total		**667**	

Notes:

(1) Property ranked amongst top 50 by valuation.

(2) Property ranked beyond top 50 by valuation.

(3) Property included a fresh market upgrade.

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

H.A.N.D.S, our largest and flagship shopping centre in Tuen Mun, was designed to create a single destination by combining Yau Oi Commercial Centre and On Ting Commercial Complex. The upgrade has created a new shopping atmosphere with extended air-conditioned space, improved vertical circulation and an appropriate range of shop sizes.

Apart from refurbishing the built environment at H.A.N.D.S, we carefully re-arranged the layout and retail mix to bring about a vibrant and delightful customer experience. Distinct trade mixes are allocated within various zones and specialty food and beverage offerings have been increased. The two fresh markets were upgraded and merged into a single space that offers a wider choice of produce and foodstuffs. The change is attracting a wider clientele of shoppers and the younger generation. As the name "H.A.N.D.S" suggests, we aim to bring about a shopping experience so that everyone can "Have A Nice Day Shopping" at this shopping centre.

Asset enhancement work at Un Chau Shopping Centre were completed in the second half of the financial year. Similar to Hoi Fu Shopping Centre and Mei Lam Commercial Centre, this was one of our mid-size centre refurbishments located along one of the main streets in the fast-changing Sham Shui Po area in Kowloon. Following enhancement works, all these three centres have improved floor plans that create more shops and street-front shops, spaces along with redesigned façades, and revamped ceilings and lightings. These have contributed towards improving the ambience and visibility of the properties, which in turn has enabled us to introduce new dining and retail tenants to the area.

Up to 31 March 2015, we have invested over HK$4,069 million to enhance 39 asset enhancement projects. Continuing this strategy, we have an approved pipeline of HK$2,477 million for a further 16 other asset enhancement projects over the next five years with over 13 potential asset enhancement projects currently under feasibility assessment.

Status of Asset Enhancement Projects

	Number of projects	**Estimated costs** *HK$'M*
Completed	39	4,069
Underway	6	1,277
Pending statutory approval	10	1,200
Others under planning	> 13	> 1,600
Total	**> 68**	**> 8,146**

Approved Asset Enhancement Projects Underway

	Estimated costs *HK$'M*	**Target completion date**
Tsing Yi Commercial Complex [(2)]	105	mid 2015
Lung Cheung Plaza [(1)]	353	late 2015
Long Ping Commerical Centre [(2)]	196	late 2015
Tin Shing Shopping Centre [(1)] [(3)]	212	early 2016
Butterfly Plaza [(1)] [(3)]	329	mid 2016
Lei Tung Commercial Centre [(2)]	82	mid 2016
Total	**1,277**	

Notes:

(1) Property ranked amongst top 50 by valuation.

(2) Property ranked beyond top 50 by valuation.

(3) Property included a fresh market upgrade.

Asset Acquisition

Our business agenda is to own and manage a portfolio of properties serving the mid to upper-mid retail market with tenants that provide the community with a broader choice of their daily necessities. This prudent approach has proven to be effective in buffering the portfolio performance against economic fluctuations, leading to stable growth in investment.

In 2014/2015, we added a new Hong Kong asset and subsequent to the year end, we completed the acquisition of our first property outside of Hong Kong.

In September 2014, we acquired Lions Rise Mall in the Wong Tai Sin district for HK$1,380 million. Lions Rise Mall, coupled with our two nearby properties – Wong Tai Sin Plaza and Lung Cheung Plaza – creates a shopping cluster with synergistic effect that allows us to serve a wider range of customers and create more value for the local community.

Subsequent to the year end on 1 April 2015, we completed the acquisition of EC Mall in Beijing at an agreed property value of RMB2,500 million. This five-year-old quality shopping centre, strategically located with good transportation and network connection, marks our first step towards entering into a new geographical market. EC Mall contributes to our strategy of long-term investment in real estate assets that are sustainable and income generating. We are very excited about this acquisition as this signifies an important move in our business diversification.

Asset Disposal

Enhancing the quality of our asset portfolio also means exiting non-core properties, which provides several value creation opportunities for our Unitholders such as provision of flexible capital to fund unit buybacks and for investing in assets with better growth prospect, and enhancement of operational efficiency.

In the year under review, we completed the disposal of nine properties in two batches in July and December 2014. The sale of the nine properties fetched us a total consideration of HK$2,956 million, representing a 32.8% premium to the aggregate appraised values of the properties as at 31 March 2014. The Link is applying the disposal proceeds to fund potential investment opportunities, for general working capital purposes and unit buybacks to neutralise the negative impact on future distribution per unit ("**DPU**").

Property Development

Following the recent relaxation to the Code on Real Estate Investment Trusts (the "**REIT Code**") and the expansion of The Links's investment mandate to permit property development and related activities, we successfully bid on a government tender, acquiring a plot of land for commercial development located at the heart of the government's strategic "Energizing Kowloon East" plan. It is our first venture into the office sector since Unitholders' approval in July 2012. This is complementary to our existing portfolio, enabling us to diversify our business.

With a site area of approximately 74,000 square feet and a maximum gross floor area of approximately 884,000 square feet, it is our current intention to develop the land into a Grade-A office commercial complex comprising two office towers with retail elements and car parks. Total development costs are presently estimated at HK$10,541 million. Based on The Link's 60% interest in this development project, our portion of the presently estimated development costs is approximately HK$6,325 million, representing approximately 4.6% (which is within the 10% cap) of the gross asset value of The Link as at 31 March 2015 and after adjusting for the final distribution to be paid and the acquisition of Beijing EC Mall. Further updates on this property development project are set out in The Link's Annual Report 2014/2015.

Property Re-development

Property re-development focuses specifically on properties in our existing portfolio and offers an opportunity to create further value through redevelopment including design and structural changes. This growth driver is particularly important for those properties where asset enhancement would add minimal value. We will review diligently our existing portfolio to see if any potential opportunities emerge under this growth driver. This will require extensive consultation with multiple stakeholders.

FINANCIAL REVIEW

Pursuing the expanded set of growth drivers has led to an extremely busy and productive year, which has resulted in robust financial results. During the year, revenue and net property income increased by 7.9% and 9.0% year-on-year to HK$7,723 million (2014: HK$7,155 million) and HK$5,669 million (2014: HK$5,202 million), respectively. DPU for the year increased by 10.3% year-on-year to HK182.84 cents (2014: HK165.81 cents), comprising an interim DPU of HK89.56 cents (2014: HK80.22 cents) and a final DPU of HK93.28 cents (2014: HK85.59 cents). The interim DPU included a discretionary distribution of HK5.56 cents relating to the transaction costs incurred for the acquisition of an investment property during the year. The total DPU represents a distribution yield of 3.8% based on the closing market price of the units of HK$47.80 on 31 March 2015.

Valuation of the investment properties portfolio continued to improve and reached HK$138,383 million, representing an increase of 25.9% compared to 31 March 2014. Net asset value per unit grew 23.6% year-on-year to HK$51.53 (31 March 2014: HK$41.69).

Revenue Analysis

With our portfolio mainly focusing on non-discretionary trades targeting mass and mid markets, we managed to maintain a steady revenue growth for the year despite some economic indicators suggesting a slowing retail market. Total revenue increased 7.9% to HK$7,723 million (2014: HK$7,155 million), comprising rental income from retail properties of HK$5,711 million (2014: HK$5,326 million), car parks rentals of HK$1,656 million (2014: HK$1,494 million) and other property related revenue of HK$356 million (2014: HK$335 million).

	Year ended 31 March 2015 *HK$'M*	Year ended 31 March 2014 *HK$'M*	Year-on-year change *%*
Retail rentals:			
Shops [(1)]	**4,638**	4,338	6.9
Markets/Cooked Food Stalls	**767**	695	10.4
Education/Welfare, Office and Ancillary	**145**	137	5.8
Mall Merchandising	**161**	156	3.2
Car parks rentals:			
Monthly	**1,224**	1,108	10.5
Hourly	**432**	386	11.9
Expenses recovery and other miscellaneous revenue:			
Property related revenue [(2)]	**356**	335	6.3
Total	**7,723**	7,155	7.9

Notes:

(1) Rental from shops included base rent of HK$4,469 million (2014: HK$4,197 million) and turnover rents of HK$169 million (2014: HK$141 million).

(2) Including other revenue from retail properties of HK$353 million (2014: HK$331 million) and car parks of HK$3 million (2014: HK$4 million).

Expense Analysis

Total property operating expenses for the year increased 5.2% to HK$2,054 million (2014: HK$1,953 million). Net property income margin continued to improve to 73.4% (2014: 72.7%).

	Year ended 31 March 2015 *HK$'M*	Year ended 31 March 2014 *HK$'M*	Year-on-year change *%*
Property managers' fees, security and cleaning	**554**	543	2.0
Staff costs	**381**	325	17.2
Repair and maintenance	**201**	200	0.5
Utilities	**300**	296	1.4
Government rent and rates	**236**	209	12.9
Promotion and marketing expenses	**108**	111	(2.7)
Estate common area costs	**113**	114	(0.9)
Other property operating expenses	**161**	155	3.9
Total property operating expenses	**2,054**	1,953	5.2

Staff costs increased during this financial year mainly due to the higher accrual for the long-term incentive plan as the closing unit price increased from HK$38.15 as at 31 March 2014 to HK$47.80 as at 31 March 2015.

The extraordinarily hot summer of 2014 has caused a higher-than-expected level of energy consumption. However, our continuous effort on energy savings has helped mitigate the increase in consumption and electricity tariffs to allow the increase in utilities expenses to beat inflation.

Increment in government rent and rates mainly reflected the increase in rateable values of the portfolio which is in line with revenue growth. A reduction in the government rates concessions during the year also played a part in the increase in expenses.

Valuation Review

As at 31 March 2015, total value of The Link's investment properties (including properties under development) increased 25.9% to HK$138,383 million (31 March 2014: HK$109,899 million). Despite the disposal of nine properties during the year, the value of the retail properties increased 17.6% from HK$91,245 million as at 31 March 2014 to HK$107,326 million while car parks value increased 35.0% from HK$18,654 million as at 31 March 2014 to HK$25,177 million. The uplift in valuation was largely the result of improved portfolio performance as well as compressed capitalisation rates for the car parks and some of the better performing smaller assets to reflect recent market transactions. Value of the Kowloon East commercial property development project was HK$5,880 million as at 31 March 2015.

CBRE Limited ("**CBRE**"), the principal valuer of The Link, valued The Link's completed properties as at 31 March 2015 using a combination of income capitalisation approach and discounted cash flow approach as their primary valuation methodologies. For the properties under development, the residual method was used. When valuing both completed properties and properties under development, CBRE has also made reference to market transactions and comparables.

Valuation Approach

	As at 31 March 2015	As at 31 March 2014
Income Capitalisation Approach – Capitalisation Rate		
Retail properties	**3.40 – 5.20%**	4.40 – 6.60%
Retail properties: weighted average	**4.57%**	5.09%
Car parks	**3.80 – 6.00%**	4.80 – 7.60%
Car parks: weighted average	**4.78%**	6.16%
Overall weighted average	**4.61%**	5.27%
Discounted Cash Flow Approach		
Discount rate	**7.50%**	7.50%

Capital management

Sustaining long-term growth of our business requires strong financial positions, low cost of funding and prudent financial risk management. Our current strategy codifies best capital management practices utilised over the years, and should prove sustainable well into the future. Our prudent capital management strategy focuses on optimising long-term capital structure, maintaining strong credit ratings to secure competitive credit facilities, mitigating refinancing risks by extending the debt maturity profile, and limiting exposure to interest rate volatility.

During the year ended 31 March 2015, long-term United States ("**U.S.**") treasury yields reduced further due to the expanded quantitative easing of the central banks in Europe and Japan, strengthened United States Dollar ("**US$**") and market concern about deflation. On the other hand, the U.S. economy continued to show moderate growth with unemployment falling to its lowest level since 2008. The U.S. Federal Reserve is expected to increase the Federal Funds Target Rate in the later part of 2015.

Taking advantage of the lower long-term interest rates and credit margins, The Link issued US$500 million 10-year fixed rate notes at 3.60% per annum, HK$740 million 15-year fixed rate notes at 3.00% per annum and HK$650 million 7-year fixed rate notes at 2.40% per annum under the Medium Term Notes ("**MTN**") Programme. These notes have not only extended the average debt maturity of The Link, but have also strengthened the Group's protection against potential interest rate increases.

During the year, a HK$2 billion secured loan from The Hong Kong Mortgage Corporation Limited ("**HKMC**") and HK$1 billion bilateral bank loans were repaid. To replenish the Group's liquidity with maximum flexibility, the Manager has arranged a total of HK$1.5 billion 3-year revolving credit facility at an average all-in interest cost of HIBOR + 1.10% per annum.

Committed Debt Facilities [(1)] *(as at 31 March 2015)*

(HK$ billion)	**Fixed rate debt** [(2)]	**Floating rate debt** [(2)]	**Utilised facilities**	**Undrawn facilities**	**Total committed facilities**
Secured loan	0.75	0.25	1.00	–	1.00
Unsecured bank loans	1.20	3.24	4.44	2.99	7.43
MTN	8.04	3.57	11.61	–	11.61
Total	**9.99**	**7.06**	**17.05**	**2.99**	**20.04**
Percentage	**59%**	**41%**	**85%**	**15%**	**100%**

Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Following the disposal of nine properties with total proceeds of approximately HK$2,956 million in the financial year, the Manager used HK$956 million to buy back approximately 21 million units of The Link at an average price of HK$45.78 per unit. The remaining proceeds were retained as general corporate fund. The HK$1,380 million acquisition of Lions Rise Mall in September 2014 and the HK$5,860 million Kowloon East land acquisition in January 2015 (in which The Link has a 60% interest) were funded from the Group's existing available liquidity.

As at 31 March 2015, the Group's available liquidity reduced slightly to HK$6.44 billion (31 March 2014: HK$7.10 billion), comprising HK$3.45 billion (31 March 2014: HK$2.79 billion) in cash and deposits and HK$2.99 billion (31 March 2014: HK$4.31 billion) in committed but undrawn facilities. At the same time, the average life of the Group's committed debt facilities increased to 5.2 years (31 March 2014: 3.7 years).

As at 31 March 2015, the Group's total debt increased to HK$17.05 billion (31 March 2014: HK$12.56 billion) and its gearing ratio only increased slightly to 11.9% (31 March 2014: 11.0%) mainly due to higher property valuations. The percentage of fixed rate debt to gross debt as at 31 March 2015 increased to 58.6% (31 March 2014: 51.5%). Average life of fixed rate debt, representing the average period of interest rate protection provided by the fixed rate debt, also increased further to 7.2 years (31 March 2014: 6.2 years). Despite more fixed interest rate hedging, the effective interest cost of the Group's debt portfolio as at 31 March 2015 was further reduced to 2.66% (31 March 2014: 2.77%).

Facility Maturity Profile *[1] (as at 31 March 2015)*

(HK$ billion)	Secured loan	Unsecured bank loans	MTN	Undrawn facilities	Total
Due in 2015/2016	1.00	0.94	–	0.49	2.43
Due in 2016/2017	–	2.50	1.01	–	3.51
Due in 2017/2018	–	–	0.30	1.50	1.80
Due in 2018/2019	–	1.00	1.09	1.00	3.09
Due in 2019/2020	–	–	1.30	–	1.30
Beyond 2020	–	–	7.91	–	7.91
Total	**1.00**	**4.44**	**11.61**	**2.99**	**20.04**

Note:

[1] All amounts are at face value.

The Link's credit ratings were affirmed by Standard & Poor's at A/Stable on 30 July 2014 and by Moody's Investors Service at A2/Stable on 29 September 2014.

NON-FINANCIAL CONTRIBUTIONS

The Link's business value is determined not only by our financial achievements but also by our non-financial contributions. Our performance indicators are based on our sustainability framework, our environmental stewardship priorities and from extensive engagement with our tenants, shoppers, staff, local communities and investors. As a result, we have implemented strategies that conserve our resources, ensure that we are a responsible employer, and contribute towards building a thriving community – all of which lead to delivering sustainable returns.

Our tenants, shoppers and communities

By supporting the development of our tenants, creating lifestyle experiences for our shoppers and contributing towards building thriving communities, we are investing in the sustainable success of our business.

We have over 12,000 carefully selected tenancies and licences that offer vibrant retail mixes that meet the needs of the surrounding communities, and attract shoppers from nearby districts. Our approach is rooted in developing strong relationships with existing and potential tenants, supplemented by extensive district level analysis and tenant surveys to identify opportunities for improvement.

We regularly engage with prospective tenants to understand their business and expansion plans and to identify how their operations can add value to our existing trade mixes. New tenants have the potential to enrich our trade varieties and increase our brand offerings, thereby increasing the attractiveness of our shopping centres. This is evidenced through our balanced trade and tenants mixes.

Our Tenants Intelligence and Expansion Scheme focuses on identifying new and existing tenants to enter and expand their business to more properties in our portfolio. These tenants are evaluated by several factors including price point, trade, operation standard and synergy with existing tenants. During the year, we worked closely with a number of our small, high-performing retail tenants by providing input and advice on retail aspects such as layout and shop front design, and helped them expand to new locations across our portfolio, demonstrating the success of this programme.

To further support and enhance the growth of our tenants' businesses, we introduced The Link Tenant Academy. It is a formal platform for two-way engagement with tenants to voice their opinions, sharing of retail industry best practices to improve tenants' operational efficiency and raising awareness to the latest local retail trends. During the year, The Link Tenant Academy offered 12 courses and training sessions to tenants on topics such as managing emerging environmental issues, display management, implementing digital media into business operations and enhanced customer services. Approximately 3,000 participants attended these workshops.

As an extension of the living space of local residents, we are an important component of community life. The Link Together Initiatives is our flagship community engagement programme, which seeks to foster a greater sense of community by encouraging tenants and our own staff to support the non-governmental organisations' activities at our properties. During the year under review, The Link Together Initiatives sponsored nine community projects for a total of HK$7.5 million promoting the well-being of the youth and the elderly.

Our staff

Our people are what make The Link successful. We are committed to attracting and retaining talented individuals by providing a fair, equitable and transparent work environment that values work-life balance and leadership development as well as compensation package comprising basic salary, discretionary bonus and other benefits such as annual leave, maternity/paternity leave, birthday leave, and reimbursement of industry-specific club/professional association membership fee.

As at 31 March 2015, The Manager's headcount remained stable at 930 employees, and we have lowered our staff attrition rate to 16.6% from 17.3% for 2013/2014, contributing to a more stable workforce. In line with our vision of being a world-class real estate investor and manager, we believe diversity injects new viewpoints into how we run our business. We are the first REIT in Asia to endorse the Women's Empowerment Principles, a collaboration between UN Women and the UN Global Compact, and are committed to implementing the principles at all levels of our business.

Our Employee Unit Purchase Plan remains set in place, offering our staff a tangible correlation between their input and the success of our business. The participation and units retention rates of the plan are at high levels. To complement the fast and vigorous growth pace, the Manager has an equally vigourous work life balance programme to provide the necessary support for its people.

Developing effective leadership is critical to achieving our corporate strategy. We continue to invest in Executive Diploma Programme in Shopping Mall Management for our staff. The graduating class of 2014/2015 is our first group of staff that have completed the two-year programme. Another 60 staff have enrolled in the second cohort, and the programme has since been opened to public enrolment including our outside-of-Hong Kong partners.

OUTLOOK AND STRATEGY

Hong Kong's economic fundamentals remain intact as reflected in its rising household income from favourable employment conditions. In the year ahead, given that weak Asian currencies have led to changes in tourist travelling and consumption patterns, we expect Hong Kong's economy to grow moderately and tourist arrival may continue to trend down, resulting in a normalisation in retail sales growth. However, our Hong Kong portfolio is less vulnerable to the slowing economy given the defensive nature of our income which is based on non-discretionary spending and stable tenant fundamentals. We expect our Hong Kong portfolio located in sub-urban and residential districts catering for daily necessities to benefit from steady growth of domestic consumption.

While there have been signs of improvement in developed economies, the pace of recovery remains uncertain. The rise in U.S. interest rates will probably be mild and is not expected to occur until late in 2015. As for Mainland China, the government is focusing on quality of growth amidst a slowdown in the overall economy. Stimulus measures are expected to continue to drive domestic consumption which is conductive to retail sales growth. We see rising household wealth and middle-class consumers, particularly in tier-one cities, as the drivers for future opportunity supporting The Link's strategy to seek investment opportunities in tier-one cities in Mainland China.

As we move into the new financial year, we remain confident that The Link is in a strong position to deliver the high level of performance we demand from ourselves, and which the community and Unitholders have come to expect from us. Organic growth of our Hong Kong business is expected to continue, driven by our continuous efforts to upgrade our shopping environment through asset management and asset enhancements. We will also strive to capitalise on the additional flexibility from the new growth drivers to add properties at various stages of the property lifecycle to diversify and enhance our portfolio mix.

Looking forward, with the expanded business model and strong capital structure, we are well positioned to capture multiple growth opportunities which will all contribute to DPU growth at different times in the coming years.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	**2015** **HK$'M**	2014 HK$'M
Revenues	2	**7,723**	7,155
Property operating expenses		**(2,054)**	(1,953)
Net property income		**5,669**	5,202
General and administrative expenses		**(437)**	(222)
Change in fair values of investment properties		**22,699**	13,445
Operating profit	4	**27,931**	18,425
Interest income		**32**	28
Finance costs on interest bearing liabilities		**(359)**	(393)
Gain on disposal of investment properties		**445**	–
Profit before taxation and transactions with Unitholders		**28,049**	18,060
Taxation	5	**(819)**	(755)
Profit for the year, before transactions with Unitholders		**27,230**	17,305
Distributions paid to Unitholders:			
– 2014 final distribution		**(1,976)**	–
– 2015 interim distribution		**(2,054)**	–
– 2013 final distribution		**–**	(1,725)
– 2014 interim distribution		**–**	(1,854)
		23,200	13,726
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		**23,217**	13,851
Amount arising from cash flow hedging reserve movement		**(17)**	(125)
		23,200	13,726
Profit for the year, before transactions with Unitholders attributable to Unitholders *(Note (i))*	6	**27,230**	17,305

Notes:

(i) Earnings per unit, based upon profit after taxation and before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in Note 6 to the consolidated financial statements.

(ii) Total Distributable Income (as defined in the Trust Deed constituting The Link (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 7 July 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Before transactions with Unitholders HK$'M	Transactions with Unitholders *(Note (i))* HK$'M	After transactions with Unitholders HK$'M
For the year ended 31 March 2015				
Profit for the year		**27,230**	**(27,247)**	**(17)**
Other comprehensive income				
Item that may be reclassified subsequently to the consolidated income statement				
– Cash flow hedging reserve		**17**	**–**	**17**
Total comprehensive income for the year	*(ii)*	**27,247**	**(27,247)**	**–**
For the year ended 31 March 2014				
Profit for the year		17,305	(17,430)	(125)
Other comprehensive income				
Item that may be reclassified subsequently to the consolidated income statement				
– Cash flow hedging reserve		125	–	125
Total comprehensive income for the year	*(ii)*	17,430	(17,430)	–

Notes:

(i) Transactions with Unitholders comprise the distributions to Unitholders of HK$4,030 million (2014: HK$3,579 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK$23,217 million (2014: HK$13,851 million).

(ii) In accordance with the Trust Deed, The Link is required to distribute to Unitholders not less than 90% of Total Distributable Income for each financial year. 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 Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	HK$'M	*HK$'M*
Profit for the year, before transactions with Unitholders attributable to Unitholders	**27,230**	17,305
Adjustments:		
– Change in fair values of investment properties attributable to Unitholders	**(22,699)**	(13,445)
– Gain on disposal of investment properties, net of transaction costs	**(421)**	–
– Other non-cash income	**(46)**	(30)
Total Distributable Income *(Note (i))*	**4,064**	3,830
Discretionary distribution *(Note (ii))*	**128**	–
Total Distributable Amount	**4,192**	3,830
Interim distribution, paid	**2,054**	1,854
Final distribution, to be paid to the Unitholders	**2,138**	1,976
Total distributions for the year *(Note (iii))*	**4,192**	3,830
Total Distributable Amount as a percentage of Total Distributable Income	**103%**	100%
Units in issue at 31 March	**2,291,770,269**	2,310,889,561
Distributions per unit to Unitholders:		
– Interim distribution per unit, paid *(Note (iv))*	**HK89.56 cents**	HK80.22 cents
– Final distribution per unit, to be paid to the Unitholders *(Note (v))*	**HK93.28 cents**	HK85.59 cents
Distribution per unit for the year	**HK182.84 cents**	HK165.81 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. The Link 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 (i.e. Total Distributable Amount). The Manager has decided to distribute 100% (2014: 100%) of the Total Distributable Income as the distribution for the year ended 31 March 2015.

(ii) Discretionary distribution refers to any additional amount to be distributed as determined by the Manager pursuant to clause 13.4 of the Trust Deed. The Manager recommended a discretionary distribution relating to the transaction costs incurred for the acquisition of an investment property during the year paid as part of interim distribution.

(iii) The interim distribution was paid to Unitholders on 9 December 2014. The final distribution will be paid to Unitholders on 7 July 2015.

(iv) The interim distribution per unit of HK89.56 cents for the six months ended 30 September 2014 was calculated based on the interim distribution of HK$2,054 million for the period and 2,293,242,269 units in issue as at 30 September 2014. The interim distribution per unit of HK80.22 cents for the six months ended 30 September 2013 was 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.

(v) The final distribution per unit of HK93.28 cents for the year ended 31 March 2015 is calculated based on the final distribution to be paid to the Unitholders of HK$2,138 million for the second half of the financial year and 2,291,770,269 units in issue as at 31 March 2015, without taking into account any change in the number of units in issue subsequent to the approval of the consolidated financial statements. The final distribution per unit of HK85.59 cents for the year ended 31 March 2014 was calculated based on the final distribution of HK$1,976 million for the period and 2,308,962,561 units in issue as at 23 June 2014, being the record date of the final distribution for the year ended 31 March 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Note	2015 HK$'M	2014 HK$'M
Non-current assets			
Goodwill		**384**	331
Investment properties		**138,383**	109,899
Property, plant and equipment		**72**	70
Derivative financial instruments		**162**	69
Deposit		**316**	–
		139,317	110,369
Current assets			
Trade and other receivables	7	**312**	237
Deposits and prepayments		**67**	66
Short-term bank deposits		**1,215**	2,234
Cash and cash equivalents		**2,233**	560
		3,827	3,097
Total assets		**143,144**	113,466
Current liabilities			
Trade payables, receipts in advance and accruals	8	**1,433**	1,310
Security deposits		**1,173**	1,101
Provision for taxation		**240**	209
Current portion of long-term incentive plan provision		**77**	60
Interest bearing liabilities	9	**1,940**	2,825
Derivative financial instruments		**17**	27
		4,880	5,532
Net current liabilities		**1,053**	2,435
Total assets less current liabilities		**138,264**	107,934
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive plan provision		**43**	32
Interest bearing liabilities	9	**15,130**	9,699
Derivative financial instruments		**96**	98
Deferred tax liabilities		**1,957**	1,754
Other non-current liabilities		**2,932**	–
		20,158	11,583
Total liabilities, excluding net assets attributable to Unitholders		**25,038**	17,115
Net assets attributable to Unitholders		**118,106**	96,351
Units in issue		**2,291,770,269**	2,310,889,561
Net assets per unit attributable to Unitholders		**HK$51.53**	HK$41.69

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

FOR THE YEAR ENDED 31 MARCH 2015

	Net assets attributable to Unitholders *HK$'M*	Total reserves *HK$'M*	Total *HK$'M*
Net assets attributable to Unitholders at 1 April 2014	**96,351**	**–**	**96,351**
Non-controlling interest put option obligation	**(580)**	**580**	**–**
Issuance of units under long-term incentive plan	**74**	**–**	**74**
Units bought back for cancellation	**(956)**	**–**	**(956)**
Profit for the year ended 31 March 2015, before transactions with Unitholders	**27,230**	**–**	**27,230**
Distributions paid to Unitholders			
– 2014 final distribution	**(1,976)**	**–**	**(1,976)**
– 2015 interim distribution	**(2,054)**	**–**	**(2,054)**
Change in fair values of cash flow hedges	**–**	**(35)**	**(35)**
Amount transferred to the consolidated income statement	**–**	**52**	**52**
Amount arising from cash flow hedging reserve movement	**17**	**(17)**	**–**
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2015, excluding issues of new units and units bought back	**23,217**	**–**	**23,217**
Net assets attributable to Unitholders at 31 March 2015	**118,106**	**580**	**118,686**
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 year ended 31 March 2014, before transactions with Unitholders	17,305	–	17,305
Distributions paid to Unitholders			
– 2013 final distribution	(1,725)	–	(1,725)
– 2014 interim distribution	(1,854)	–	(1,854)
Change in fair values of cash flow hedges	–	13	13
Amount transferred to the consolidated income statement	–	112	112
Amount arising from cash flow hedging reserve movement	125	(125)	–
Change in net assets attributable to Unitholders for the year ended 31 March 2014, excluding issues of new units	13,851	–	13,851
Net assets attributable to Unitholders at 31 March 2014	96,351	–	96,351

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	HK$'M	*HK$'M*
Operating activities		
Net cash generated from operating activities	**4,853**	4,659
Investing activities		
Acquisition of Lions Rise Mall	**(1,380)**	–
Acquisition of an investment property under development	**(5,860)**	–
Deposit for acquisition of EC Mall	**(316)**	–
Additions to investment properties	**(1,038)**	(1,005)
Proceeds from disposal of investment properties	**2,956**	–
Additions to property, plant and equipment	**(25)**	(18)
Interest income received	**34**	26
Decrease/(increase) in short-term bank deposits with original maturity of more than three months	**1,019**	(739)
Net cash used in investing activities	**(4,610)**	(1,736)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	**10,217**	2,233
Repayment of interest bearing liabilities	**(5,780)**	(3,050)
Loan from non-controlling interest	**2,344**	–
Interest expenses paid on interest bearing liabilities	**(365)**	(403)
Distributions paid to Unitholders	**(4,030)**	(2,800)
Units bought back for cancellation	**(956)**	–
Net cash generated from/(used in) financing activities	**1,430**	(4,020)
Net increase/(decrease) in cash and cash equivalents	**1,673**	(1,097)
Cash and cash equivalents at 1 April	**560**	1,657
Cash and cash equivalents at 31 March	**2,233**	560

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 2015, the Group's current liabilities exceeded its current assets by HK$1,053 million (2014: HK$2,435 million). Taking into account the unutilised committed bank loan facilities of HK$2,985 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 non-controlling interest put option obligation, which are stated at fair values.

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

1 Basis of preparation (Continued)

(c) Adoption of new and revised HKFRSs

For the year ended 31 March 2015, the Group has adopted all the new amendments and interpretations that are currently in issue and effective.

HKAS 27 (2011), HKFRS 10 and HKFRS 12 Amendments	Separate Financial Statements, Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendments	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The adoption of these new amendments and interpretations has not had any significant effect on the accounting policies or results reported 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 consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2015.

1 Basis of preparation (Continued)

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

HKAS 1 Amendments	Disclosure Initiative [1]
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation [1]
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants [1]
HKAS 19 (2011) Amendments	Defined Benefit Plans: Employee Contributions [2]
HKAS 27 Amendments	Equity Method in Separate Financial Statements [1]
HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [1]
HKAS 28 (2011), HKFRS 10 and HKFRS 12 Amendments	Investment Entities: Applying the Consolidation Exception [1]
HKFRS 7 and HKFRS 9 Amendments	Mandatory Effective Date of HKFRS 9 and Transition Disclosures [3]
HKFRS 9 Amendments	Financial Instruments: Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39 [3]
HKFRS 9 (2014)	Financial Instruments [3]
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations [1]
HKFRS 14	Regulatory Deferral Accounts [1]
HKFRS 15	Revenue from Contracts with Customers [4]
Annual Improvements to HKFRSs 2010 – 2012 Cycle [5]	
Annual Improvements to HKFRSs 2011 – 2013 Cycle [2]	
Annual Improvements to HKFRSs 2012 – 2014 Cycle [1]	

(1) effective for accounting periods beginning on or after 1 January 2016
(2) effective for accounting periods beginning on or after 1 July 2014
(3) effective for accounting periods beginning on or after 1 January 2018
(4) effective for accounting periods beginning on or after 1 January 2017
(5) effective for accounting periods beginning on or after 1 July 2014, with limited exceptions

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 considered 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 reported results of operations and financial position.

2 Revenues

Revenues recognised during the year comprise:

	2015	2014
	HK$'M	*HK$'M*
Rentals from retail properties	**5,711**	5,326
Gross rentals from car parks	**1,656**	1,494
	7,367	6,820
Other revenues		
– Air conditioning service fees	**337**	318
– Other property related revenue	**19**	17
	356	335
Total revenues	**7,723**	7,155

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK$169 million (2014: HK$141 million) and have been included in the rental income.

3 Segment information

	Retail properties HK$'M	Car parks HK$'M	Others HK$'M	Total HK$'M
For the year ended 31 March 2015				
Revenues	**6,064**	**1,659**	**–**	**7,723**
Segment results	**4,502**	**1,167**	**(437)**	**5,232**
Change in fair values of investment properties	**15,443**	**7,256**	**–**	**22,699**
Interest income				**32**
Finance costs on interest bearing liabilities				**(359)**
Gain on disposal of investment properties				**445**
Profit before taxation and transactions with Unitholders				**28,049**
Taxation				**(819)**
Profit for the year, before transactions with Unitholders				**27,230**
Capital expenditure	**2,197**	**212**	**5,907**	**8,316**
Depreciation	**–**	**–**	**(23)**	**(23)**

3 Segment information (Continued)

	Retail properties HK$'M	Car parks HK$'M	Others HK$'M	Total HK$'M
As at 31 March 2015				
Segment assets	**107,584**	**25,237**	**6,329**	**139,150**
Goodwill				**384**
Derivative financial instruments				**162**
Short-term bank deposits				**1,215**
Cash and cash equivalents				**2,233**
Total assets				**143,144**
Segment liabilities	**2,070**	**183**	**353**	**2,606**
Provision for taxation				**240**
Long-term incentive plan provision				**120**
Interest bearing liabilities				**17,070**
Derivative financial instruments				**113**
Deferred tax liabilities				**1,957**
Other non-current liabilities				**2,932**
Total liabilities, excluding net assets attributable to Unitholders				**25,038**
Net assets attributable to Unitholders				**118,106**

3 Segment information (Continued)

	Retail properties *HK$'M*	Car parks *HK$'M*	Others *HK$'M*	Total *HK$'M*
For the year ended 31 March 2014				
Revenues	5,657	1,498	–	7,155
Segment results	4,167	1,035	(222)	4,980
Change in fair values of investment properties	10,183	3,262	–	13,445
Interest income				28
Finance costs on interest bearing liabilities				(393)
Profit before taxation and transactions with Unitholders				18,060
Taxation				(755)
Profit for the year, before transactions with Unitholders				17,305
Capital expenditure	972	116	17	1,105
Depreciation	–	–	(20)	(20)

3 Segment information (Continued)

	Retail properties *HK$'M*	Car parks *HK$'M*	Others *HK$'M*	Total *HK$'M*
As at 31 March 2014				
Segment assets	91,424	18,709	139	110,272
Goodwill				331
Derivative financial instruments				69
Short-term bank deposits				2,234
Cash and cash equivalents				560
Total assets				113,466
Segment liabilities	1,927	177	307	2,411
Provision for taxation				209
Long-term incentive plan provision				92
Interest bearing liabilities				12,524
Derivative financial instruments				125
Deferred tax liabilities				1,754
Total liabilities, excluding net assets attributable to Unitholders				17,115
Net assets attributable to Unitholders				96,351

4 Operating profit

	2015	2014
	HK$'M	*HK$'M*
Operating profit for the year is stated after charging:		
Staff costs	**546**	452
Depreciation of property, plant and equipment	**23**	20
Loss on disposal of property, plant and equipment	**2**	–
Trustee's fee	**9**	8
Valuation fee	**3**	3
Auditor's remuneration		
– audit service	**4**	4
– non-audit service	**8**	3
Bank charges	**5**	4
Operating lease charges	**26**	24
Other legal and professional fees	**22**	9
Commission to property agents	**28**	–
Donations	**7**	10

5 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

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

	2015	2014
	HK$'M	*HK$'M*
Current taxation	**616**	519
Deferred taxation		
– Accelerated depreciation allowances	**203**	236
Taxation	**819**	755

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:

	2015	2014
	HK$'M	*HK$'M*
Profit before taxation	**28,049**	18,060
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2014: 16.5%)	**4,628**	2,980
Tax effect of non-deductible expenses	**33**	5
Tax effect of non-taxable income	**(3,824)**	(2,224)
Adjustment in respect of prior years	**(18)**	(6)
Taxation	**819**	755

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

	2015	2014
Profit after taxation and before transactions with Unitholders attributable to Unitholders	**HK$27,230 million**	HK$17,305 million
Weighted average number of units for the year for calculating basic earnings per unit	**2,301,106,036**	2,303,298,171
Adjustment for dilutive contingently issuable units under long-term incentive plan	**2,541,450**	2,021,485
Weighted average number of units for the year for calculating diluted earnings per unit	**2,303,647,486**	2,305,319,656
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	**HK$11.83**	HK$7.51
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	**HK$11.82**	HK$7.51

7 Trade and other receivables

	2015	2014
	HK$'M	*HK$'M*
Trade receivables	**98**	66
Less: provision for impairment of trade receivables	**(3)**	(1)
Trade receivables – net	**95**	65
Other receivables	**217**	172
	312	237

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 of trade receivables is as follows:

	2015	2014
	HK$'M	*HK$'M*
0 – 30 days	**90**	64
31 – 90 days	**5**	1
Over 90 days	**3**	1
	98	66

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$95 million (2014: HK$65 million) presented above were HK$46 million (2014: HK$43 million) of accrued car park income and HK$31 million (2014: HK$14 million) of accrued turnover rent, which were not yet due as at 31 March 2015. The remaining HK$18 million (2014: HK$8 million) were past due but not considered impaired.

7 Trade and other receivables (Continued)

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

	2015	2014
	HK$'M	*HK$'M*
0 – 30 days	**13**	7
31 – 90 days	**5**	1
	18	8

As at 31 March 2015, trade receivables of HK$3 million (2014: HK$1 million) were considered as impaired and had been provided for. The individually impaired receivables are those where collectibility is in doubt.

The ageing of the impaired trade receivables is as follows:

	2015	2014
	HK$'M	*HK$'M*
Over 90 days	**3**	1

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

	2015	2014
	HK$'M	*HK$'M*
At 1 April	**1**	1
Provision for impairment of trade receivables	**5**	1
Receivables written off during the year as uncollectible	**(3)**	(1)
At 31 March	**3**	1

7 Trade and other receivables (Continued)

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 receivables.

8 Trade payables, receipts in advance and accruals

	2015	2014
	HK$'M	*HK$'M*
Trade payables	**28**	17
Receipts in advance	**183**	150
Accruals	**1,222**	1,143
	1,433	1,310

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

The ageing of trade payables is as follows:

	2015	2014
	HK$'M	*HK$'M*
0 – 30 days	**27**	14
31 – 90 days	**1**	3
	28	17

9 Interest bearing liabilities

	2015 HK$'M	2014 HK$'M
Bank borrowings	**4,425**	3,167
Medium term notes	**11,645**	6,357
Secured loan	**1,000**	3,000
	17,070	12,524
Less: current portion of interest bearing liabilities	**(1,940)**	(2,825)
Non-current portion of interest bearing liabilities	**15,130**	9,699

Interest bearing liabilities are repayable as follows:

	2015 HK$'M	2014 HK$'M
Due in the first year		
Bank borrowings	**940**	825
Secured loan	**1,000**	2,000
	1,940	2,825
Due in the second year		
Bank borrowings	**2,496**	613
Medium term notes	**958**	–
Secured loan	**–**	1,000
	3,454	1,613
Due in the third year		
Bank borrowings	**–**	1,243
Medium term notes	**300**	988
	300	2,231

9 Interest bearing liabilities (Continued)

	2015	2014
	HK$'M	*HK$'M*
Due in the fourth year		
Bank borrowings	**989**	–
Medium term notes	**1,103**	300
	2,092	300
Due in the fifth year		
Bank borrowings	**–**	486
Medium term notes	**1,375**	1,095
	1,375	1,581
Due beyond the fifth year		
Medium term notes	**7,909**	3,974
	17,070	12,524

Notes:

(i) Except for medium term notes of HK$146 million (2014: HK$178 million) which are denominated in Australian Dollars and HK$3,905 million (2014: Nil) which are denominated in United States Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.

(ii) All of The Link's foreign currencies borrowings are fully hedged into Hong Kong Dollars.

(iii) The effective interest rate of the interest bearing liabilities (taking into account cross currency swap contracts and interest rate swap contracts) at the reporting date was 2.66% (2014: 2.77%). The carrying amounts of the interest bearing liabilities approximate their fair values.

10 Security for the Group's loan facilities

As at 31 March 2015, certain of the Group's investment properties, amounting to approximately HK$12,986 million (2014: HK$10,772 million), 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.

11 Event after the reporting date

On 24 March 2015, The Link, through a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire the entire issued share capital of China East Investment Limited and the shareholder loan at a cash consideration (after final adjustment) of US$305 million (equivalent to HK$2,362 million). The transaction was completed on 1 April 2015.

China East Investment Limited owns the entire registered capital of ECM Property Holding (Tianjin) Co., Ltd., which is the sole owner of the EC Mall located at Jia No. 1, Danling Street, Haidian District of Beijing, the People's Republic of China.

APPRECIATION

Mr Stanley KO Kam Chuen, Dr Patrick FUNG Yuk Bun and Mr Anthony CHOW Wing Kin, each upon completion of nine years of services, retired as Independent Non-Executive Directors in the year under review and subsequent to year end. Mrs Eva CHENG LI Kam Fun resigned as an Independent Non-Executive Director in the year. The Board would like to thank each of them for the professional diligence and personal commitment with which they have contributed to the development of The Link's business during their tenure. The Board is also delighted to welcome Mr Peter TSE Pak Wing and Ms Nancy TSE Sau Ling who joined as Independent Non-Executive Directors in the year. Their background and experience further enhances the diversity of the Board.

The Board also wishes to thank the management team and all staff whose professionalism, commitment and hard work had contributed to the successful results achieved in the year and appreciation is further extended to our Unitholders for their continuous support and confidence in The Link.

REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE

The final results and the consolidated financial statements of the Group for the year ended 31 March 2015 had been reviewed by the Audit and Risk Management Committee in conjunction with The Link's external auditor, PricewaterhouseCoopers.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in this final results announcement have been agreed by PricewaterhouseCoopers, the external auditor, to the amounts set out in the audited consolidated financial statements for the year ended 31 March 2015 of The Link. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and, consequently, no assurance has been expressed by PricewaterhouseCoopers on this final results announcement.

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS OF THE LINK

Trust Deed

On 15 January 2015, with Unitholders' approval given by way of special resolution to expand The Link's investment strategy to cover property development and related activities, the Manager and the Trustee entered into the 11th supplemental deed dated 15 January 2015 to make relevant amendments to the Trust Deed.

Compliance Manual

In the year under review, the Manager updated its compliance manual (the "**Compliance Manual**") (i) on 17 April 2014 to align with the requirements of the REIT Code and the Securities and Futures Commission in relation to investing and operating overseas; (ii) on 12 November 2014 to amend the membership requirements of the Nomination Committee; and (iii) on 10 June 2015 to incorporate the governance and risk control measures for property development and related activities, update the name of the Audit Committee to Audit and Risk Management Committee and its terms of reference with regard to risk management, and reflect that merger of the Remuneration Committee with the Human Resources and Compensation Committee and make consequential changes to the terms of reference. Further details in relation to these updates are set out in the Annual Report 2014/2015.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2015, The Link and the Manager complied with 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) and the Compliance Manual (which sets out the corporate governance policy of The Link). The Link 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 year. The authorisation structure and the corporate governance report for the year ended 31 March 2015 of The Link are set out in the Annual Report 2014/2015.

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

During the year under review, the Manager (on behalf of The Link) bought back a total of 20,883,500 units on The Stock Exchange of Hong Kong Limited at an aggregate consideration (excluding expenses) of approximately HK$956 million, details of which are as follows:

Month	Number of units bought back	Purchase price per unit Highest	Lowest	Aggregate consideration (excluding expenses)
		HK$	*HK$*	*HK$'M*
June 2014	1,927,000	42.20	41.45	81
August 2014	1,773,500	46.30	45.35	81
September 2014	15,711,000	47.30	44.50	724
December 2014	1,472,000	48.00	47.60	70

All the units bought back were cancelled prior to the year end.

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

ISSUE OF NEW UNITS

During the year under review, 1,764,208 new units of The Link were issued pursuant to the long-term incentive plan of The Link. Based on 2,291,770,269 units in issue as at 31 March 2015, the number of new units issued in the year represented approximately 0.08%.

PUBLIC FLOAT

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

FINAL DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS

For Final Distribution

The final distribution of HK93.28 cents per unit for the year ended 31 March 2015 will be paid in cash on Tuesday, 7 July 2015 to those Unitholders whose names appear on the register of Unitholders of The Link on Monday, 29 June 2015. For the purpose of ascertaining Unitholders' entitlement to the final distribution, the register of Unitholders of The Link will be closed from Thursday, 25 June 2015 to Monday, 29 June 2015, 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'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 Wednesday, 24 June 2015.

For Annual General Meeting of Unitholders

For the purpose of ascertaining Unitholders' right to attend the forthcoming annual general meeting of Unitholders of The Link to be held on Wednesday, 22 July 2015, the register of Unitholders of The Link will also be closed from Monday, 20 July 2015 to Wednesday, 22 July 2015, 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, 17 July 2015.

DESPATCH OF ANNUAL REPORT 2014/2015

The Annual Report 2014/2015 of The Link will be despatched to Unitholders on Monday, 22 June 2015.

ANNUAL GENERAL MEETING OF UNITHOLDERS

The forthcoming annual general meeting of Unitholders of The Link will be held on Wednesday, 22 July 2015. Notice convening the meeting will be issued to Unitholders in accordance with the REIT Code, the Listing Rules, the Trust Deed and other applicable requirements.

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

Hong Kong, 10 June 2015

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
May Siew Boi TAN
Peter TSE Pak Wing
Nancy TSE Sau Ling
David Charles WATT
Richard WONG Yue Chim
Elaine Carole YOUNG