

# Link to Sustainability

Interim Report  
2013/2014



# Link

## Sustainability with Everything We Do

- We believe that sustainability is good for those around us and therefore good for our business

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## CORPORATE PROFILE

The Link Real Estate Investment Trust ("**The Link REIT**") is the first real estate investment trust listed in Hong Kong, and Asia's largest REIT and one of the world's largest retail focused REITs in terms of market capitalisation. Wholly owned by private and institutional investors, with 100% free float, The Link REIT has been listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") since 25 November 2005.

As at 30 September 2013, the portfolio owned by The Link REIT consisted of properties with an internal floor area ("**IFA**") of approximately 11 million square feet of retail space and approximately 80,000 car park spaces.

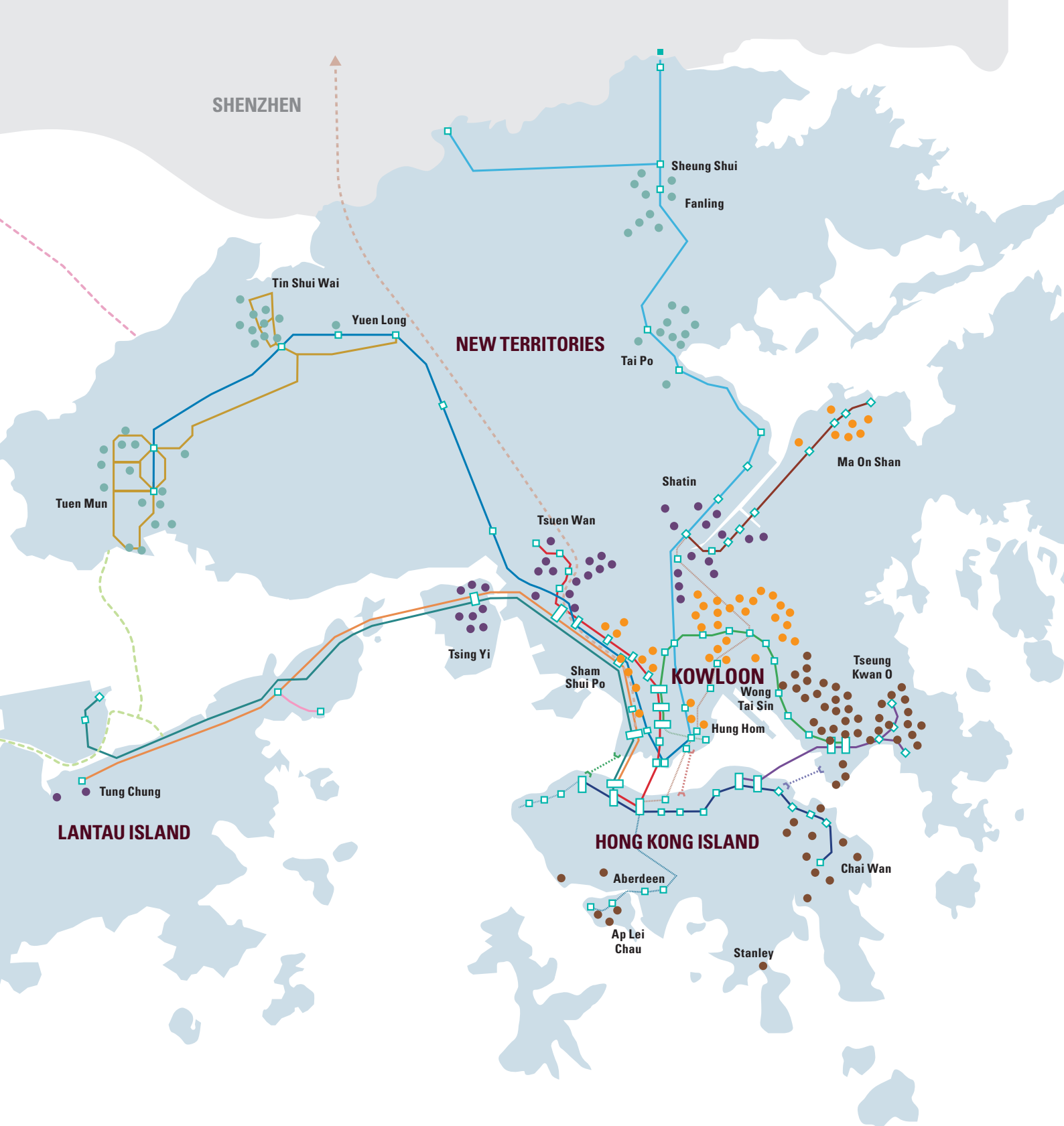
The portfolio's retail facilities primarily serve the daily needs of our shoppers. The car parks mainly serve tenants and customers of the retail facilities and residents of the surrounding neighbourhoods.

The Link REIT adopts an internal management structure whereby the portfolio of properties it owns is managed by The Link Management Limited (the "**Manager**") which is licensed by the Securities and Futures Commission (the "**SFC**") to conduct the regulated activity of asset management. Under the internal management structure, the Manager is a part of The Link REIT.

The current investment strategy of The Link REIT is to invest in sustainable, income-producing non-residential properties (predominantly retail-based, excluding hotels and serviced apartments) and car parks in Hong Kong and to maximise their value by improving asset management processes related to trade mix, customer service and promotional activities. This is supported by ongoing asset enhancement works to improve the physical structures, layouts and facilities of the properties that comprise the portfolio. As these projects progress, the portfolio offers customers a better shopping experience with more choices while also improving returns for unitholders of The Link REIT ("**Unitholders**").

Shekou

To Macau and Zhuhai



**MTR Lines**

- Airport Express
- Disneyland Resort Line
- East Rail Line
- Island Line
- Kwun Tong Line
- Light Rail
- Ma On Shan Line
- Tseung Kwan O Line
- Tsuen Wan Line
- Tung Chung Line
- West Rail Line

**New Railway Extensions under Construction**

- - - - West Island Line
- - - - Shatin to Central Link
- - - - Kwun Tong Line Extension
- - - - South Island Line (East)
- - - - Express Rail Link

**Tunnels and Bridges to Mainland and Macau**

- - - - Cross Harbour Tunnel
- - - - Eastern Harbour Crossing
- - - - Western Harbour Crossing
- - - - Shenzhen Bay Bridge
- - - - Hong Kong – Zhuhai – Macau Bridge projects under construction

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# Vision

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

# Mission

**Building relationships with our stakeholders through**

- **Providing value and quality service**
- **Partnering with local communities**
- **Delivering sustainable growth**

# Values

**Managing and operating our business with**

- **Respect**
- **Excellence**
- **Integrity**
- **Teamwork**

## HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

### Robust Financial Results

Total revenue	<b>HK\$3,493 million</b>	<b>+ 9.3%</b>
Net property income	<b>HK\$2,517 million</b>	<b>+ 11.6%</b>
Interim distribution per unit (100% payout)	<b>HK80.22 cents</b>	<b>+ 12.9%</b>

### Sustainable Performance Indicators

Average monthly unit rent per square foot <sup>(1)</sup>	<b>HK\$40.2</b>	<b>+ 4.7%</b>
Occupancy rate		<b>94.1%</b>
Reversion rate (on average 3-year lease)		<b>23.6%</b>
Retention rate		<b>76.2%</b>
Tenants' gross sales per square foot		<b>+ 9.3%</b>
Net property income margin		<b>72.1%</b>
Electricity consumption saving		<b>13.7 million kWh</b>

### Strong Foundation for Growth

Net asset value per unit <sup>(1)</sup>	<b>HK\$38.04</b>	<b>+ 6.6%</b>
Gearing ratio		<b>- to 11.6%</b>
Strong credit ratings		<b>A (S&amp;P) / A2 (Moody's)</b>
Available liquidity		<b>HK\$6.36 billion</b>

Note:

(1) These comparisons are based on 31 March 2013 figures while others are based on period ended 30 September 2012 figures.

# Link

## Care with Community

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### **THE LINK TOGETHER INITIATIVES**

- Primary focus of “The Link Together Initiatives”, our signature charity and community engagement project, is on supporting the elderly, children and youth in the communities that we serve
- To further The Link REIT’s vision of helping the communities in which we operate to thrive in the long-term



## THE PROGRAMME THIS YEAR

- Received overwhelming response with nearly 150 eligible applications
- Selected 10 community projects in 14 districts across Hong Kong with total donations of HK\$10.4 million
- Estimated total number of beneficiaries to be approximately 100,000 people



*Map showing the districts served by the 10 projects and the project organisers*

## OUR INVOLVEMENT

- Whilst providing monetary donations, we will also be
  - Providing free promotion venues
  - Inviting supports from tenants
  - Having our staff available to serve as staff sponsors of each project

## CHAIRMAN'S STATEMENT



**“We expanded our community engagement with the establishment of The Link Together Initiatives.”**

On behalf of the Board of Directors (the “**Board**”) of The Link Management Limited, I am pleased to present The Link REIT’s interim report for the six months ended 30 September 2013.

### ASSET MANAGEMENT SUPPORTS SUSTAINABLE GROWTH

The Link REIT continued to grow in the six months ended 30 September 2013. Revenue increased by 9.3% to HK\$3,493 million and net property income increased by 11.6% to HK\$2,517 million compared with the same period last year. The Board has approved an interim distribution of HK80.22 cents per unit, an increase of 12.9% year-on-year.

Eight years after The Link REIT’s listing, our strategy of improving the value of our assets through adjusting trade mix, improving customer service and developing our promotional activities continues to bear fruit. The impact of this strategy, enhanced by our ongoing work to improve the physical aspects of our properties, has provided The Link REIT with steady growth. We will continually review and adjust this strategy as needed to ensure that growth continues.

### CHARITY AND COMMUNITY ENGAGEMENT PROGRAMME

Successful companies create value for the community. In doing so, we aim to build stronger relationships with the communities around our shopping centres. In January 2013, we expanded on this with the establishment of The Link Together Initiatives, a programme which promotes the development of local communities by supporting the well-being of the elderly, the disadvantaged and the young. I am pleased that by September 2013, we had selected 10 community projects to support and fund through this initiative. Our staff were involved

throughout the selection process, and will continue to be engaged in the delivery of these programmes. Each of the projects will be sponsored by a team of our staff who will oversee progress and contribute to facilitating their success. We look forward to these projects making a positive impact in the local communities.

## CORPORATE GOVERNANCE

In February 2013, we added two members to our Board with a diverse range of business experience. They both happen to be female and thereby added further diversity. Our Board Diversity Policy has been published on our website. Since the listing of The Link REIT, we have run a regular self-assessment process of our Board effectiveness. To benchmark this internal process, we have this year used external consultants to assist in the evaluation. We are also taking external advice to assess the appropriateness of levels of compensation to directors and senior management, including the long-term incentive plan. I will share our conclusions on these matters with you in our next annual report.

## FUTURE OUTLOOK

Even after eight years of growth, much of the potential of our existing portfolio remains untapped. We will continue to work at releasing that potential by improving the quality of the environment and services our shoppers experience and by doing so, add value for both the local community and our investors.

The Hong Kong environment is always changing. Currently the major trend is the increasing arrival of shoppers from Mainland China. This presents an opportunity to grow our business and capture a new market segment in Hong Kong and beyond. In order to be in a position to do so effectively, we are performing due diligence to identify and understand the preferences and shopping behaviours of these new consumers, and to develop an implementation strategy that builds upon our expertise and operations.

## APPRECIATION

In concluding, I would like to take this opportunity to thank the entire staff, management team and members of the Board for their commitment and hard work. I would also like to express my appreciation to Mr Michael ARNOLD, who retired from the Board on 3 September 2013, for his service and very significant contribution to the business over the past nine years. Michael was one of the longest serving directors and has played a very important role in the development of The Link REIT during his term. We wish him the very best for the future.

With the support of our Unitholders, the Board and our dedicated staff, I am very confident that The Link REIT will continue to grow in the coming years.

**Nicholas Robert SALLNOW-SMITH**

*Chairman*

**The Link Management Limited**

**As Manager of The Link Real Estate Investment Trust**

13 November 2013

# Link

## Global Benchmarks with Local Initiatives

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### **OUR OBJECTIVES**

- To take a leadership role in promoting and adopting business sustainability practices
- To align our business sustainability strategy with global best practices, becoming a world class real estate investor and manager




## COLLABORATION WITH WORLD LEADERS IN SUSTAINABILITY

- The Link REIT engages with other leading organisations in areas such as energy efficiency, establishing sustainability key performance indicators, reporting and corporate governance
- The Link REIT shares information and best practices to ensure sustainability is integrated throughout our business

	<p>We work with the World Business Council for Sustainable Development in pledging to adopt solutions to maximise building energy efficiency across our portfolio</p>
	<p>We are collaborating with global peers to establish relationships between corporate financial performance and sustainability performance</p>
	<p>We support and follow global initiatives in disclosing corporate sustainability practices and procedures</p>

## RECOGNITION FOR SUSTAINABILITY

- The Link REIT's sustainability leadership has been recognised by global sustainability benchmarks
- Inclusion in these benchmarks confirms that our sustainability roadmap is on the right path and encourages us to do even more to achieve sustainability

	<p>Included in the Dow Jones Sustainability Asia Pacific Index for the first time in September 2013</p>
	<p>Recognised as a "Green Star" in the Global Real Estate Sustainability Benchmark 2013 assessment</p>
	<p>Included as a constituent of the FTSE4Good Index since March 2013</p>

## REPORT OF THE CHIEF EXECUTIVE OFFICER



**“Engaging with the local communities ensures that we understand their needs.”**

I am pleased to present the unaudited interim results of The Link REIT and its subsidiaries (the “**Group**”) for the six months ended 30 September 2013.

### FINANCIAL REVIEW

#### FINANCIAL PERFORMANCE

The Link REIT has recorded solid growth in the six months under review. During this period, the Hong Kong retail market has maintained steady growth as driven by low unemployment rate, rising household income, and growth in inbound tourism, particularly from the Mainland. The continuing growth of the retail market benefited the overall retail leasing activities in Hong Kong, letting The Link REIT to sustain its rental income growth.

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.

## 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:

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

(2) 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>

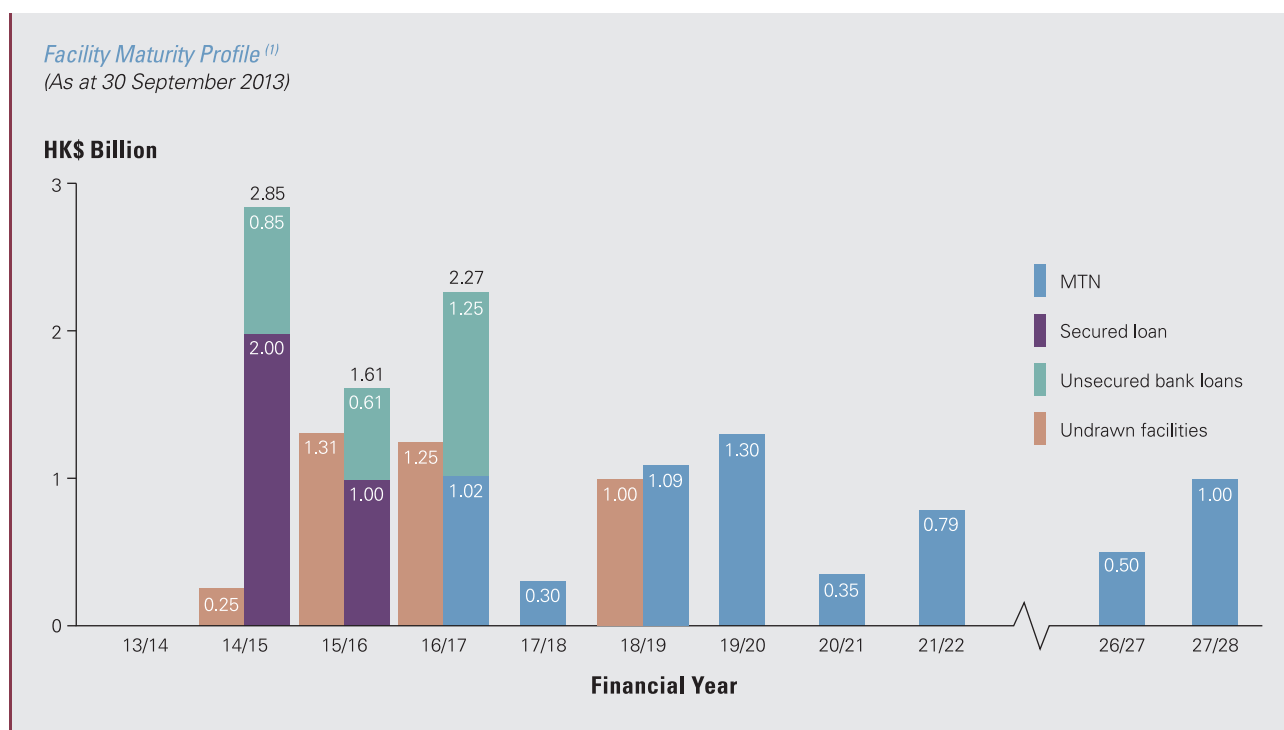
Notes:

(1) All amounts are at face value.

(2) 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.

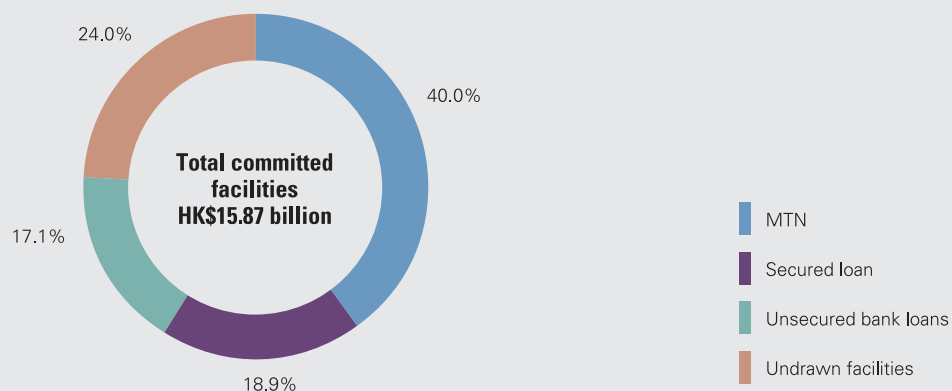
*Facility Maturity Profile<sup>(1)</sup>*  
(As at 30 September 2013)



Note:

(1) All amounts are at face value.

*Funding Base*  
(As at 30 September 2013)



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%).

**REPORT OF THE CHIEF EXECUTIVE OFFICER (Continued)**

Category	Occupancy rate		Composite reversion rate		Average monthly unit rent per leased IFA <sup>(1)</sup>		% of total IFA <sup>(2)</sup>
	As at 30 September 2013	As at 31 March 2013	Six months ended 30 September 2013	Six months ended 30 September 2012	As at 30 September 2013	As at 31 March 2013	As at 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).

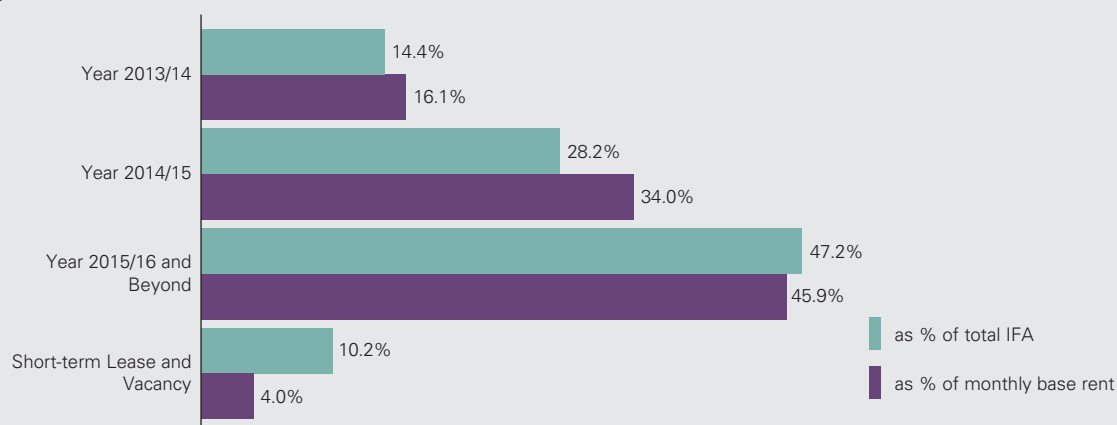
*Retail Portfolio Breakdown*

Properties <sup>(1)</sup>	Retail properties valuation	Retail rentals	Average monthly unit rent per leased IFA		Occupancy rate	
	As at 30 September 2013	Six months ended 30 September 2013	As at 30 September 2013	As at 31 March 2013	As at 30 September 2013	As at 31 March 2013
	HK\$'M	HK\$'M	HK\$ psf	HK\$ psf	%	%
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>	<b>38.4</b>	<b>94.1</b>	<b>94.1</b>

Note:

(1) Properties ranked by retail valuation as at 30 September 2013.

*Portfolio Lease Expiry Profile*  
(As at 30 September 2013)



## CAR PARK PORTFOLIO

Demand for car park 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

	Six months ended 30 September 2013	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.

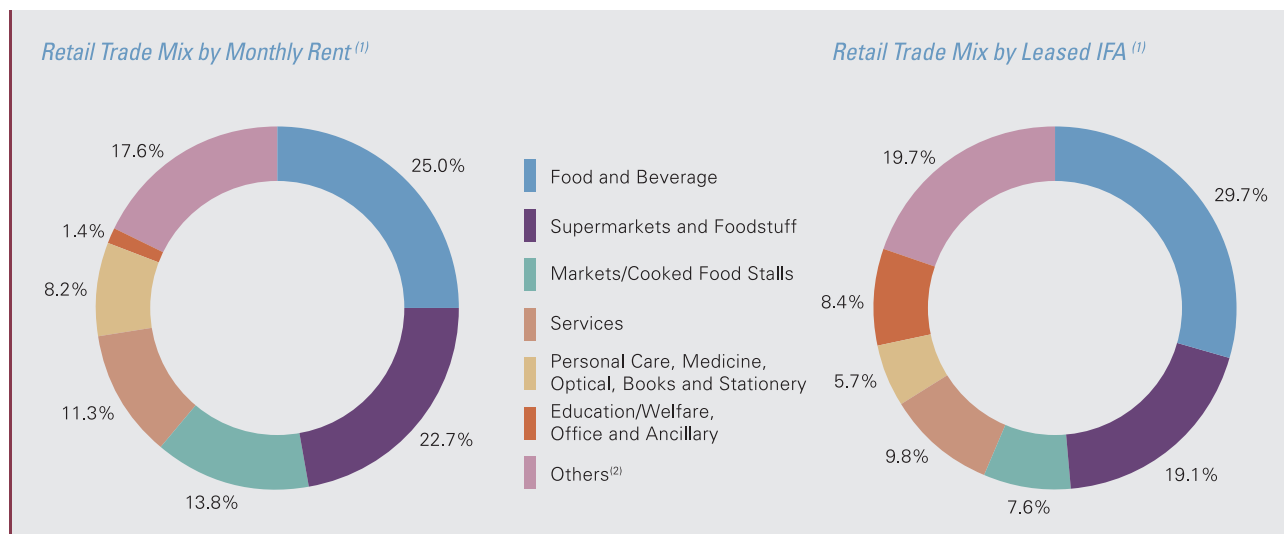
During the period, The Link REIT’s tenants’ average monthly retail gross sales per square foot continued to improve and rose by 9.3% as compared to the same period last year. “Food and Beverage” and “Supermarkets and Foodstuff” posted a healthy year-on-year growth in gross sales per square foot of 13.3%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



**Notes:**

- (1) Percentage figures represent year-on-year change in tenants’ average monthly sales per square foot for the six months ended 30 September 2013.
- (2) Including services, personal care, medicine, optical, books and stationery, and others. 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.



**Notes:**

(1) Data as at 30 September 2013.

(2) Others include clothing, department stores, electrical and household products, leisure and entertainment, and valuable goods.

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 as compared to the same period last year (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 as 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

	Number of projects	Estimated costs HK\$'M
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

	Estimated costs HK\$'M	Target completion date
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>1,399</b>	

Notes:

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

## 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 EUPP with reference to length of service and appraised performance.

## 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.

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.

**George Kwok Lung HONGCHOY**

*Chief Executive Officer*

**The Link Management Limited**

**As Manager of The Link Real Estate Investment Trust**

13 November 2013

# Link

## Strategic Analysis with Value Creation

### **OUR DISTRICT APPROACH**

- To identify projects by taking a macro review of individual districts' demography and economic fundamentals
- To capitalise on projects with best potential in order to support our long-term growth

## NEW TERRITORIES WEST

- The Link REIT has significant presence in Yuen Long (including Tin Shui Wai) and Tuen Mun
- Completed five asset enhancement projects and will continue to invest to meet shoppers' demand



Our Portfolio	Yuen Long & Tuen Mun <sup>(1)</sup>
Valuation	16.9%
Net Passing Income	16.5%
Retail IFA	16.2%







Note:

(1) As a percentage of total portfolio

## LATEST DEVELOPMENTS

- Chung Fu Plaza was upgraded to reinforce its position as a regional centre serving an extended catchment population at the heart of Tin Shui Wai
- The repositioning of Yau Oi Commercial Centre and On Ting Commercial Complex, our largest project since listing in 2005, will be integrated as one large comprehensive shopping complex to become our regional flagship in Tuen Mun

## CONTINUOUS ASSET ENHANCEMENT INVESTMENTS

TIN SHUI WAI			
	FY2008/09 Tin Yiu Plaza	FY2011/12 Tin Shui Shopping Centre	FY2013/14 Chung Fu Plaza
	➔		
TUEN MUN			
	FY2009/10 Butterfly Plaza	FY2012/13 Leung King Plaza	Late 2014 Yau Oi Commercial Centre & On Ting Commercial Complex

## OUR GOVERNANCE

### CORPORATE GOVERNANCE

Our Board believes that a strong corporate governance structure is the cornerstone for business success and sustainable growth.

### INTERNALLY MANAGED REIT

The Link REIT adopts an internalised management structure, with the Manager and the assets of The Link REIT being put under the unitary ownership of the trustee (which is currently HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”)) holding in trust for all Unitholders. This aligns the interest of the Manager with that of our Unitholders.

### AUTHORISATION STRUCTURE

The Link REIT is a collective investment scheme authorised and the Manager is licensed to carry out regulated activity of asset management by the SFC under, respectively, section 104 and section 116 of the Securities and Futures Ordinance (the “**SFO**”). The Trustee is a registered trust company for collective investment schemes under the SFO and the REIT Code.

The Trustee is the custodian of, and the Manager manages professionally, all the assets of The Link REIT in the sole interest of the Unitholders. The Trustee and the Manager operate independently and their rights and obligations are governed by the trust deed (as amended by nine supplemental deeds) constituting The Link REIT (the “**Trust Deed**”).

The Manager is compensated on a cost recovery basis. No acquisition / divestment fee, nor fee based on a percentage of assets under management or other performance-related fee will be charged. This minimises conflict of interest. The Manager adheres to the compliance manual (the “**Compliance Manual**”) which sets out the key processes, systems, policies and procedures to guide the operations of The Link REIT with a view to maintaining high standards of corporate governance.

### CORPORATE GOVERNANCE POLICY AND PRACTICES

The Manager has adopted a “Board Diversity Policy” to help ensure diversity of expertise and experience at Board level, promoting the effectiveness of our Board as a whole and working for the long-term sustainable success of The Link REIT. Such policy has been published on the corporate website of The Link REIT ([www.thelinkreit.com](http://www.thelinkreit.com)).

Save as disclosed above, the corporate governance policy and practices adopted for The Link REIT during 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 of The Link REIT.

## CHANGE OF DIRECTORS' INFORMATION

- Ms May Siew Boi TAN became a non-executive director (previously an executive director) of Standard Chartered Bank (Hong Kong) Limited with effect from 1 August 2013.
- Mr Michael Ian ARNOLD, 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.
- Professor Richard WONG Yue Chim became a member of the nomination committee of the Manager with effect from 3 September 2013.

## REGULATORY COMPLIANCE

Throughout the six months ended 30 September 2013,

- The Link REIT and the Manager complied with the REIT Code, the SFO, (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 and the Compliance Manual;
- The Link REIT and the Manager applied the principles and complied with, to the extent appropriate, the code provisions in the Corporate Governance Code in Appendix 14 to the Listing Rules;
- all the directors of the Manager (the "**Directors**"), after making specific enquiry on each of them, confirmed that they complied with the Code Governing Dealings in Securities of The Link REIT by Directors adopted by the Manager the terms of which are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules; and
- the Manager continued with the stringent procedures to protect and monitor the confidentiality of inside information (within the meaning of Part XIVA of the SFO). Directors or relevant senior employees wishing to deal in the securities of The Link REIT must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct as if such provisions were applicable to The Link REIT. Also, they were prohibited from dealing in the securities of The Link REIT if they were in possession of inside information in relation to those securities until proper disclosure was made. In addition, the Manager imposed "black-outs", as and when required, in a strict manner required by the SFO and the Listing Rules.

## REVIEW BY AUDIT COMMITTEE AND AUDITOR

The condensed consolidated interim financial information of The Link REIT for the six months ended 30 September 2013 had been reviewed by the audit committee of the Manager and the auditor 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**

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

### **EMPLOYEE UNIT PURCHASE PLAN**

During the period under review, 377 eligible employees of the Manager participated in the EUPP who together purchased 173,840 units on the Hong Kong Stock Exchange through an independent third party intermediary (currently, the Bank of China (Hong Kong) Limited) at a total consideration of HK\$6,371,802.55, of which HK\$843,426 was subsidised by the Manager. The amount of subsidy for each eligible participant was determined in accordance with the rules of the EUPP with reference to length of service and appraised performance.

### **CHARITY AND COMMUNITY ENGAGEMENT PROGRAMME**

In the period under review, the Board, upon the recommendation of the selection committee, approved charitable donations and sponsorships in the aggregate sum of HK\$10.4 million for 10 projects under The Link Together Initiatives, the charity and community engagement programme (the "CCEP"). The themes of all these projects are in line with the focus areas of the CCEP.

### **UNITHOLDERS STATISTICS**

As at 30 September 2013, 2,310,889,561 units in issue were held by 25,590 registered Unitholders according to the register of The Link REIT. HKSCC Nominees Limited (through which most holders hold their units) was the largest registered Unitholder having an approximate 96.0% unitholding.

Based on the closing price of HK\$38.05 per unit as at 30 September 2013, market capitalisation of The Link REIT was approximately HK\$87.9 billion. Further details are set out in Note 20 to the condensed consolidated interim financial information.

### **PUBLIC FLOAT**

Based on the information publicly available to the Manager, The Link REIT continues to meet the required public float of no less than 25% of its issued units in public hands. In fact, 100% of its issued units are freely tradeable on the Hong Kong Stock Exchange.

### **ACQUISITION OR DISPOSAL OF REAL ESTATE**

Neither The Link REIT nor any of its subsidiaries acquired or disposed of any real estate in the period.



## LONG-TERM INCENTIVE PLAN

A long-term incentive plan (the “LTI Plan”) was adopted on 23 July 2007 pursuant to which equity incentive in the form of a restricted unit award giving a conditional right to receive units (the “RUA”), a unit option giving an option to subscribe for units (the “Unit Option”) and a cash incentive in the form of a conditional cash award (the “CCA”) may be granted to the Directors and other eligible staff. A summary of the LTI Plan was set out on pages 86 to 87 of the annual report 2013 of The Link REIT. Since the adoption of the LTI Plan, no Unit Option has been granted.

The movements in RUAs, which were granted in conjunction with CCAs<sup>(4)</sup>, under the LTI Plan during the six months ended 30 September 2013 and the balances as at the beginning and end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding RUAs at 1 Apr 2013 <sup>(1)</sup>	Granted during the period	Vested during the period <sup>(2),(4)</sup>	Cancelled during the period	Lapsed during the period <sup>(3)</sup>	Outstanding RUAs at 30 Sep 2013 <sup>(1)</sup>
<b>Current Directors</b>								
Nicholas Robert SALLNOW-SMITH (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	70,500	-	(68,385)	-	(2,115)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	52,500	-	(52,500)	-	-	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	52,500	-	-	-	-	52,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	44,500	-	-	-	-	44,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	44,500	-	-	-	-	44,500
George Kwok Lung HONGCHOY (Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	177,500	-	(172,175)	-	(5,325)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	154,000	-	(154,000)	-	-	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	154,000	-	-	-	-	154,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	189,500	-	-	-	-	189,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	189,500	-	-	-	-	189,500
Andy CHEUNG Lee Ming (Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	84,000	-	(81,480)	-	(2,520)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	64,500	-	(64,500)	-	-	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	64,500	-	-	-	-	64,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	55,500	-	-	-	-	55,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	55,500	-	-	-	-	55,500
Ian Keith GRIFFITHS (Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	19,500	-	(18,915)	-	(585)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	14,500	-	(14,500)	-	-	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	14,500	-	-	-	-	14,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	12,500	-	-	-	-	12,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	12,500	-	-	-	-	12,500
William CHAN Chak Cheung (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	26,000	-	(25,220)	-	(780)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	19,500	-	(19,500)	-	-	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	-	-	-	-	19,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	-	-	-	-	16,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	-	-	-	-	16,500

**OUR GOVERNANCE (Continued)**

Name (Position)	Date of grant	Vesting period	Outstanding RUs at 1 Apr 2013 <sup>(1)</sup>	Granted during the period	Vested during the period <sup>(2),(4)</sup>	Cancelled during the period	Lapsed during the period <sup>(3)</sup>	Outstanding RUs at 30 Sep 2013 <sup>(1)</sup>
Anthony CHOW Wing Kin (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	26,000	–	(25,220)	–	(780)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	19,500	–	(19,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	–	–	–	–	19,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	–	–	–	–	16,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	–	–	–	–	16,500
Patrick FUNG Yuk Bun (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	20,500	–	(19,885)	–	(615)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	15,000	–	(15,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	15,000	–	–	–	–	15,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,000	–	–	–	–	13,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,000	–	–	–	–	13,000
Stanley KO Kam Chuen (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	24,000	–	(23,280)	–	(720)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,000	–	(18,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	–	–	–	–	18,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500
May Siew Boi TAN (Independent Non-Executive Director)	–	–	–	–	–	–	–	–
David Charles WATT (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	21,500	–	(20,855)	–	(645)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	16,000	–	(16,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	16,000	–	–	–	–	16,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,500	–	–	–	–	13,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,500	–	–	–	–	13,500
Richard WONG Yue Chim (Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	24,000	–	(23,280)	–	(720)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,000	–	(18,000)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	–	–	–	–	18,000
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500
Elaine Carole YOUNG (Independent Non-Executive Director)	–	–	–	–	–	–	–	–
<b>Former Director</b>								
Michael Ian ARNOLD (Former Independent Non-Executive Director)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	25,000	–	(24,250)	–	(750)	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	18,500	–	(18,500)	–	–	–
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,500	–	–	–	–	18,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	–	–	–	–	15,500
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	–	–	–	–	15,500

Name (Position)	Date of grant	Vesting period	Outstanding RUA's at 1 Apr 2013 <sup>(1)</sup>	Granted during the period	Vested during the period <sup>(2),(4)</sup>	Cancelled during the period	Lapsed during the period <sup>(3)</sup>	Outstanding RUA's at 30 Sep 2013 <sup>(1)</sup>
<b>Other participants</b>								
(in aggregate)	12 Nov 2010	12 Nov 2010 to 30 Jun 2013	501,116 <sup>(5)</sup>	-	(486,083) <sup>(5)</sup>	-	(15,033) <sup>(5)</sup>	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2013	698,104	-	(656,604)	(32,500)	(9,000)	-
	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	695,362	-	-	-	(23,842)	671,520
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	669,500	-	-	-	(2,266)	667,234
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	669,500	-	-	-	(3,190)	666,310
<b>Total</b>			<b>5,388,082</b>	<b>-</b>	<b>(2,055,632)</b>	<b>(32,500)</b>	<b>(68,886)</b>	<b>3,231,064</b>

Notes:

- (1) These figures represent the maximum number of units that may be issued on the vesting of the RUA's. The actual number of units that will finally vest and be issued to each grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions are met.
- (2) The closing price of the units on the business day immediately preceding the date on which the RUA's were vested in the period was HK\$38.15 per unit.
- (3) These figures represent the maximum number of units relating to the RUA's lapsed in the period. The CCAs granted in conjunction with such RUA's lapsed simultaneously.
- (4) The RUA's in the above table were all granted in conjunction with CCAs and an aggregate amount of HK\$6,855,208 was paid in the period for the CCAs which were vested along with the relevant RUA's.
- (5) Included in these figures were RUA's in respect of a maximum of 5,580 units previously granted to Dr Allan ZEMAN (a former Independent Non-Executive Director) which remained outstanding at the beginning of the period. During the period, 5,413 units were issued to Dr Allan ZEMAN for such RUA's vested and the remaining RUA's in respect of 167 units had lapsed. As at the end of the period, no other RUA was outstanding and remained unvested in favour of Dr Allan ZEMAN under the LTI Plan.

The RUA's and CCAs are to be expensed through The Link REIT's consolidated income statement over the relevant vesting period. Further details of the LTI Plan are set out in Note 17 to the condensed consolidated interim financial information in this interim report.

## DISCLOSURE OF INTERESTS

### INTERESTS OF SIGNIFICANT UNITHOLDER AND OTHER UNITHOLDER

As at 30 September 2013, the following person was considered a significant Unitholder of The Link REIT for the purpose of the REIT Code and held the following interests in the units of The Link REIT as at that date:

Name	Capacity	Number of units in Long Position	Approximate percentage of total units in issue <sup>(2)</sup> %
The Capital Group Companies, Inc. <sup>(1)</sup>	Interests of controlled corporations	280,036,454	12.11

In addition to the significant Unitholder as disclosed above, other person having 5% or more interests in the units of The Link REIT as at 30 September 2013 was as follow:

Name	Capacity	Number of units in Long Position (L) / Short Position (S)	Approximate percentage of total units in issue <sup>(2)</sup> %
BlackRock, Inc.	Interests of controlled corporations	(L) 151,977,145	6.57
		(S) 4,085,247	0.17

Notes:

- (1) The 12.11% deemed interests of The Capital Group Companies, Inc. were held through its two subsidiaries, namely, Capital Research and Management Company (11.43% or 264,215,444 units) and Capital Group International, Inc. (0.68% or 15,821,010 units). The 0.68% interests of Capital Group International, Inc. were further held through its four subsidiaries, namely, Capital Guardian Trust Company (0.38% or 8,721,902 units), Capital International, Inc. (0.14% or 3,325,031 units), Capital International Limited (0.07% or 1,529,302 units) and Capital International Sàrl (0.09% or 2,244,775 units).
- (2) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 30 September 2013 (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Hong Kong Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, there was no other person having 5% or more interests in the units as at 30 September 2013.

## INTERESTS OF DIRECTORS IN UNITS

According to disclosure of interests to the Hong Kong Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the interests of the Directors in units and underlying units of The Link REIT as at 30 September 2013 were as follows:

Name	Number of units				Interest in underlying units <sup>(2)</sup>	Total interest held at 30 Sep 2013	Approximate percentage of total units in issue <sup>(4)</sup> %	Total interest held at 31 Mar 2013
	Personal interest <sup>(1)</sup>	Family interest	Corporate interest	Other interest				
<b>Current Directors</b>								
<b>Chairman (also an Independent Non-Executive Director)</b>								
Nicholas Robert SALLNOW-SMITH	624,146	-	-	-	141,500	765,646	0.033	757,850
<b>Executive Directors</b>								
George Kwok Lung HONGCHOY	963,811	-	-	-	533,000	1,496,811	0.065	1,469,972
Andy CHEUNG Lee Ming	233,132	-	-	-	175,500	408,632	0.018	409,436
<b>Non-Executive Director</b>								
Ian Keith GRIFFITHS	150,388	-	-	-	39,500	189,888	0.008	188,169
<b>Independent Non-Executive Directors</b>								
William CHAN Chak Cheung	71,696	-	-	-	52,500	124,196	0.005	124,444
Anthony CHOW Wing Kin	473,427	-	-	-	52,500	525,927	0.023	473,452
Patrick FUNG Yuk Bun	270,672	-	-	-	41,000	311,672	0.013	307,644
Stanley KO Kam Chuen	199,169	-	-	-	49,000	248,169	0.011	245,780
May Siew Boi TAN	-	-	-	-	-	-	-	-
David Charles WATT	37,222	-	-	-	43,000	80,222	0.003	102,367
Richard WONG Yue Chim	195,243	-	-	-	49,000	244,243	0.011	241,931
Elaine Carole YOUNG	-	-	-	-	-	-	-	-
<b>Former Independent Non-Executive Director</b>								
Michael Ian ARNOLD <sup>(3)</sup>	212,874	-	-	-	49,500	262,374	0.011	263,124

Notes:

- (1) The personal interests of the Directors in units as stated above were long position interests. There was no short position interest held by any Director.
- (2) These interests in underlying units were long position interests and represented the maximum number of units which might be issued to the Directors (and the former Independent Non-executive Director mentioned above) on the vesting of the RUAs granted to them under the LTI Plan.
- (3) These interests in units and underlying units (referring to unvested RUAs) represented Mr Michael Ian ARNOLD's positions as at 2 September 2013 (i.e. the date immediately preceding his retirement). There was no change to his unvested RUAs from 3 September 2013 up to 30 September 2013.
- (4) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 30 September 2013.

Save as disclosed above and so far as the Manager is aware, none of the Directors or any of their respective associates held any interests in the units or underlying units as at 30 September 2013.

## INTERESTS OF CONNECTED PERSONS IN UNITS

After making reasonable enquiry and according to the information available to the Manager, as at 30 September 2013, the following persons (other than the significant Unitholder<sup>(5)</sup> and Directors and any of their respective associates<sup>(6)</sup>) were connected persons (as defined in the REIT Code) to The Link REIT and held interests in units of The Link REIT as follows:

Name	Number of units held at 30 Sep 2013	Approximate percentage of total units in issue <sup>(4)</sup> %	Number of units held at 31 Mar 2013
The Hongkong and Shanghai Banking Corporation Limited (“ <b>HSBC</b> ”) and its subsidiaries <sup>(1)</sup>	2,387,415	0.103	2,581,914
Wing Hang Bank, Limited (“ <b>Wing Hang Bank</b> ”) <sup>(2)</sup>	100,000	0.004	100,000
Aviva Life Insurance Company Limited (“ <b>Aviva</b> ”) <sup>(3)</sup>	175,000	0.008	199,500

Notes:

- (1) The Trustee is an indirect subsidiary of HSBC and hence HSBC and its subsidiaries are connected persons to The Link REIT. Apart from the 2,387,415 units disclosed in the table above, a fellow subsidiary of HSBC also held 430,514 units as at 30 September 2013.
- (2) Dr Patrick FUNG Yuk Bun is chairman of Wing Hang Bank, therefore, Wing Hang Bank is a connected person to The Link REIT.
- (3) Mr Nicholas Robert SALLNOW-SMITH is a non-executive director of Aviva, therefore, Aviva is a connected person to The Link REIT.
- (4) The approximate percentages were calculated based on 2,310,889,561 units in issue as at 30 September 2013.
- (5) The interest held by a significant Unitholder (as a connected person to The Link REIT for the purpose of the REIT Code) is disclosed in the “Interests of Significant Unitholder and Other Unitholder” section above.
- (6) The interests of Directors (as connected persons to The Link REIT for the purposes of the REIT Code) are disclosed in the “Interests of Directors in Units” section above. The company secretary of the Manager and his associate (as defined in the REIT Code) were interested in 142,985 units as at 30 September 2013.

## CONNECTED PARTY TRANSACTIONS

### CONNECTED PERSONS AND CONNECTED PARTY TRANSACTIONS

The following table sets out the connected party transactions entered into by The Link REIT and/or its subsidiaries in the period with connected persons (as defined under Chapter 8 of the REIT Code) named below:

Name of Connected Person	Relationship with The Link REIT	Nature of Transactions	Income Derived HK\$'M	Expenses Incurred HK\$'M
The Link Management Limited	Manager of The Link REIT	Management fee <sup>(1)</sup>	N/A	(257.5)
HSBC Institutional Trust Services (Asia) Limited	Trustee of The Link REIT	Trustee's fee <sup>(2)</sup>	N/A	(3.9)
Jones Lang LaSalle Limited ("Jones Lang") <sup>(8)</sup>	Principal Valuer of The Link REIT	Valuation fee	N/A	(0.7)
Jones Lang LaSalle Management Services Limited	Associate of Principal Valuer	Provision of fitter services	N/A	(9.4)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence <sup>(3)</sup>	12.6 <sup>(4)</sup>	N/A
		Interest income	0.4	N/A
		Interest expenses and financing charges	N/A	(16.1)
		Arrangement fees and bank charges	N/A	(0.8)
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)")	Associate of Professor Richard WONG Yue Chim	Tenancy/licence <sup>(3)</sup>	3.6 <sup>(4)</sup>	N/A
		Interest income	1.4	N/A
		Bank charges	N/A	— <sup>(5)</sup>
Wing Hang Bank	Associate of Dr Patrick FUNG Yuk Bun	Interest income	0.8	N/A
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate of Ms May Siew Boi TAN	Tenancy/licence <sup>(3)</sup>	4.3 <sup>(4)</sup>	N/A
		Interest income	0.9	N/A
		Interest expenses and financing charges	N/A	(0.6)
		Arrangement fees and bank charges	N/A	(0.2)
Aedas Limited ("Aedas") <sup>(6)</sup>	Associate of Mr Ian Keith GRIFFITHS	Fees for architectural and renovation consultancy services	N/A	(1.1)
Foundation for the Arts and Music in Asia Limited	Associate of Mr Nicholas Robert SALLNOW-SMITH	Fees for organising cultural activities in two shopping centres	N/A	(0.2)
The Chamber of Hong Kong Listed Companies ("CHKLC")	Associate of Mr Andy CHEUNG Lee Ming	Application fee for corporate governance excellence and sustainability excellence awards	N/A	— <sup>(7)</sup>

## OUR GOVERNANCE (Continued)

### Notes:

- (1) The Manager, as an internalised management company of The Link REIT, recovers its expenses from The Link REIT on a cost recovery basis.
- (2) The Trustee is entitled to a fee at the rate of 0.008% per annum of the latest property values as determined in the latest annual valuation report of the principal valuer, subject to a minimum of HK\$150,000 per month.
- (3) For shops, ATMs and showcases at various locations.
- (4) Amounts excluded deposits received.
- (5) Bank charges paid to ICBC (Asia) were approximately HK\$5,000.
- (6) New contract in the sum of HK\$28.8 million was entered into with Aedas in the period.
- (7) Application fee paid to CHKLC was approximately HK\$4,000.
- (8) Jones Lang will retire as the principal valuer of The Link REIT in accordance with the REIT Code on 16 November 2013 and CBRE Limited will take over such position with effect from 17 November 2013.

## LEASE TRANSACTIONS WITH CONNECTED PERSONS

In addition to the tenancies set out on page 91 of the annual report 2011, page 103 of the annual report 2012 and page 96 of the annual report 2013 (of which the terms of those tenancies still subsisted at the period end save for the rental change mentioned in note (1) below), the following tenancies were renewed by The Link REIT and/or its subsidiaries with connected persons (as defined under Chapter 8 of the REIT Code) in the period with an annual rent exceeding HK\$1 million:

Name of Tenant	Nature of Transactions	Lease Term	Annual Rent <sup>(2)</sup> HK\$'M	Rental Deposit received at 30 September 2013 HK\$'M
ICBC (Asia)	Tenancy for shop nos. 21-23 at Tai Hing Commercial Centre	Term of 3 years expiring on 31 July 2016	1.4	0.4
SCBHK	Tenancy for shop no. L105 at Tin Yiu Plaza	Term of 3 years expiring on 31 May 2016	1.6	0.5 <sup>(3)</sup>

### Notes:

- (1) The annual rent<sup>(2)</sup> of the tenancy for shop no. G202 at Lok Fu Plaza with Hang Seng Bank Limited for a term of 3 years expiring on 31 October 2013 was changed to HK\$2.2 million.
- (2) The annual rent is calculated by the monthly base rent on a 12-month basis as if such rent were received from the beginning of the financial year.
- (3) In the form of a bank guarantee.



## PROVISION OF BANKING AND FINANCIAL SERVICES BY CONNECTED PERSONS

The Link REIT and its subsidiaries engaged the HSBC Group, ICBC (Asia), Wing Hang Bank and SCBHK to provide ordinary course banking and financial services in the period. The HSBC Group also provided services to subsidiaries of The Link REIT in relation to Mandatory Provident Fund accounts, general insurance, and payment and receipt arrangements. Bank accounts were maintained with the HSBC Group, ICBC (Asia), Wing Hang Bank and SCBHK for deposits and/or rent collection purposes. Further details are set out in Note 23 to the condensed consolidated interim financial information in this interim report.

## OTHER TRANSACTIONS

HSBC acted as dealer in a tranche of fixed rate private notes for a principal amount of HK\$350 million issued by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of The Link REIT) pursuant to the MTN Programme in the period. The transaction was conducted under the waiver granted in respect of connected party transactions with the HSBC Group and carried out at arm's length on normal commercial terms. No fee or commission was paid to HSBC in respect of such transaction. In order to ensure the effective interest cost of a new note issue is competitive, the Manager monitors the market interest rates and compares quotations from multiple dealers from time to time.

## WAIVERS FROM STRICT COMPLIANCE

During the period, The Link REIT complied with the stipulated terms and conditions of various waivers granted by the SFC from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code for certain connected party transactions entered into by The Link REIT with its connected persons (as defined in Chapter 8 of the REIT Code).

## INVESTOR RELATIONS

The Manager has continually communicated with the investment community during the period under review to ensure that the community interest groups are properly informed and to gauge their views on the business objectives, activities and future direction of The Link REIT. Since 1 April 2013, the Manager participated in 84 investor meetings, including attendance at 11 investors' conferences/corporate days, and two roadshows to Asia, Australia, Europe and the United States. The Manager also arranged 19 site visits for the interested parties.

Event	Number
Meetings and Conference Calls	84
Investors' Conferences/Corporate Days	11
Post Results/Non-deal Roadshows	2
Site Visits	19

# AUDITOR'S REVIEW REPORT



羅兵咸永道

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF THE LINK MANAGEMENT LIMITED  
(as "Manager" of THE LINK REAL ESTATE INVESTMENT TRUST)**

## INTRODUCTION

We have reviewed the interim financial information set out on pages 41 to 67, which comprises the condensed consolidated statement of financial position of The Link Real Estate Investment Trust ("The Link REIT") and its subsidiaries (together, the "Group") as at 30 September 2013 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, consolidated statement of distributions, condensed consolidated statement of changes in equity and net assets attributable to unitholders and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 13 November 2013

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong*  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

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

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.

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 Real Estate Investment Trust) 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 INTERIM FINANCIAL INFORMATION

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

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

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.

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 Real Estate Investment Trust 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.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## CONSOLIDATED STATEMENT OF DISTRIBUTIONS

For the six months ended 30 September 2013

	Note	Six months ended 30 September 2013 (Unaudited) HK\$'M	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</b> (Note (i))		<b>1,854</b>	1,624
Interim distribution for the period, to be paid to the Unitholders (Note (ii))		<b>1,854</b>	1,624
As a percentage of Total Distributable Income		<b>100%</b>	100%
Units in issue as at 30 September	20	<b>2,310,889,561</b>	2,284,402,553
<b>Distribution per unit to Unitholders for the period</b> (Note (iii))		<b>HK80.22 cents</b>	HK71.08 cents

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.

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 Real Estate Investment Trust 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 INTERIM FINANCIAL INFORMATION

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Note	30 September 2013 (Unaudited) HK\$'M	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
		<b>101,471</b>	95,938
<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
		<b>2,823</b>	3,485
<b>Total assets</b>		<b>104,294</b>	99,423
<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
		<b>4,511</b>	4,198
<b>Net current liabilities</b>		<b>1,688</b>	713
<b>Total assets less current liabilities</b>		<b>99,783</b>	95,225
<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
		<b>11,871</b>	13,583
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<b>16,382</b>	17,781
<b>Net assets attributable to Unitholders</b>		<b>87,912</b>	81,642
Units in issue	20	<b>2,310,889,561</b>	2,288,061,440
Net assets per unit attributable to Unitholders		<b>HK\$38.04</b>	HK\$35.68

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.

On behalf of the Board of Directors of  
The Link Management Limited, as the Manager

**Nicholas Robert SALLNOW-SMITH**  
Chairman  
13 November 2013

**George Kwok Lung HONGCHOY**  
Chief Executive Officer  
13 November 2013

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

For the six months ended 30 September 2013

	Note	Total equity (Unaudited) HK\$'M	Net assets attributable to Unitholders (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
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>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

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 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>	<b>2,328</b>	2,115
<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	(932)	(1,038)
<b>Net cash used in investing activities</b>	<b>(1,405)</b>	(1,435)
<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	(946)	(873)
<b>Net cash used in financing activities</b>	<b>(2,454)</b>	(712)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,531)</b>	(32)
Cash and cash equivalents at 1 April	1,657	150
<b>Cash and cash equivalents at 30 September</b>	<b>126</b>	118

The notes on pages 47 to 67 are an integral part of these condensed consolidated interim financial information.



# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 CORPORATE INFORMATION

The Link Real Estate Investment Trust (“**The Link REIT**”) 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 (the “**Group**”) 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.

### 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.

## 4 REVENUES

Revenues recognised during the period comprise:

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

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.

## 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 (Unaudited)</b>				
Revenues	2,762	731	–	3,493
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				(193)
Profit before taxation and transactions with Unitholders				7,443
Taxation				(368)
Profit for the period, before transactions with Unitholders				7,075
Capital expenditure	375	35	5	415
Depreciation	–	–	(10)	(10)
<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				126
Total assets				104,294
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				1,616
Total liabilities, excluding net assets attributable to Unitholders				16,382
Net assets attributable to Unitholders				87,912

## 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	2,557	640	–	3,197
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				(228)
Profit before taxation and transactions with Unitholders				8,733
Taxation				(317)
Profit for the period, before transactions with Unitholders				8,416
Capital expenditure	371	28	10	409
Depreciation	–	–	(14)	(14)
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				1,657
Total assets				99,423
Segment liabilities	1,794	147	290	2,231
Provision for taxation				159
Long-term incentive plan provision				139
Interest bearing liabilities				13,535
Derivative financial instruments				199
Deferred tax liabilities				1,518
Total liabilities, excluding net assets attributable to Unitholders				17,781
Net assets attributable to Unitholders				81,642

## 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 (Note 9)	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
	<b>976</b>	<b>941</b>

## 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 (Note 9)	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

## 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 (Note (i))	28	64
	<b>201</b>	239
Less: capitalised under investment properties (Note (ii))	(8)	(11)
	<b>193</b>	228

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 (Note 17)	13	56
	<b>250</b>	257
Less: capitalised under investment properties	(27)	(24)
	<b>223</b>	233

Staff costs can be further analysed as below:

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

## 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:

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

## 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	HK\$7,075 million	HK\$8,416 million
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	1,658,939	2,527,006
Weighted average number of units for the period for calculating diluted earnings per unit	2,297,407,202	2,272,396,823
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$3.08	HK\$3.71
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders	HK\$3.08	HK\$3.70



## 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	3,995	1,216	5,211
<b>At 30 September 2013</b>	<b>84,460</b>	<b>16,527</b>	<b>100,987</b>

**(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).

**(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	<b>70</b>	<b>5</b>	<b>119</b>	<b>194</b>
Accumulated depreciation	<b>(53)</b>	<b>(3)</b>	<b>(70)</b>	<b>(126)</b>
Net book value	<b>17</b>	<b>2</b>	<b>49</b>	<b>68</b>

### 14 TRADE AND OTHER RECEIVABLES

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

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.

## 14 TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of trade receivables is as follows:

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

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.

## 15 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

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

## 16 TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS

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

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:

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

## 17 LONG-TERM INCENTIVE PLAN PROVISION

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

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.

## 17 LONG-TERM INCENTIVE PLAN PROVISION (Continued)

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.

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>(iii)</sup>
12 November 2010	12 November 2010 to 30 June 2013	509,808	-	(509,808) <sup>(ii)</sup>	-	-	-	-
23 September 2011	23 September 2011 to 30 June 2013	554,052	-	(533,302) <sup>(ii)</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		2,694,041	-	(2,055,632)	(16,250)	(19,149)	1,615,532	3,231,064

**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.

## 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
	<b>12,055</b>	13,535
Less: current portion of interest bearing liabilities	(2,000)	(1,706)
Non-current portion of interest bearing liabilities	<b>10,055</b>	11,829

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
	<b>2,000</b>	1,706
<b>Due in the second year</b>		
Bank borrowings	1,437	858
Secured loan	1,000	2,000
	<b>2,437</b>	2,858
<b>Due in the third year</b>		
Bank borrowings	1,240	610
Medium term notes	179	–
Secured loan	–	1,000
	<b>1,419</b>	1,610
<b>Due in the fourth year</b>		
Bank borrowings	–	1,239
Medium term notes	1,111	1,015
	<b>1,111</b>	2,254
<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
	<b>12,055</b>	13,535

## 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
	<b>85</b>	168
	<b>85</b>	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)
	<b>(182)</b>	(184)
	<b>(182)</b>	(199)
	<b>(97)</b>	25



## 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

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

## 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 (Note)	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
	2,191	1,890

## 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.

## 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 (Note (ii))	(4)	(3)
Transactions with the HSBC Group (Note (iii))		
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 (Note (iii))	(1)	(1)
Charges for provision of fitter services paid and payable to Jones Lang LaSalle Management Services Limited (Note (iii))	(9)	–
Architectural/renovation consultancy services fees paid and payable to the Aedas Group (Note (iii))	(1)	(2)
Transactions with ICBC (Asia) (Note (iii))		
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 (Note (iii))		
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 (Note (iii))		
Interest income from Wing Hang Bank on short-term bank deposits	1	2

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.

## 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:

	30 September 2013 (Unaudited) HK\$'M	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	100	80

### (d) Key management compensation

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

	Six months ended 30 September 2013 (Unaudited) HK\$'M	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	4	32
	46	62

## 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.

# FIVE YEAR PERFORMANCE SUMMARY

## FINANCIAL DATA

	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M	Six months ended 30 September 2011 (Unaudited) HK\$'M	Six months ended 30 September 2010 (Unaudited) HK\$'M	Six months ended 30 September 2009 (Unaudited) HK\$'M
<b>Condensed consolidated income statement</b>					
Revenues	3,493	3,197	2,887	2,621	2,438
Property operating expenses	(976)	(941)	(846)	(856)	(821)
Net property income	2,517	2,256	2,041	1,765	1,617
General and administrative expenses	(106)	(104)	(147)	(80)	(50)
Change in fair values of investment properties	5,211	6,787	3,272	3,259	3,946
Operating profit	7,622	8,939	5,166	4,944	5,513
Interest income	14	22	11	1	4
Finance costs on interest bearing liabilities	(193)	(228)	(197)	(271)	(266)
Profit before taxation and transactions with Unitholders	7,443	8,733	4,980	4,674	5,251
Taxation	(368)	(317)	(288)	(236)	(220)
Profit for the period, before transactions with Unitholders	7,075	8,416	4,692	4,438	5,031
Distributions paid to Unitholders	(1,725)	(1,502)	(1,286)	(1,079)	(935)
	5,350	6,914	3,406	3,359	4,096
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units	5,412	6,970	3,373	3,317	4,231
Amount arising from cash flow hedging reserve movement	(62)	(56)	33	42	(135)
	5,350	6,914	3,406	3,359	4,096
<b>Consolidated statement of distributions</b>					
Profit for the period	7,075	8,416	4,692	4,438	5,031
Adjustments:					
– Change in fair values of investment properties	(5,211)	(6,787)	(3,272)	(3,259)	(3,946)
– Other non-cash income	(10)	(5)	–	(7)	(30)
Total distributable income	1,854	1,624	1,420	1,172	1,055
<b>Distribution per unit (HK cents)</b>					
Interim DPU	80.22	71.08	63.11	52.86	48.35

## FINANCIAL DATA (Continued)

		As at 30 September 2013 (Unaudited)	As at 31 March 2013 (Audited)	As at 31 March 2012 (Audited)	As at 31 March 2011 (Audited)	As at 31 March 2010 (Audited)
<b>Assets and liabilities</b>						
Investment properties	HK\$'M	<b>100,987</b>	95,366	76,672	67,318	53,781
Other non-current assets	HK\$'M	<b>484</b>	572	598	391	367
Current assets	HK\$'M	<b>2,823</b>	3,485	1,955	1,045	1,076
Total assets	HK\$'M	<b>104,294</b>	99,423	79,225	68,754	55,224
Current liabilities	HK\$'M	<b>4,511</b>	4,198	2,245	4,577	1,807
Non-current liabilities	HK\$'M	<b>11,871</b>	13,583	14,245	9,202	12,272
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	<b>16,382</b>	17,781	16,490	13,779	14,079
Net assets attributable to Unitholders	HK\$'M	<b>87,912</b>	81,642	62,735	54,975	41,145
Interest bearing liabilities to total assets	%	<b>11.6</b>	13.6	15.9	15.1	19.7
Total liabilities to total assets	%	<b>15.7</b>	17.9	20.8	20.0	25.5
Valuation of investment properties	HK\$'M	<b>100,987</b>	95,366	76,672	67,318	53,781
Valuation weighted average capitalisation rate	%	<b>5.39</b>	5.39	6.11	6.16	6.73
Net assets per unit attributable to Unitholders	HK\$	<b>38.04</b>	35.68	27.73	24.63	18.68
Closing price per unit	HK\$	<b>38.05</b>	42.30	28.90	24.35	19.14
Market capitalisation	HK\$'M	<b>87,929</b>	96,785	65,383	54,356	42,147
Premium/(discount) of unit price to net assets per unit attributable to Unitholders	%	<b>—</b>	18.6	4.2	(1.1)	2.5
Units in issue		<b>2,310,889,561</b>	2,288,061,440	2,262,372,930	2,232,284,540	2,202,043,479

## PORTFOLIO DATA

		Six months ended 30 September 2013 (Unaudited)	Six months ended 30 September 2012 (Unaudited)	Six months ended 30 September 2011 (Unaudited)	Six months ended 30 September 2010 (Unaudited)	Six months ended 30 September 2009 (Unaudited)
<b>Operational Data</b>						
Average monthly unit rent at period end	HK\$ psf	<b>40.2</b>	37.2	34.2	31.7	29.7
Average monthly unit rent excluding self use office, Education/Welfare, Office and Ancillary at period end	HK\$ psf	<b>43.2</b>	40.0	36.9	34.1	32.1
Composite reversion rate						
– Shops	%	<b>22.6</b>	27.9	22.7	22.2	25.3
– Overall	%	<b>23.6</b>	25.9	21.5	22.7	22.0
Occupancy rate at period end	%	<b>94.1</b>	93.2	92.1	90.9	90.6
Net property income margin	%	<b>72.1</b>	70.6	70.7	67.3	66.3
Retention rate	%	<b>76.2</b>	80.3	79.3	74.6	69.5
Number of turnover rent leases (excluding ancillary) at period end		<b>5,082</b>	4,896	4,590	3,794	2,754
Car park income per space per month	HK\$	<b>1,529</b>	1,338	1,193	1,067	1,042
Car park utilisation rate at period end	%	<b>86.4</b>	81.1	78.3	72.6	72.4
<b>Performance Data</b>						
Net assets attributable to Unitholders at period end	HK\$'M	<b>87,912</b>	70,394	58,807	44,766	34,749
Net assets per unit attributable to Unitholders at period end	HK\$	<b>38.04</b>	30.82	26.14	20.19	15.93
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	<b>8.36</b>	6.13	2.06	3.36	2.47
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	<b>(4.74)</b>	(2.27)	(2.34)	(1.65)	(1.85)
Closing price per unit at period end	HK\$	<b>38.05</b>	36.75	24.70	23.00	17.06
Net yield per unit (Note (ii))	%	<b>2.1</b>	1.9	2.6	2.3	2.8
Net yield (annualised) per unit (Note (ii))	%	<b>4.2</b>	3.9	5.1	4.6	5.7
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	<b>15.6</b>	13.8	12.3	10.3	9.4

Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$46.40 (2012: HK\$36.95) and HK\$33.30 (2012: HK\$28.55) respectively on The Stock Exchange of Hong Kong Limited during the period.
- (ii) Net yield per unit is calculated based on distribution per unit for the period ended 30 September 2013 of HK80.22 cents (2012: HK71.08 cents) over the closing price as at 30 September 2013 of HK\$38.05 (2012: HK\$36.75).



# INVESTOR INFORMATION

## LISTING OF THE UNITS

The Link REIT's units are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 823) in board lot size of 500 units.

There were 2,310,889,561 units in issue as at 30 September 2013. Further details of such units in issue are set out in Note 20 to the condensed consolidated interim financial information.

## FINANCIAL CALENDAR

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Interim results announcement for the six months ended 30 September 2013	13 November 2013
Ex-distribution date	26 November 2013
Closure of register of Unitholders	28 November to 2 December 2013 (both days inclusive)
Record date for interim cash distribution <b>(without a scrip alternative)</b>	2 December 2013
Interim cash distribution payment date	10 December 2013
Final results announcement for the financial year ending 31 March 2014	June 2014

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In order to qualify for the interim cash distribution, Unitholders should ensure that 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, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 27 November 2013.

Financial reports, announcements, circulars, notices, corporate communications, press releases and other investor information of The Link REIT are available online at The Link REIT's corporate website at [www.thelinkreit.com](http://www.thelinkreit.com).

## INVESTOR RELATIONS CONTACT

Investor Relations Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1900

Email: [ir@thelinkreit.com](mailto:ir@thelinkreit.com)

## CORPORATE COMMUNICATIONS CONTACT

Corporate Communications Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1938

Email: [mediaenquiries@thelinkreit.com](mailto:mediaenquiries@thelinkreit.com)

Customer Service Hotline: (852) 3168 0080

## WEBSITES

[www.thelinkreit.com](http://www.thelinkreit.com) (corporate website)  
[www.thelink.com.hk](http://www.thelink.com.hk) (customer and tenant website)  
[www.lokfuplaza.com](http://www.lokfuplaza.com) (Lok Fu Plaza website)  
[www.stanleyplaza.com](http://www.stanleyplaza.com) (Stanley Plaza website)  
[www.taiyuenmarket.com](http://www.taiyuenmarket.com) (Tai Yuen Market website)

## INDICES INCLUSION

The Link REIT is a component of the following selected indices:

Dow Jones Global Index  
Dow Jones Asia Pacific Index  
Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index  
FTSE Asian Property Index  
FTSE All World Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Global Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Asia Pacific Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Asia Index  
FTSE Hong Kong Index

GPR<sup>(3)</sup> 250 (World) Index  
GPR<sup>(3)</sup> 250 Asia Pacific Index  
GPR<sup>(3)</sup> 250 Hong Kong Index  
GPR<sup>(3)</sup> 250 REIT (World) Index  
GPR<sup>(3)</sup> 250 REIT Asia Pacific Index  
GPR<sup>(3)</sup> 250 REIT Hong Kong Index

Hang Seng REIT Index

MSCI<sup>(4)</sup> All Country World Index  
MSCI<sup>(4)</sup> All Country Asia Pacific ex-Japan Index  
MSCI<sup>(4)</sup> World REIT Index  
MSCI<sup>(4)</sup> Hong Kong Index

S&P<sup>(5)</sup> Global REIT Index  
S&P<sup>(5)</sup> Developed Property Index  
S&P<sup>(5)</sup> Asia Property 40 Index

TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite Hong Kong Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite REIT Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Composite REIT Hong Kong Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Investable 100 Index  
TR<sup>(6)</sup>/GPR<sup>(3)</sup>/APREA<sup>(7)</sup> Investable REIT 100 Index

Notes:

- <sup>(1)</sup> European Public Real Estate Association
- <sup>(2)</sup> National Association of Real Estate Investment Trust
- <sup>(3)</sup> Global Property Research
- <sup>(4)</sup> Morgan Stanley Capital International
- <sup>(5)</sup> Standard and Poor's
- <sup>(6)</sup> Thomson Reuters
- <sup>(7)</sup> Asia Pacific Real Estate Association

# CORPORATE INFORMATION

## BOARD OF DIRECTORS OF THE MANAGER

### 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

## RESPONSIBLE OFFICERS OF THE MANAGER

George Kwok Lung HONGCHOY

Andy CHEUNG Lee Ming

Hubert CHAK

Eric YAU Siu Kei

## COMPANY SECRETARY OF THE MANAGER

Ricky CHAN Ming Tak

## AUTHORISED REPRESENTATIVES

Andy CHEUNG Lee Ming

Ricky CHAN Ming Tak

## TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

## AUDITOR

PricewaterhouseCoopers

## PRINCIPAL VALUER

Jones Lang LaSalle Limited

## PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited,  
Hong Kong Branch

Bank of China (Hong Kong) Limited

DBS Bank Ltd, Hong Kong Branch

Hang Seng Bank Limited

Scotiabank (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

The Bank of East Asia, Limited

The Bank of Tokyo-Mitsubishi UFJ, Ltd,  
Hong Kong Branch

The Hongkong and Shanghai Banking Corporation Limited

## REGISTERED OFFICE OF THE MANAGER

33/F., AXA Tower, Landmark East,  
100 How Ming Street,  
Kwun Tong, Kowloon,  
Hong Kong

## TOWN OFFICE OF THE MANAGER

Suite 3004, 30/F.,  
9 Queen's Road Central,  
Hong Kong

## UNIT REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17/F.,  
Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong  
Telephone: (852) 2862 8555

**The Link Real Estate Investment Trust**  
[www.thelinkreit.com](http://www.thelinkreit.com)

