

INTERIM REPORT 2014/2015

# Expanding horizons, exploring new opportunities

領匯  
The Link

The Link Real Estate Investment Trust

Stock code: 823

# Expanding horizons, exploring new opportunities

From our origin as the first REIT listed on the Hong Kong Stock Exchange, we own and manage a significant portion of Hong Kong's retail floor area, including shopping centres, fresh markets, cooked food stalls and car parks.

Prudent management and sustainable development are at the heart of The Link REIT. We use a balanced mix of asset management, enhancement and investment, along with capital management. We aim to offer tenants, shoppers and communities with vibrant centres for modern living. These in turn provide our Unitholders with a prudently growing business and steadily increasing total return.

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## Vision

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

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## Mission

Building relationships with our stakeholders through

### PROVIDING VALUE AND QUALITY SERVICE:

Investing and renewing physical assets while nurturing our internal talent and progressing well-being initiatives

### PARTNERING WITH LOCAL COMMUNITIES:

Assisting the communities surrounding our properties to ensure vibrant and long-term development

### DELIVERING SUSTAINABLE GROWTH:

Consistently fine tuning our infrastructure, financial mechanisms and internal processes to deliver a prudent strategy for long-term development

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## Values

Managing and operating our business with  
**Respect, Excellence, Integrity** and **Teamwork**

## AN INTEGRATED INTERIM REPORT

With the advent of integrated reporting, we can report in the context of financial, manufactured, intellectual, natural, social and relationship, and human capitals on our business. We recognise that only through a delicate operational mix of these capitals can we provide communities with solid foundations for growth.

At the heart of this integrated approach is our endeavour to not only focus on distributions to Unitholders but also on how value is generated and distributed more widely.

 To read more about Integrated Reporting go to 'Our approach to reporting' on page 8

### KEY DEVELOPMENTS

#### CHANGE IN OUR INVESTMENT MANDATE

We remain focused on realising the growth potential of our portfolio in Hong Kong. With recent changes to our investment mandate, we will examine how this impacts our investment strategy for our long-term development.

 See page 14 for more detail

#### CAPITAL MANAGEMENT

We have positioned our capital management to mitigate potential interest rate hikes, all part of a disciplined and cautious growth strategy with multiple growth drivers.

 See page 18 for more detail

#### DISPOSALS AND ACQUISITIONS

Through our disposals and acquisitions, we have built a solid basis for growth, which allows us to enhance synergies between our properties to benefit shoppers, tenants, and society alike.

 See page 22 for more detail

### CONTENTS

#### PERFORMANCE OVERVIEW

Portfolio in brief	2
Interim highlights	4

#### OUR APPROACH/STRATEGY

Our approach to reporting	8
Operating landscape	9
How we create value and our priorities	10

#### PERFORMANCE

Chairman's statement	14
Report of the Chief Executive Officer	16

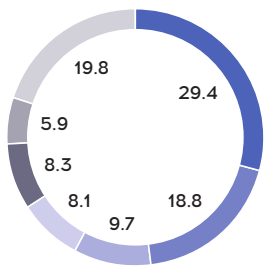
#### GOVERNANCE AND FINANCIALS

Corporate governance	30
Disclosures	34
Auditor's review report	45
Condensed consolidated interim financial information	46
Five year performance summary	73
Definitions and glossary terms	76
Investor information	79
Corporate information	Inside back

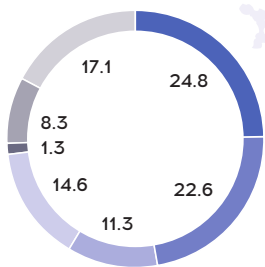
# Portfolio in brief

Our portfolio includes shopping centres, fresh markets, cooked food stalls and car parks distributed throughout Hong Kong.

**Trade mix**  
(% BY LEASED IFA)



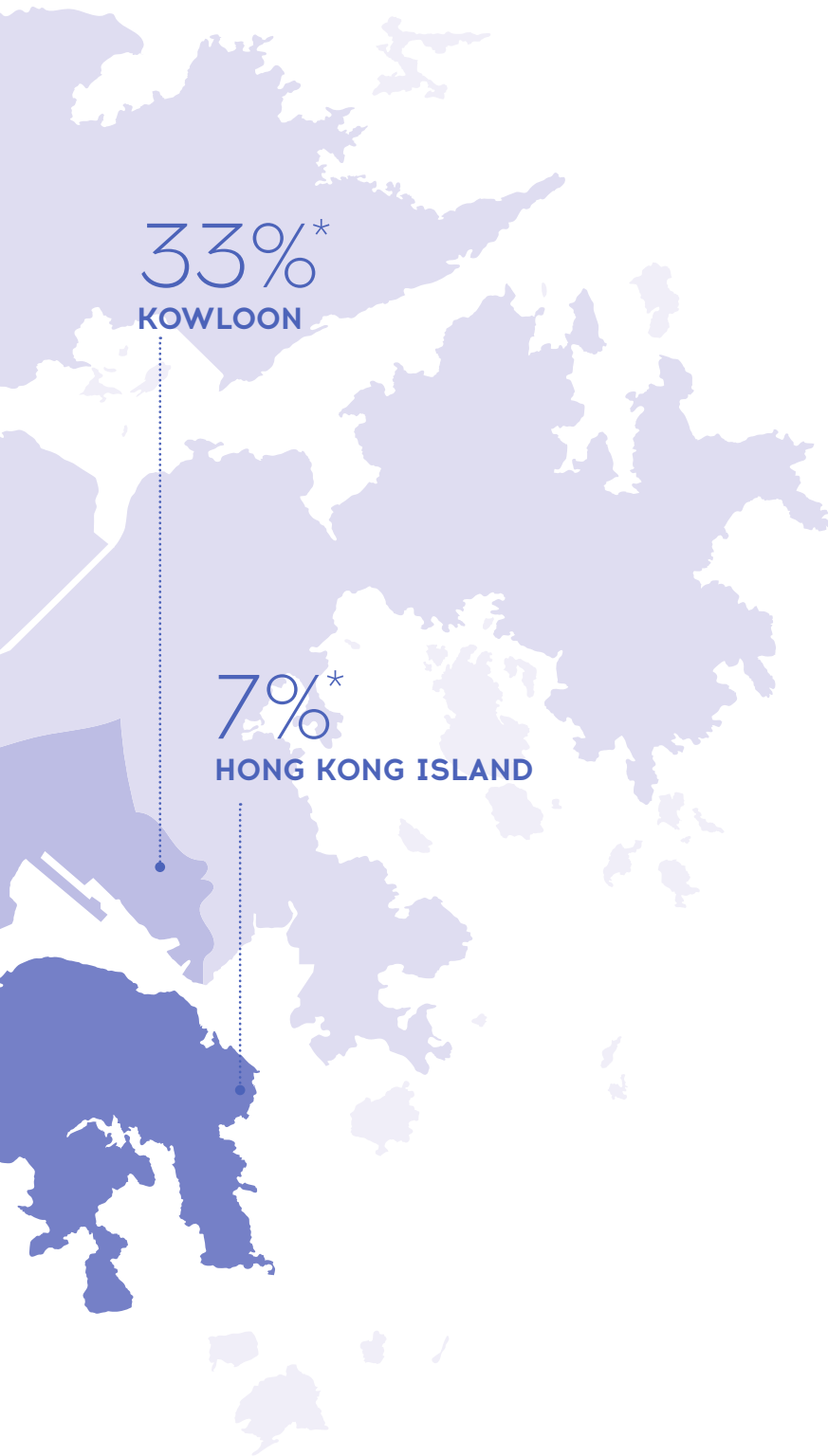
**Trade mix**  
(% BY MONTHLY BASE RENT)



- Food & Beverage
- Supermarkets & Foodstuff
- Services
- Markets/Cooked Food Stalls
- Education/Welfare, Office & Ancillary
- Personal Care, Medicine, Optical, Books and Stationery
- Others\*\*

60%\*  
NEW TERRITORIES

\* Being approximate figures as at 30 September 2014  
 \*\* Includes clothing, department stores, electrical and household products, leisure and entertainment and valuable goods



11 Million sq ft\*

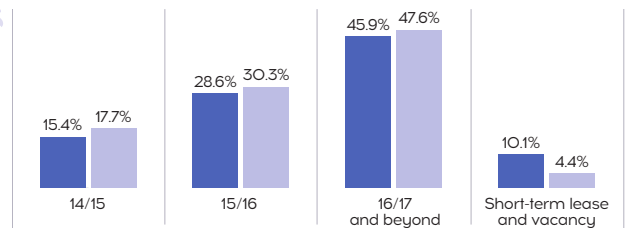
TOTAL INTERNAL FLOOR AREA



78,000\*

CAR PARKING SPACES

Portfolio lease expiry profile  
(as at 30 September 2014)



■ as % of total IFA  
■ as % of monthly base rent

#### SHOPPING CENTRES

As at 30 September 2014:

Occupancy	94.4%
Average monthly unit rent (HK\$ psf)	43.6
Valuation (HK\$ 'M)	102,492

For the six months ended 30 September 2014:

Revenue (HK\$ 'M)	3,003
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#### CAR PARKS

As at 30 September 2014:

Utilisation	91.7%
Valuation (HK\$ 'M)	22,994

For the six months ended 30 September 2014:

Income per bay per month (HK\$)	1,738
Revenue (HK\$ 'M)	827

# Interim highlights

Our key financial data reflect not only our business performance, but also the wider economic impact that we have on our local communities, our people, and wider society.

**REVENUE**  
(HK\$ 'M)

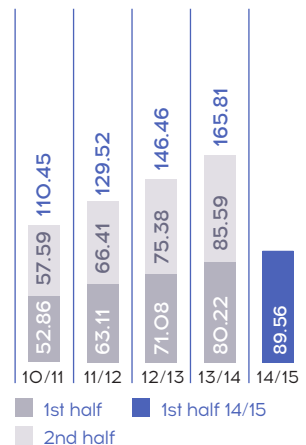
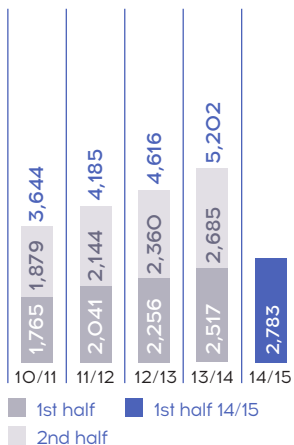
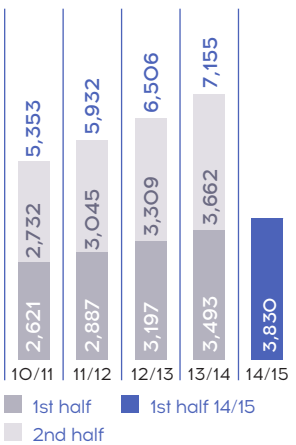
**3,830**  
+9.6%

**NET PROPERTY INCOME**  
(HK\$ 'M)

**2,783**  
+10.6%

**DISTRIBUTION PER UNIT**  
(HK cents)

**89.56<sup>(1)</sup>**  
+11.6%



Notes:  
 (1) Includes a discretionary distribution of HK\$5.56 cents relating to the transaction costs incurred for the acquisition of investment property during the period  
 (2) These comparisons are based on 31 March 2014 figures while others are based on period ended 30 September 2013 figures

**COMMUNITY**

Amount The Link Together Initiatives donated for charitable causes



Programmes supported by The Link Together Initiatives provide a channel for youth to express and share their creativity

**HK\$7.5 Million**

**ENVIRONMENTAL IMPACT**

Energy consumption



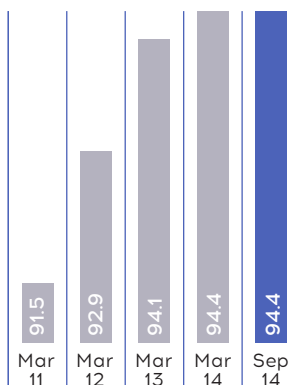
Skylights reduce energy consumption by maximising natural lighting

**HK\$175 Million**

Our tenant-related financial results are underpinned by our infrastructure and community investments – creating safe, efficient and attractive environments, which in turn attract more shoppers and enhance tenant sales.

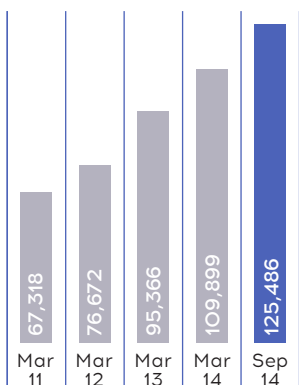
**OCCUPANCY**  
(%)

94.4  
Steady <sup>(2)</sup>



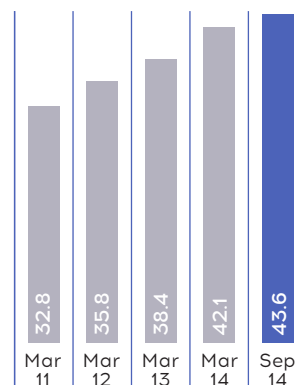
**VALUATION**  
(HK\$ 'M)

125,486  
+14.2% <sup>(2)</sup>



**AVERAGE MONTHLY UNIT RENT**  
(HK\$ psf)

43.6  
+3.6% <sup>(2)</sup>



**ENHANCEMENT PROJECTS**  
COMPLETED TO DATE

37



**MYSTERY SHOPPER**  
SCORE

86/100

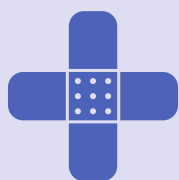


**GREENHOUSE GAS EMISSIONS**  
TONNES FOR THE PERIOD

86,022



**INJURY RATE**  
FOR THE PERIOD



0.5%

**TENANT GROSS SALES**  
YEAR-ON-YEAR



+6.2%

**PARTICIPATED IN THE EMPLOYEE**  
**UNIT PURCHASE PLAN**  
NUMBER OF EMPLOYEES



365

# Building on our strengths

The Link REIT focuses firmly on asset enhancement and investment together with prudent asset management to optimise the life cycle of the properties we own. This expertise helps us to build synergies among properties in the same district.

The Link REIT has invested in the New Territories West through a series of asset enhancement projects to upgrade its properties. Part of this has been the repositioning and enhancement of Yau Oi Commercial Centre and its integration with On Ting Commercial Complex. The Link REIT's largest asset enhancement project since listing has improved circulation and accessibility for local residents and shoppers and captured attractive market opportunities.

- The integrated shopping centre will become The Link REIT's flagship shopping centre in Tuen Mun, linked to adjacent areas via extensive public transportation and catering to changing demographics and market trends.
- The enhancement project has provided a reconfigured layout, with increased number of shops, air-conditioning and LED lighting.
- Additional facilities include a new roof garden with event space and children's playground, barrier free access facilities, and a beautified external public area.
- The project has allowed the creation of new facilities including an air-conditioned fresh market with updated design and layout.

HK\$477 Million  
Modernisation investment

>40  
Number of new shops added

### CONTENTS

Our approach to reporting	8
Operating landscape	9
How we create value and our priorities	10





# Our approach to reporting

## What is Integrated Reporting?

Integrated Reporting looks at an organisation's strategy, governance, performance and prospects through the lens of its external environment.

## Why is The Link REIT using Integrated Reporting?

Linking sustainability with everything we do ensures we are creating long-term value for our Unitholders and communities. Our growth is contingent on the communities we operate in being successful.

## How will Integrated Reporting help the business?

To operate our business in a responsible and sustainable way, we implement global best practices into our operations. Assessing our performance in the framework of the six capitals is critical to improving both our financial and non-financial measures.

## INTEGRATED REPORT

### A COMPREHENSIVE INSIGHT INTO OUR BUSINESS

#### Strategic focus and future orientation

The Report of The Chief Executive Officer highlights what we do and how we do it, and provides insight into how we create value for our interested audiences.

#### Connectivity of information

We chose to follow the IIRC <IR> Framework, as we believe this allows us to best demonstrate how we create value for the communities and improve the lives of those around us while generating strong financial results for our Unitholders. Information in this report is complemented by our other engagement channels including our corporate website ([www.thelinkreit.com](http://www.thelinkreit.com)), Channel 823 corporate magazine and other publications. These are all readily available to all of our interested audiences.

#### Stakeholder relationships

We utilise a range of methods including direct dialogue, surveys and corporate publications (electronic and print) to maintain open communication on our value creation strategies with our various audiences. Interested audiences can send their feedback to us via e-mail, corporate hotline, surveys and post.

#### Reliability and completeness

To ensure reliability and completeness of data, our condensed consolidated interim financial information within our integrated interim report are reviewed by PricewaterhouseCoopers.

#### Materiality and conciseness

We are focused on providing Unitholders and other readers with concise details of the material issues of our business. These material issues are prioritised from extensive engagement exercises conducted with our investors, staff, tenants, shoppers, the general public and opinion formers including interest groups, government officials and media.

#### Consistency and comparability

Consistent and robust data are essential to tracking progress within the business, and to enable cross-sector comparison for stakeholders. Where possible we have provided data in a way that enables our Unitholders to compare our performance against that published in previous reports. On an annual basis, our progress against this will be detailed in our full year annual report.

# Operating landscape

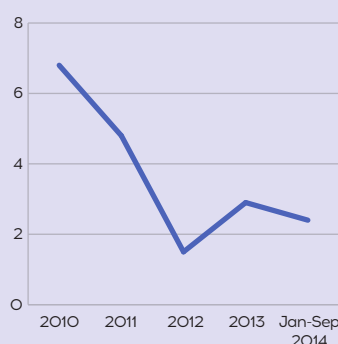
The Link REIT operates with a prudent strategy and sustainable vision for growth within the bounds of prevalent economic conditions.

## DOMESTIC CONDITIONS

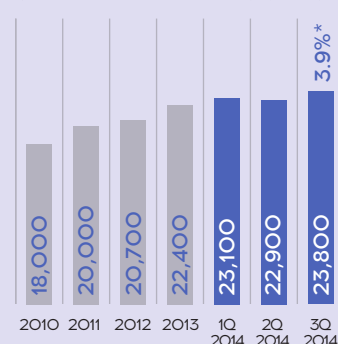
GDP growth has taken a dip from 2010, and after a rebound in 2013, has decreased slightly. However, with household income growth on the rise, we do not see major impacts from GDP growth dropping.

Unemployment rate has reached a historical low, decreasing from 4.3% in 2010 to 3.3% in the third quarter of 2014.

GDP GROWTH (YoY %)



MEDIAN HOUSEHOLD INCOME (INCLUDING BONUS) (HK\$)

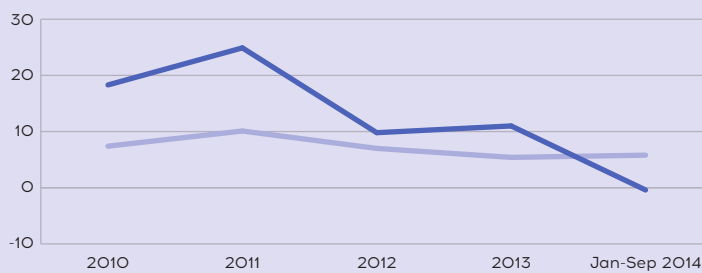


\*YoY growth

## RETAIL TRENDS

Growth in retail sales of non-discretionary trades remained stable in the first nine months of this year.

RETAIL SALES VALUE TRENDS (YoY %)

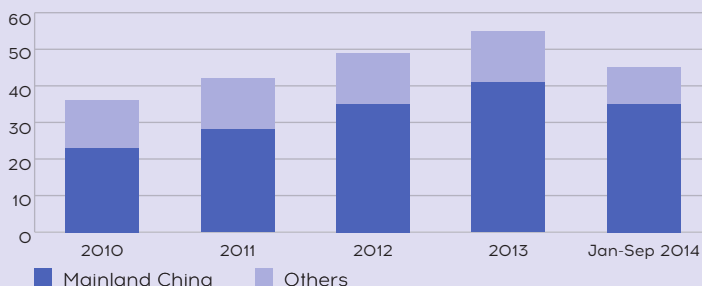


\* Non-discretionary trades include supermarkets and foodstuff

## TOURIST TRENDS

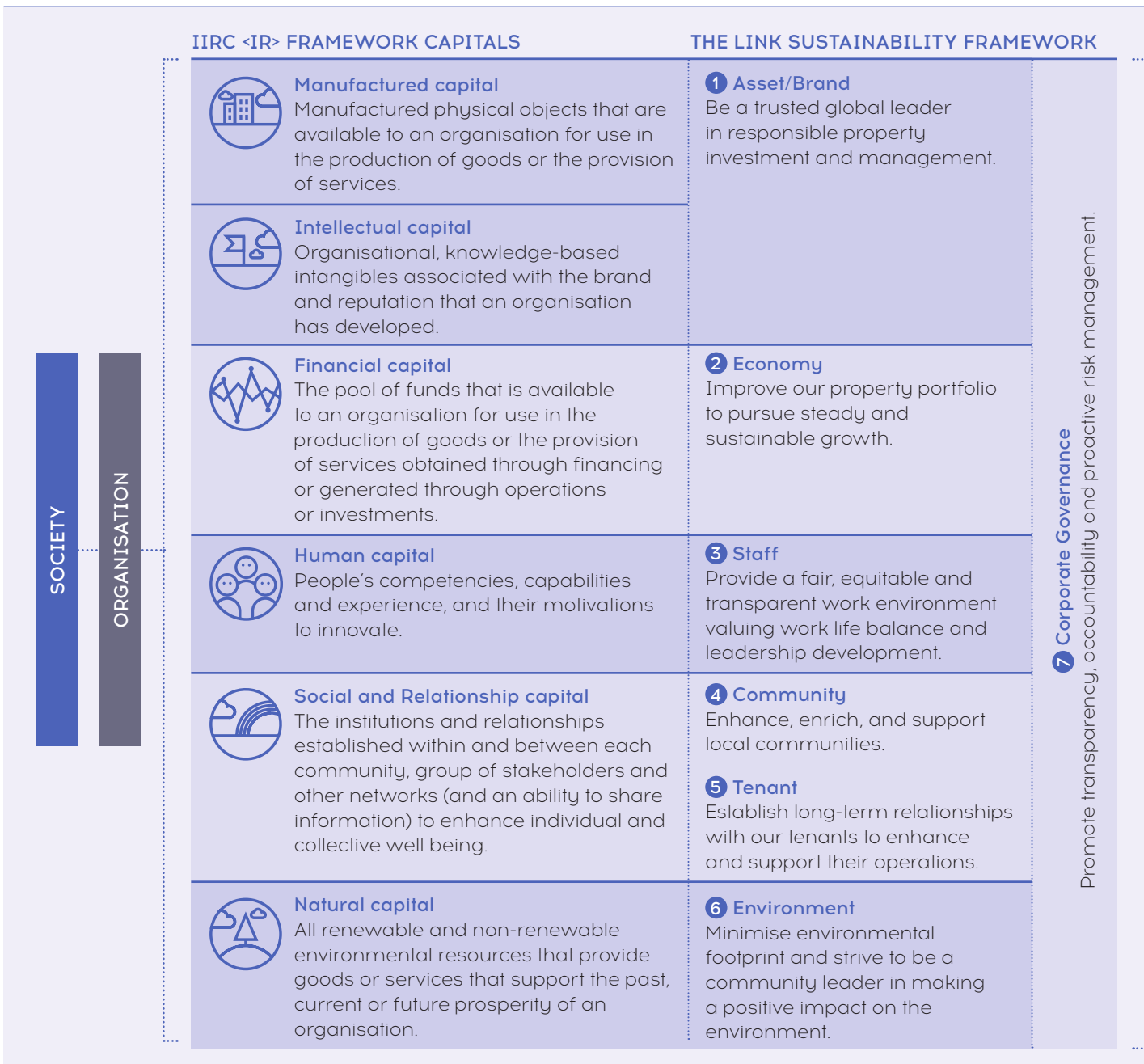
Last year saw highs in visitor arrivals from both Mainland China and internationally, and this is a trend that has continued into this year. While numbers have risen dramatically from 2010, there are signs of a slight slowdown heading into the end of 2014.

TOURIST ARRIVALS (MILLION)



# How we create value and our priorities

Hong Kong remains The Link REIT's core priority as we seek new opportunities both in Hong Kong and beyond Hong Kong, drive operating efficiency, prudently manage our assets, and cautiously pursue sustainable growth of our portfolio.





### Priorities for 2014/2015

- While we pursue expansion, Hong Kong remains at the heart of our business, and our core priority.
- Prudent asset management continues to drive margin improvement and deliver cost benefits, while improving sustainability.
- Our asset enhancement strategy aims to improve property condition and tenant mix to benefit tenants, shoppers and communities.
- A cautious growth strategy frames our approach to asset investment, which adds to diligent asset management and enhancement of the existing portfolio.
- Emphasising sustainability and adding value in capital management, The Link REIT provides Unitholders with multiple drivers for growth. We believe this strategy also benefits communities, tenants and shoppers.

 See Report of the Chief Executive Officer on page 16 for more detail

# Growing total return

The Link REIT has maintained strong credit ratings, diversified funding sources, and extended maturity to support its future growth potential, while being resilient to changes in the market. As a result, we bring value for Unitholders, tenants and shoppers, and benefit communities.

The Wong Tai Sin district is the area which includes our latest enhancement project at Lung Cheung Plaza, as well as our most recent acquisition, Lions Rise Mall.

- Lung Cheung Plaza underwent minor refurbishment in 2008, and is now in the middle of repositioning works to be completed in late 2015.
- This will convert service space to retail area, allow repartitioning to add variety, and deliver an expanded trade mix.
- The repositioning project will ultimately capture Wong Tai Sin's district growth potential, and attract potential shoppers and tenants.
- The recently acquired Lions Rise Mall together with Lung Cheung Plaza and Wong Tai Sin Plaza create a coordinated retail cluster with synergies.

HK\$1,380 Million 66,654 sq ft  
Asset acquisition Additional internal floor space

## CONTENTS

Chairman's statement	14
Report of the Chief Executive Officer	16

現崇山  
商場

LIONS  
RISE  
mall

品味 · 新生活

Supern

現崇山  
商場

LIONS  
RISE  
mall

zakka

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急凍海鮮  
產地直送

iEAT.com.hk

24小時  
Tel: 2414 2944

## Chairman's statement

On behalf of the Board of Directors of The Link Management Limited, I am pleased to present The Link REIT's interim report for the six months ended 30 September 2014.



**Nicholas Robert  
SALLNOW-SMITH**  
Chairman

"In the course of our daily operations, we have created value for the communities, and improved the lives of those around us"

In the half-year past, The Link REIT has maintained its focus on improving the quality and performance of its existing portfolio in Hong Kong. Each improvement we make adds value for the communities we serve and for our Unitholders.

In addition to this focus on our core business, the scope to broaden our ability to grow income in the future has been enhanced by changes to our investment mandate and the Hong Kong REIT code. To support this capability for geographic expansion and to undertake development, we have broadened funding sources of The Link REIT, boosted our liquidity, and improved our resilience to potential interest rate increases.

Our financial performance is a key indicator of whether we are adding value to the communities in which we operate. Are our tenants providing products and services that appeal to shoppers? Are their sales increasing, so that our income can do so too? I am pleased to say that The Link REIT continued to grow revenues in the six months ended 30 September 2014 by 9.6% to HK\$3,830 million. Net property income increased by 10.6% to HK\$2,783 million compared with the same period last year. The Board has accordingly approved the interim distribution (including a discretionary distribution) of HK89.56 cents per unit, an increase of 11.6%.

In my Chairman's statements for the last two Annual Reports, I have explained how I see our role and purpose in the community. I will not repeat that here, not because it is any less important but because the Business Purpose Statement that sets it out is available for review on our website. I hope you will read it if you have not already done so.

For the remainder of this statement, I would like to assess recent performance and key developments of our business keeping in mind the broader long-term strategy that the changes in our investment mandate make possible.

#### **EXPANDING HORIZONS TO IMPROVE LONG-TERM GROWTH PROSPECTS**

Throughout the past six months we have retained our focus on improving the performance and realising further growth from our portfolio in Hong Kong. As long as there are improvements to be made in our legacy assets, there is scope to grow income. It is our key accountability to you, our Unitholders, to bring this about. Most of our retail properties are anchored in local communities. Operating assets of this type is an area in which we have built expertise, in a retail segment where we can create value and which is resilient to broader economic volatility. But



“We strive to further improve the portfolio of properties we own to maximise the potential of these assets for our Unitholders”

diversification of the range of assets that we manage can reduce risk for Unitholders, as well as improve the prospects for income growth. It is therefore important that we actively manage our portfolio. Over the past three years, and in particular in the last six months, you have seen a number of disposals and acquisitions which have this aim of a better diversified portfolio in mind.

While remaining focused on realising the growth potential of our portfolio in Hong Kong, recent changes to our investment mandate and the Hong Kong REIT code allow us to take further the diversification of our asset base; first by taking modest development risks that will allow us to access sites that might otherwise be barred to us (including redevelopment on our own sites); and second by exploring assets in Mainland China that fit our risk appetite and the capabilities and experience of our management team.

#### **BENCHMARKING AGAINST GLOBAL BEST PRACTICE**

While we are a Hong Kong business, we intend to be a market leader in all aspects of our work. This effort has been recognised in the form of international awards, and our inclusion in numerous global and local indices whether it relates to corporate governance, environmental performance or our performance as an employer.

We take these awards seriously because we believe that by benchmarking and assessing ourselves against global standards, we learn more about how we are doing and how we can improve. It is essential that, having begun its life as a purely local operation measuring itself by local standards The Link REIT develops a business that is operating against international standards and practices.

#### **PEOPLE**

I would like to express my appreciation and gratitude to Mr Stanley KO Kam Chuen and Dr Patrick FUNG Yuk Bun who retired from the Board during the year. Both played instrumental roles in the development of The Link REIT from its birth, on their appointments as Independent Non-Executive Directors in 2005. They have contributed hugely to the Board and the progress of the business over the past nine years and their expertise is not easy to replace. We wish them well in the future.

At the same time I am delighted to welcome Mr Peter TSE Pak Wing and Ms Nancy TSE Sau Ling as Independent Non-Executive Directors of the Manager. Both Peter and Nancy bring a wealth of experience and we are delighted to welcome them to the Board at an important stage in our development.

Finally, I would like to take this opportunity to thank all our staff, management team and members of the Board for their professionalism, commitment and hard work, which is so crucial to success. With such a large and complex asset base, there is always more to be done, which is made more challenging by our aspirations to meet the highest standards. With the support of our Unitholders, the Board and our dedicated staff, The Link REIT is well positioned to expand its horizons and explore new opportunities.

#### **Nicholas Robert SALLNOW-SMITH**

Chairman  
The Link Management Limited  
As Manager of The Link Real Estate  
Investment Trust  
12 November 2014

# Report of the Chief Executive Officer

I am glad to present the unaudited interim results of The Link REIT and its subsidiaries for the six months ended 30 September 2014.



**George Kwok Lung HONGCHOY**  
Chief Executive Officer

“Our business is focused upon creating positive benefits throughout the value chain, and the delivery of these for stakeholders”

In order to operate our business in a responsible and sustainable manner, we must assess our business using a range of financial and non-financial measures. With the advent of integrated reporting, we can report in the context of financial, manufactured, intellectual, natural, social and relationship, and human capitals on our business. Only through a delicate operational mix of these capitals can we provide a solid foundation for continual value creation for our Unitholders and the communities we serve. Our Annual Report 2013/2014 was our first attempt at producing an annual report that followed the IIRC <IR> Framework. Building upon this effort, to maintain reporting consistency and to provide readers with a comprehensive understanding of our operations, we

have elected to adopt a similar reporting approach for presenting the business review in this integrated interim report.

## WHAT WE DO

The Link REIT's core business of owning and managing retail properties and car parks uses a balanced mix of asset management, asset enhancement, and asset investment, underlaid by prudent capital management, to deliver robust results. Carefully balancing among these multiple drivers helps us to deliver growing total return for our Unitholders.

## FINANCIAL CAPITAL

During the six months under review, total revenue increased by 9.6% to HK\$3,830 million (six months ended 30 September 2013: HK\$3,493 million) while net property income increased by 10.6% to HK\$2,783 million (six months ended 30 September 2013: HK\$2,517 million). Interim DPU for the period amounted to HK89.56 cents (six months ended 30 September 2013: HK80.22 cents), which includes a discretionary distribution of HK5.56 cents (six months ended 30 September 2013: Nil) relating to the transaction costs incurred for the acquisition of investment property during the period. The interim DPU represents a year-on-year increase of 11.6%.

Valuation of the investment properties portfolio continued to improve and reached HK\$125,486 million (31 March 2014: HK\$109,899 million), representing an increase of 14.2% compared to 31 March 2014. Net asset value per unit grew to HK\$48.23 (31 March 2014: HK\$41.69).

### Revenue analysis

Although some economic indicators may suggest a slowing economy, the resilient nature of our business of providing non-discretionary products and services has enabled us to maintain a steady growth in revenue. Total revenue rose to HK\$3,830 million (six months ended 30 September 2013: HK\$3,493 million), comprising rental

income from retail properties of HK\$2,831 million (six months ended 30 September 2013: HK\$2,602 million), car parks of HK\$825 million (six months ended 30 September 2013: HK\$729 million) and other property related revenue of HK\$174 million (six months ended 30 September 2013: HK\$162 million).

### Revenue Breakdown

	Six months ended 30 Sep 2014 HK\$'M	Six months ended 30 Sep 2013 HK\$'M	Year-on-year change %
<b>Retail rentals:</b>			
Shops <sup>(1)</sup>	2,294	2,122	8.1
Markets/Cooked Food Stalls	379	335	13.1
Education/Welfare, Office and Ancillary	73	67	9.0
Mall Merchandising	85	78	9.0
<b>Car parks rentals:</b>			
Monthly	609	544	11.9
Hourly	216	185	16.8
<b>Expenses recovery and other miscellaneous revenue:</b>			
Property related revenue <sup>(2)</sup>	174	162	7.4
<b>Total</b>	<b>3,830</b>	<b>3,493</b>	<b>9.6</b>

Notes:

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

(2) Including other revenue from retail properties of HK\$172 million (six months ended 30 September 2013: HK\$160 million) and car parks of HK\$2 million (six months ended 30 September 2013: HK\$2 million).

### Expense analysis

Despite an increase of 7.3% in our total property operating expenses for the period under review, we managed to maintain our net property income margin steady at 72.7%.

Increase in staff costs was mainly due to a higher accrual for long-term incentive plan as a result of the increase in the closing unit price as at 30 September 2014 against that on 31 March 2014.

We continue to monitor and manage our energy consumption. Despite the increased number of extremely hot days this past summer, we managed to maintain our energy consumption at approximately the same level as last year. This helped to mitigate the increase in energy tariffs across our Kowloon and New Territories properties.

Uplift in government rent and rates was generally in line with revenue growth.

“Linking sustainability with everything we do creates long-term value for our Unitholders and the communities that we serve”

**Property and Operating Expense Breakdown**

	Six months ended 30 Sep 2014 HK\$'M	Six months ended 30 Sep 2013 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	276	267	3.4
Staff costs	196	159	23.3
Repair and maintenance	102	99	3.0
Utilities	181	175	3.4
Government rent and rates	119	107	11.2
Promotion and marketing expenses	41	45	(8.9)
Estate common area costs	57	57	-
Other property operating expenses	75	67	11.9
<b>Total property operating expenses</b>	<b>1,047</b>	<b>976</b>	<b>7.3</b>

**Capital management**

We have adopted an active approach for capital management which supports The Link REIT to maintain a strong credit rating, achieve low funding cost and mitigate interest rate volatility. In the period under review, long-term US treasury yields remained at historical low levels. At the same time, credit margins for high credit rated corporate bonds tightened due to risk aversion by market participants. Taking advantage of the lower long-term interest rates and credit margins, The Link REIT issued US\$500 million 10-year fixed rate MTN at 3.60% per annum. The notes were priced at a yield equivalent to the 10-year US treasury yield plus 1.30%. These first time US\$ notes have not only broadened the funding source of The Link REIT, but it also strengthened the Group's liquidity position and improved protection against potential interest rate increases.

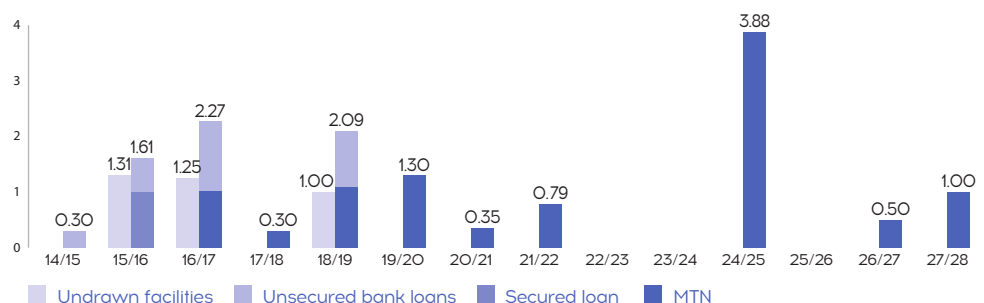
During the period, a HK\$2 billion secured loan from HKMC and HK\$550 million bilateral bank loans were repaid. The final tranche of HK\$1 billion secured loan from HKMC is scheduled for repayment in May 2015. After that, no property of the Group will be pledged.

Following the first batch of HK\$1,240 million (before transaction cost) property disposal completed in July 2014, we used HK\$888 million to buy back approximately 19.4 million units of The Link REIT at an average price of HK\$45.63 per unit in order to neutralise the negative impact on future DPU from the property disposal. The remaining proceeds of HK\$339 million has been retained as general corporate funding. The acquisition of Lions Rise Mall was completed in September 2014 and the consideration of HK\$1,380 million together with transaction expenses of about HK\$128 million were funded from the Group's existing available liquidity.

**Facility Maturity Profile<sup>(1)</sup>**

(as at 30 September 2014)

HK\$'B

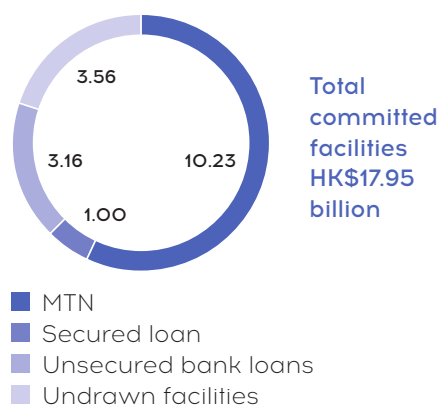


Note:  
(1) All amounts are at face value.

As at 30 September 2014, the Group's available liquidity increased slightly to HK\$7.14 billion (31 March 2014: HK\$7.10 billion), comprising HK\$3.58 billion (31 March 2014: HK\$2.79 billion) in cash and deposits and HK\$3.56 billion (31 March 2014: HK\$4.31 billion) in committed but undrawn facilities. At the same time, the average life of the Group's committed debt facilities increased to 5.2 years (31 March 2014: 3.7 years).

### Funding Base

(as at 30 September 2014)  
HK\$'B



As at 30 September 2014, total debt increased to HK\$14.39 billion (31 March 2014: HK\$12.56 billion) and gearing ratio remained steady at 11.0% due to higher property valuation. The percentage of fixed rate debt to net debt as at 30 September 2014 increased to 79.6% (31 March 2014: 66.2%). Average life of fixed rate debt, representing the average period of interest rate protection provided by the fixed rate debt, also increased further to 7.0 years (31 March 2014: 6.2

years). Despite more fixed interest rate hedging, effective interest cost of the Group's debt portfolio as at 30 September 2014 was increased only slightly to 2.85% (31 March 2014: 2.77%).

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

### MANUFACTURED CAPITAL

#### Valuation analysis

Total value of The Link REIT's investment properties increased 14.2% from HK\$109,899 million as at 31 March 2014 to HK\$125,486 million as at 30 September 2014. Despite the disposal of four properties completed during the period under review, value of the retail properties increased 12.3% to HK\$102,492 million as at 30 September 2014 (31 March 2014: HK\$91,245 million) while value of the car parks increased 23.3% to HK\$22,994 million (31 March 2014: HK\$18,654 million). The increase in value was mainly driven by the increase in net property income and compressed capitalisation rates for car parks and some of the smaller assets in our portfolio to reflect recent market transactions.

CBRE Limited, the principal valuer of The Link REIT, valued The Link REIT's property portfolio as at 30 September 2014 through a combination of DCF and income capitalisation approaches while making references to market transactions and comparables.

"The valuation of enhanced assets outperforms the remaining portfolio"

### Valuation Approach

	As at 30 Sep 2014	As at 31 Mar 2014
<b>Income Capitalisation Approach - Capitalisation Rate</b>		
Retail properties	3.40 - 5.80%	4.40 - 6.60%
Retail properties: weighted average	4.76%	5.09%
Car parks	3.80 - 6.60%	4.80 - 7.60%
Car parks: weighted average	5.09%	6.16%
Overall weighted average	4.82%	5.27%
<b>DCF Approach</b>		
Discount rate	7.50%	7.50%

**Asset enhancement**

As at 30 September 2014, the asset enhancement projects at Hoi Fu Shopping Centre and Mei Lam Commercial Centre had been completed with satisfactory returns on investment of 19.1% and 17.8%, respectively. This brings the total number of completed asset enhancement projects to 37.

Hoi Fu Shopping Centre and Mei Lam Commercial Centre are the latest examples of enhancement works

completed for the smaller properties in the portfolio. Refurbishment works at these two properties included improved floor plans creating more shops and street-front shops, redesigned façades, and revamped ceilings and lighting. These have contributed towards improving the ambiance and visibility of the properties, which in turn has enabled us to introduce new dining and retail tenants at both locations.

**Status of Asset Enhancement Projects**

	Number of projects	Estimated costs HK\$'M
Completed since initial public offering	37	3,528
Underway	7	1,444
Pending statutory approval	8	1,155
Others under planning	>13	>1,600
<b>Total</b>	<b>&gt;65</b>	<b>&gt;7,727</b>

**Asset Enhancement Projects Underway**

	Estimated costs HK\$'M	Target completion date
Yau Oi Commercial Centre <sup>(1)</sup> } On Ting Commercial Complex }	477	late 2014
Un Chau Shopping Centre <sup>(2)</sup>	66	late 2014
Tsing Yi Commercial Complex <sup>(2)</sup>	140	mid 2015
Lung Cheung Plaza <sup>(3)</sup>	353	late 2015
Long Ping Commercial Centre <sup>(2)</sup>	196	late 2015
Tin Shing Shopping Centre	212	early 2016
<b>Total</b>	<b>1,444</b>	

Notes:

(1) Project includes a fresh market upgrade.

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

(3) Property ranked amongst top 10 by valuation.

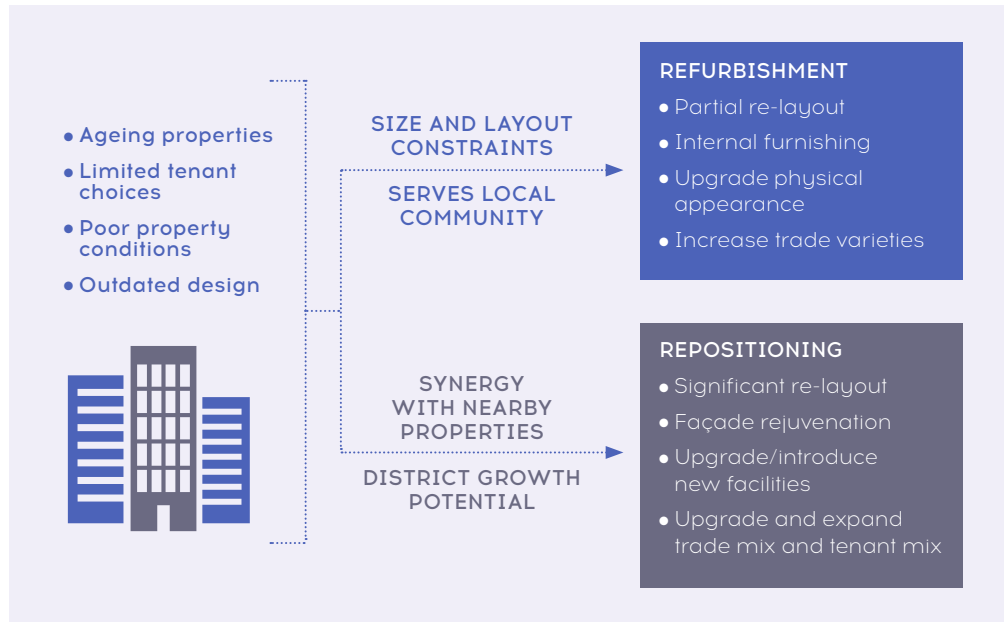
The majority of our completed asset enhancement projects to date consist of refurbishment activities to modernise an ageing property portfolio. This includes upgrading lighting, enhancing storefront design and ensuring all properties comply with the latest building codes and regulations.

Hong Kong is vibrant and dynamic with changing demographics. To keep pace with a changing community, shopping demands, growing population and increasing household income, we have

also committed greater capital expenditure towards repositioning some shopping centres. Repositioning assets aims to provide a better shopping environment to tenants and shoppers by making significant upgrades including structural changes to improve property layout, enhance property façades and integrate our assets with nearby landmarks and attractions. Asset repositioning ensures that our properties will remain competitive in attracting and retaining a diverse tenant mix to offer to the local communities.

“Centred at the heart of The Link REIT’s resolve is having a long-term view, focusing on prudent and sustainable growth, developing transparent processes and strong governance”

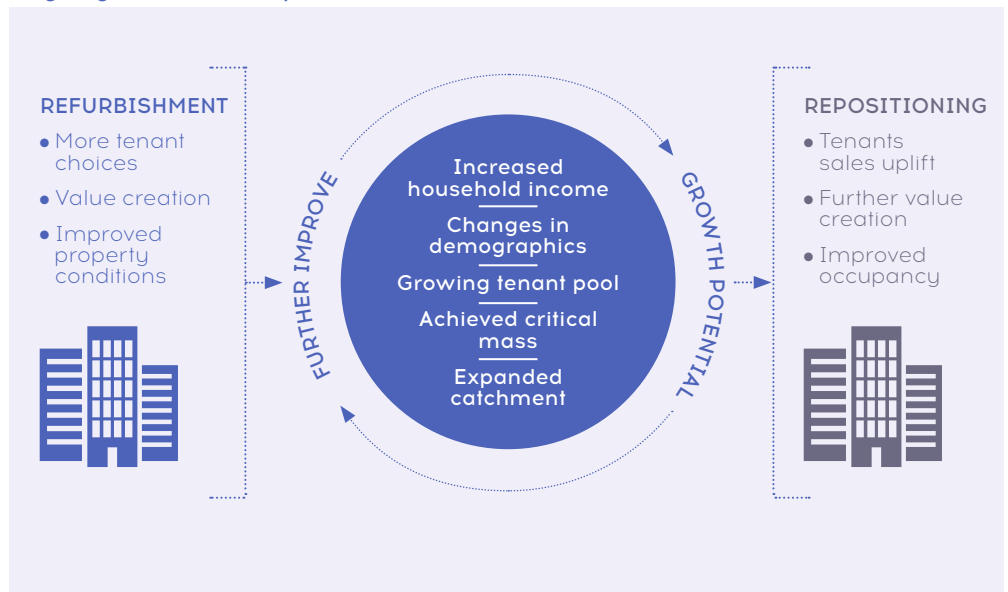
### Refurbishment and Repositioning



We constantly review our portfolio, and changes in demographics and shoppers’ demand, improved tenant pool and new infrastructure and development will lead to the change in growth potential in certain areas. In view of these factors in the dynamic

environment, some properties that we have carried out minor refurbishment before may be selected to undergo a second asset enhancement for repositioning if we see higher growth potential.

### Ongoing Process to Improve and Create Value

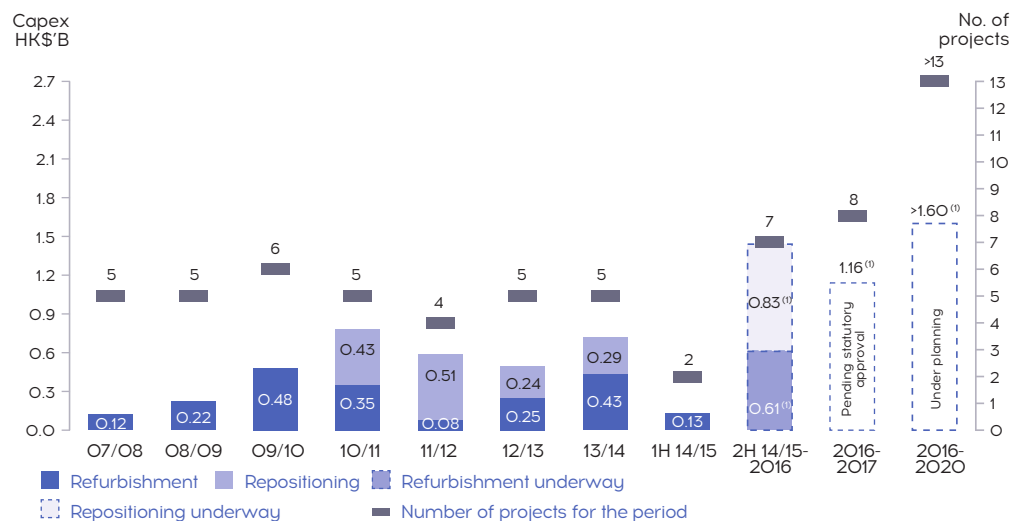


“The Link REIT increases trade varieties, upgrades appearances, and boosts the profile of districts”

Lung Cheung Plaza, which had completed a minor refurbishment in 2008 to upgrade a small section of the property, is now undergoing repositioning works scheduled to be completed in 2015. This project will repartition retail space for more variety,

reorganise the zoning for different trades, and deliver an expansion of trade mix. This repositioning will ultimately capture the growth potential of the district, and attract more potential customers and tenants.

**Asset Enhancement Project Pipeline**



Note:  
 (1) Estimated figures as at 30 September 2014.

The Link REIT has already planned for an asset enhancement pipeline running to 2020. Enhanced assets continually outperform the remaining portfolio and asset enhancement is a sustainable and proven growth strategy that sees the creation of synergies among our shopping centres, fresh markets, cooked food stalls, and car parks throughout Hong Kong.

**Asset investment**

In the six months ended 30 September 2014, The Link REIT’s manufactured capital underwent several notable changes. The Link REIT acquired Lions Rise Mall in the Wong Tai Sin district for HK\$1,380 million. Lions Rise Mall, coupled with our two nearby

properties – Wong Tai Sin Plaza and Lung Cheung Plaza – creates a cluster with synergistic effect to allow us to serve a wider range of shoppers.

Having reviewed our property portfolio, The Link REIT completed the disposal of four properties in July 2014 and announced the disposal of another five properties in September 2014, to be completed in December 2014. The sale of the four properties in July 2014 fetched a total consideration of HK\$1,240 million, representing a 38% premium to the aggregate appraised values of those properties as at 31 March 2014. The disposal of the second batch of five properties, when completed, will bring in another HK\$1,716 million, representing a 29% premium to the aggregate



“At the heart of The Link REIT is the belief that everyone involved in the business understands the value of what they are doing and feels vested in our success”

appraised value of those properties as at 31 March 2014. We are applying the disposal proceeds in a variety of ways including unit buy-backs to neutralise the negative impact on future DPU from the asset disposals, fund potential investment opportunities as well as for general working capital purposes.

We continue to assess performance of the Hong Kong portfolio, identify outlying assets for disposal to streamline and improve operating efficiency and seek better quality assets for acquisition. Together, these actions upgrade the portfolio composition and recycle capital for further value creation.

Besides investment opportunities in Hong Kong, following the approved change to our investment mandate in February 2014 allowing us to invest in areas outside of Hong Kong, we have started to identify and assess new property investment opportunities in Mainland China. The Pearl River Delta has seen improved infrastructure and development, and is benefitting from expansion of middle class shoppers. Our larger tenants are already operating in the Pearl River Delta region, as they see opportunities in Mainland Chinese mid-market retail properties.

While a large number of potential opportunities exist outside of Hong Kong, each opportunity will be approached with due diligence, so that factors such as location, costs, prices, tenant mix and long-term potential are all examined to ensure that we can deliver accretive growth for our Unitholders.

On 10 November 2014, we entered into a non-binding letter of intent with 萬科企業股份有限公司 (China Vanke Co., Ltd.) in relation to the proposed acquisition of an 80% interest in a shopping mall as well as certain shops and car parks that form part of a larger mixed-use development located in Longcheng street, Longgang District, Shenzhen. For details, please see announcement of The Link REIT dated 10 November 2014.

## INTELLECTUAL CAPITAL

Our well-established financial and manufactured capitals have built a solid foundation for growth. Stepping up further requires us to remain diligent in developing our asset management expertise (comprising property management and leasing), to continually refine The Link REIT's trade mix, develop initiatives to support our tenants, create a more stable asset profile and effectively control operating costs.

With these strategies in place, The Link REIT has capitalised on the resilience of Hong Kong's retail sales environment. We have benefitted from positive consumer sentiment, stable sales growth in non-discretionary items, steady improvement in household income, favourable employment conditions in society and increasing statutory minimum wage that supports domestic consumption.

## Report of the Chief Executive Officer (Continued)

**Retail portfolio**

As at 30 September 2014, the overall occupancy rates of the retail portfolio remained stable at 94.4% (31 March 2014: 94.4%). 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 2013: 23.6%). The average monthly unit rent improved from HK\$42.1 psf as at 31 March 2014 to HK\$43.6 psf as at 30 September 2014.

**Operational Statistics of Retail Portfolio**

Category	Occupancy rate		Composite reversion rate		% of total IFA <sup>(1)</sup>
	As at 30 Sep 2014 %	As at 31 Mar 2014 %	Six months ended 30 Sep 2014 %	Six months ended 30 Sep 2013 %	As at 30 Sep 2014 %
Shops	96.4	96.6	24.1	22.6	81.9
Markets/Cooked Food Stalls	84.2	82.4	21.8	27.7	9.1
Education/Welfare, Office and Ancillary	87.0	86.3	20.6	13.1	9.0
<b>Total</b>	<b>94.4</b>	<b>94.4</b>	<b>23.6</b>	<b>23.6</b>	<b>100.0</b>

Note:

(1) Total excluding self use office.

We 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 25.3% and 45.9% respectively

to the retail rental revenue of The Link REIT's portfolio and achieved average monthly unit rents of HK\$62.9 psf and HK\$47.6 psf, respectively, as at 30 September 2014 (31 March 2014: HK\$60.5 psf and HK\$45.1 psf).

**Retail Portfolio Breakdown**

Properties <sup>(1)</sup>	Retail properties valuation	Retail rentals	Average monthly unit rent per leased IFA		Occupancy rate	
	As at 30 Sep 2014 HK\$'M	Six months ended 30 Sep 2014 HK\$'M	As at 30 Sep 2014 HK\$ psf	As at 31 Mar 2014 HK\$ psf	As at 30 Sep 2014 %	As at 31 Mar 2014 %
1-10	27,696	717	62.9	60.5	97.7	98.7
11-50	47,761	1,300	47.6	45.1	95.5	95.6
51-100	22,777	667	33.2	32.4	93.4	91.8
Remaining	4,258	134	22.9	23.2	87.8	89.3
Properties disposed	N/A	13				
<b>Total</b>	<b>102,492</b>	<b>2,831</b>	<b>43.6</b>	<b>42.1</b>	<b>94.4</b>	<b>94.4</b>

Note:

(1) Properties ranked by retail valuation as at 30 September 2014.

Average monthly retail gross sales per square foot of our tenants continued to improve and rose by 6.2% as compared to the same period last year. "Food and Beverage" maintained a high single-digit year-on-year growth in gross sales per square foot of 8.3%, while "General Retail" and "Supermarkets and Foodstuff" recorded increases of 6.0% and 4.3% respectively.

As at 30 September 2014, approximately 62.0% of monthly base 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.

**Retail Trade Mix by Monthly Base Rent and Leased IFA**  
(as at 30 September 2014)

Trade	As % of monthly base rent	As % of leased IFA
Food and Beverage	24.8%	29.4%
Supermarkets and Foodstuff	22.6%	18.8%
Markets/Cooked Food Stalls	14.6%	8.1%
Services	11.3%	9.7%
Personal Care, Medicine, Optical, Books and Stationery	8.3%	5.9%
Education/Welfare, Office and Ancillary	1.3%	8.3%
Others <sup>(1)</sup>	17.1%	19.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Note:

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

**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. The increased revenue

coupled with diligent cost control measures, net income margin for the six months under review improved to 70.7% (six months ended 30 September 2013: 68.8%).

**Key Car Park Property Performance Indicators**

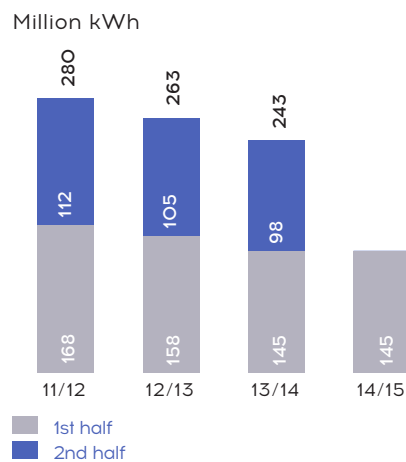
	Six months ended 30 Sep 2014	Six months ended 30 Sep 2013
Utilisation of car park space (%)	91.7	86.4
Car park income per space per month (HK\$)	1,738	1,529
Net property income margin (%)	70.7	68.8
Average valuation per space (HK\$'000)	294	208

**NATURAL CAPITAL**

We continue to seek opportunities to minimise the environmental impact of our operations, by controlling utilities expenses, energy management and waste management programmes. In April 2014, we launched a waste management pilot programme to assess the total daily amount of waste disposed of by our properties. The programme, originally comprising 10 locations, has since expanded to 47 properties, covering 45% of The Link REIT’s total internal floor area. We will use the data from the pilot programme to develop a long-term waste management strategy, which includes minimising waste produced to be disposed of at landfills, increasing recycling, and improving tenant and customer awareness.

Effective energy management is instrumental to continuous margin improvement, which not only benefits The Link REIT, but also benefits tenants, communities and the environment. We will continue to invest in energy saving, waste reduction and carbon reduction, to enhance our natural capital.

**Energy Consumption**



**SOCIAL AND RELATIONSHIP CAPITAL**

The Link REIT has developed numerous community engagement programmes. Annual flagship marketing events such as Lok Fu Halloween Haunted House, PAWS by the Sea and Low Carbon 30 remain popular programmes and continue to draw increasing participation from local communities. Our team of community relationship managers is dedicated to engage local communities to better understand their concerns and needs.

The Link Together Initiatives, our flagship charity and community engagement programme focusing on the well-being of the youth and elderly, has recently completed its inaugural year. We supported 10 programmes with over 80,000 direct beneficiaries across Hong Kong in 2013/14. We have also selected the second intake of nine community programmes to support for 2014/15 with a total funding amount of approximately HK\$7.5 million. An innovation category has been introduced in the 2014/15 funding round, allocating up to HK\$500,000 to support and encourage the development of new community based charity ideas. Aside from financial contributions, the commitment by The Link REIT to nurture the success and impact of The Link Together Initiatives includes providing additional support by assigning staff sponsors to assist in the community projects, as well as making our properties and facilities available to each of the selected programmes.

For more details about each programme, please refer to our website.

“We continue to invest in training programmes, talent management systems, and work-life balance initiatives”

## HUMAN CAPITAL

Our achievements are a result of the tireless effort of our staff. In order to attract, motivate and retain high performing staff, it is our policy to provide our staff with an equitable, motivating and competitive remuneration package encompassing various benefits such as discretionary bonus, maternity/paternity leave and birthday leave. We also continue to invest in various training programmes, talent management systems, and work-life balance initiatives.

Programmes such as the employee unit purchase plan and our executive diploma in shopping mall management offered through The Hong Kong Polytechnic University are examples of how we enhance our human capital where staff understand the value of what they are doing and feel vested in our corporate success.

As at 30 September 2014, the Manager had 956 staff (31 March 2014: 930).

## OUTLOOK

Over the past few years, The Link REIT has benefitted from a steady and favourable retail environment in Hong Kong resulting in robust year-on-year retail sales growth. However, the general consensus among Hong Kong retail environment indicators suggests that there has been a slowdown in retail sales growth this year. This includes a drop in the growth of tourist numbers arriving from Mainland China, which may be further intensified by the prospect of prolonged political instability in the Hong Kong Special Administrative Region. Furthermore, the construction sector is experiencing cost pressure due to a shortage of skilled labour.

With a retail portfolio targeting mass market and daily necessities, coupled with our strong financial position, The Link REIT is relatively less affected from the prospect of a Hong Kong-wide slowdown in retail sales. Nonetheless, to improve our ability to face these upcoming challenges, we are identifying opportunities to mitigate the potential impact through managing operational costs, retaining talent and developing partnerships with key service providers and contractors.

In every aspect of our business, The Link REIT has enhanced and managed assets for the community on a sustainable basis to provide stable income from a large portfolio. At the same time, we have used prudent capital management to counter potential interest rate hikes and we have operated a disciplined and cautious growth strategy. We will continue to enhance the lives of people around The Link REIT's properties, deliver a solid retail platform for tenants, generate impactful benefits for the business community, and create value for our different stakeholders.

### George Kwok Lung HONGCHOY

Chief Executive Officer

The Link Management Limited  
As Manager of The Link Real Estate  
Investment Trust

12 November 2014

# Setting high standards

The Link REIT's approach to governance and finance is the bedrock for innovative solutions that benefit communities, tenants and shoppers. In governance, we became the first Hong Kong REIT to participate in the United Nations Global Compact, actively use a risk register to manage exposure, and strive to be benchmarked against international standards. In financial management, The Link REIT has focused on sustainability and growing total return by increasing net property income and distributions to Unitholder.

This approach supports us as we innovate in asset investment, enhancement and management.

Our fresh market strategy best exemplifies this by transforming outdated and dilapidated wet markets into modernised fresh markets which offer new tenant mix and enhanced synergy with adjoining shopping centres. At the same time, we have preserved an iconic element of Hong Kong culture.

Enhancement at Lok Fu Market, our latest award-winning fresh market, has provided a number of benefits to the community including:

- Revamped layout of low stall designs, enhancing permeability and visibility of the market for tenants
- Installation of barrier free access facilities and wider corridors to enhance shopper accessibility
- Better shopping environment with diverse tenants, designed to cater to the needs of different shopper groups
- Improved operational efficiency including environmental friendly lighting, redesigned back of house corridors and overhauled drainage system

HK\$120 Million 17.2%

Modernisation investment

Return on investment

## CONTENTS

Authorisation structure	30	Condensed statement of distributions	48
Corporate governance report	31	Condensed consolidated statement of financial position	49
Disclosure of interests in units	34	Condensed consolidated statement of changes in equity and net assets attributable to unitholders	50
Long-term incentive plan	37	Condensed consolidated statement of cash flows	51
Connected party transactions	42	Notes to the condensed consolidated interim financial information	52
Investor relations	44		
Auditor's review report	45		
Condensed consolidated income statement	46		
Condensed consolidated statement of comprehensive income	47		



## AUTHORISATION STRUCTURE

### Internally managed REIT

The Link REIT is a collective investment scheme authorised by the SFC under section 104 of the SFO, and its activities as well as the activities of the Manager are regulated by the SFC pursuant to the REIT Code and the SFO. The Link REIT adopts an internalised management structure, with the Manager and the assets of The Link REIT being put under unitary ownership of the Trustee (which is HSBC Institutional Trust Services (Asia) Limited) holding in trust for all the Unitholders. This aligns the interest of the Manager with that of our Unitholders.

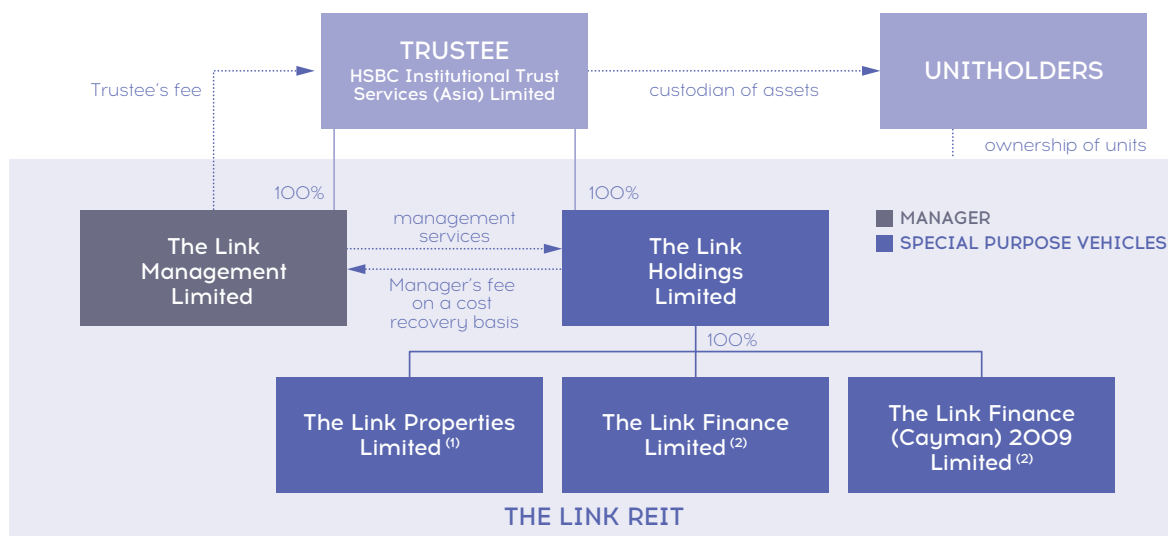
In the period under review, two new wholly-owned special purpose vehicles were set up by The Link REIT, namely, Metro Pilot Limited and Link (LRM) Limited under SFC's approval to the relevant holding structure. Further details are set out on page 33 of this interim report.

### The Manager and the Trustee

The Manager is licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management (Type 9). It is wholly owned by the Trustee and manages professionally all the assets of The Link REIT in the sole interest of our Unitholders. As at the date of this interim report, the Manager has five responsible officers (including the two Executive Directors) for the purpose of the SFO whose names appear in the "Corporate information" section. The Trustee is the custodian holding all the assets of The Link REIT in the sole interest of our Unitholders. The Trustee and the Manager operate independently, and their rights and obligations are governed by the Trust Deed.

As mandated under the Trust Deed, the Manager is compensated by management fee on a cost recovery basis. No acquisition/divestment fee, nor fee based on a percentage of assets under management or other performance-related indicia, is charged. This minimises conflict of interest.

During the six months ended 30 September 2014, the Manager managed The Link REIT, in all material aspects, in accordance with the provisions of the Trust Deed and the Manager's compliance manual (the "Compliance Manual") which sets out the key processes, systems and measures in respect of the operations of The Link REIT. The Compliance Manual was updated (i) on 17 April 2014 mainly to align with the requirements of the REIT Code and the SFC on REITs' investing and operating overseas and to regulate possible activities of The Link REIT in the Mainland China; and (ii) further on 12 November 2014 mainly to amend the membership requirements of the Nomination Committee of the Board. The updated terms of reference of the Nomination Committee had been posted onto the corporate website of The Link REIT ([www.thelinkreit.com](http://www.thelinkreit.com)).



Notes:

(1) The Link Properties Limited is a special purpose vehicle for holding all the properties of The Link REIT. It holds wholly and directly two other special purpose vehicles, namely, Great Land (HK) Limited and Metro Pilot Limited, and wholly and indirectly (through Metro Pilot Limited) another special purpose vehicle, namely, Link (LRM) Limited.

(2) Special purpose vehicles for financing purposes.



## CORPORATE GOVERNANCE REPORT

Our Board believes that strong corporate governance is the cornerstone for business success and sustainable long-term growth. The Link REIT's corporate governance is accentuated by these attributes: great diversity and strong independence among Board members, high level of commitment and diligence of Directors, and an efficient and transparent Board process.

An effective Board works for the long-term success of The Link REIT. Hence, our Board strongly supports the principle of regular evaluation of its own effectiveness and that of the Board Committees, and regards succession planning as an important responsibility.

### Change of members of Board and Board Committees

During the six months under review, changes in members of our Board and Board Committees are as follows:

- Upon conclusion of the 2014 AGM:
  - Mr Stanley KO Kam Chuen retired as an Independent Non-Executive Director, a member of the Audit Committee, and a member of the Human Resources and Compensation Committee
- Effective from 24 July 2014:
  - Mr Peter TSE Pak Wing was appointed as an Independent Non-Executive Director, a member of the Audit Committee, and a member of the Remuneration Committee
  - Ms Nancy TSE Sau Ling was appointed as an Independent Non-Executive Director and a member of the Remuneration Committee
  - Mr William CHAN Chak Cheung was appointed as a member of the Nomination Committee
  - Mr Andy CHEUNG Lee Ming was appointed as a member of the Human Resources and Compensation Committee
  - Mrs Eva CHENG LI Kam Fun was appointed as a member of the Finance and Investment Committee
- Effective from 1 August 2014:
  - Dr Patrick FUNG Yuk Bun retired as an Independent Non-Executive Director and the chairman of the Remuneration Committee
  - Mr Anthony CHOW Wing Kin succeeded Dr Patrick FUNG Yuk Bun as the chairman of the Remuneration Committee

### Update on Directors' information

- Mr George Kwok Lung HONGCHOY was appointed as chairman of the Supervisory Committee of Tracker Fund of Hong Kong (whose units are listed on the Main Board of the Hong Kong Stock Exchange) in August 2014.
- Ms May Siew Boi TAN has become an executive director (formerly non-executive director) and chief executive officer of Standard Chartered Bank (Hong Kong) Limited effective from 1 July 2014.

### Corporate governance policy and practices

Save as disclosed herein, the corporate governance policy and practices adopted for The Link REIT during the six months ended 30 September 2014 were in line with those in place for the year ended 31 March 2014 which were disclosed in the corporate governance report of the annual report 2013/2014 of The Link REIT, including the modification to the rigid application of code provision A.4.2 of the Corporate Governance Code in Appendix 14 to the Listing Rules so that the two Executive Directors are not subject to retirement by rotation to preserve business continuity as discussed on page 62 of the annual report 2013/2014.

### Regulatory compliance

Throughout the six months ended 30 September 2014:

- The Link REIT and the Manager complied with the REIT Code, the SFO, (wherever applicable) the provisions of 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;

## Corporate governance (Continued)

- all the Directors, after making specific enquiry on each of them, confirmed that they complied with the required standard set out in the Code Governing Dealings in Securities of The Link REIT by Directors and Senior Management (the “**Securities Dealing Code**”) which was adopted to govern dealings in securities of The Link REIT by Directors and certain senior management. The terms of the Securities Dealing Code are regularly reviewed and updated (when required) by the Manager to ensure that they 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. Those relevant senior management who are subject to the Securities Dealing Code had also confirmed their compliance of the required standard; and
- the Manager continued with stringent internal procedures (including an escalation policy) to protect and monitor the confidentiality of inside information, and complied with the requirements of Part XIVA of the SFO. Pursuant to the Securities Dealing Code, Directors or relevant senior management 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 SFO provisions applied to The Link REIT. Also, they must refrain from dealing in the securities of The Link REIT if they are in possession of unpublished inside information until proper disclosure of the inside information has been made. In addition, the Manager imposes and enforces “black-out” on relevant staff members, as and when required, in the strict manner required by the Listing Rules and the inside information provisions of the SFO.

**Other information****Review by audit committee and auditor**

The condensed consolidated interim financial information of The Link REIT for the six months ended 30 September 2014 had been reviewed by the Audit Committee of the Manager and the auditor of The Link REIT.

**Employee unit purchase plan**

During the period under review, 365 eligible employees of the Manager participated in the EUPP who together purchased 145,733 units on the Hong Kong Stock Exchange through an independent third party intermediary (being Bank of China (Hong Kong) Limited) at a total consideration of HK\$6,466,079.80, of which HK\$906,805 was subsidised by the Manager. The amount of subsidy for each eligible employee was determined in accordance with the rules of the EUPP with reference to his/her length of service and appraised performance.

**Charity and community engagement programme**

In the period under review, the Board approved charitable donations and sponsorships of approximately HK\$7.5 million, which are paid and payable for nine projects recommended by the selection committee under the CCEP (which is known as “The Link Together Initiatives”). The themes of all these nine projects are in line with the twin-focus of the CCEP.

**Issue of new units**

1,764,208 new units were issued in the period pursuant to the LTI Plan.

**Buy-back, sale or redemption of The Link REIT’s listed units**

During the six months ended 30 September 2014, the Manager (on behalf of The Link REIT) bought back a total of 19,411,500 units on the Hong Kong Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$886 million. Further details are set out as follows:

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

All the units so bought back were cancelled prior to the end of the period. All the unit buy-backs by the Manager in the period were carried out pursuant to the general mandate to buy back units granted by the Unitholders at the 2014 AGM.

Save as disclosed above, neither the Manager nor any of The Link REIT’s subsidiaries bought back, sold or redeemed any of The Link REIT’s listed units during the six months ended 30 September 2014.

### **Unitholders' statistics**

As at 1 April 2014, there were 2,310,889,561 units in issue. During the period under review, 1,764,208 new units were issued and 19,411,500 units bought back were cancelled. As at 30 September 2014, total units in issue were changed to 2,293,242,269 units, which were held by 25,111 registered Unitholders according to the register of Unitholders of The Link REIT. HKSCC Nominees Limited (through which most holders hold their units) was a single largest registered Unitholder, holding 2,201,644,234 units (approximately 96.01%) as at 30 September 2014.

Based on the closing price of HK\$44.75 per unit and the number of units then in issue, market capitalisation of The Link REIT as at 30 September 2014 was approximately HK\$102.6 billion. Further details are set out in Note 21 to the condensed consolidated interim financial information in this interim report.

### **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.

### **Acquisition and disposal of real estate**

The Link REIT's portfolio comprised 182 properties as at 31 March 2014. A complete list of those properties can be found on pages 171 to 172 of the annual report 2013/2014 of The Link REIT.

During the period under review, the following acquisition and disposal of properties took place:

- On 20 May 2014, The Link REIT (through The Link Properties Limited) accepted tenders in respect of the disposal of four properties, namely, (i) the Hing Tin Commercial Centre; (ii) the Kwai Hing Shopping Centre; (iii) the Retail and Car Park within Tung Hei Court; and (iv) the Wah Kwai Shopping Centre, for an aggregate consideration of HK\$1,239,738,800. Further details of the disposals were set out in the announcement dated 20 May 2014. Completion of the disposals took place on 31 July 2014.
- On 18 August 2014, The Link REIT (through Link (LRM) Limited) acquired Lions Rise Mall pursuant to a sale and purchase agreement dated 18 August 2014 made with the vendor, Bethan Company Limited (a wholly-owned subsidiary of Kerry Properties Limited), for a consideration of HK\$1,380,000,000. Further details of the acquisition were set out in the announcement dated 18 August 2014. Completion of the acquisition took place on 18 September 2014.
- On 29 September 2014, The Link REIT (through The Link Properties Limited) accepted tenders in respect of the disposal of another five properties, namely, (i) the Retail and Car Park within Choi Fai Estate; (ii) the Retail and Car Park within Choi Ha Estate; (iii) the Siu Lun Shopping Centre; (iv) the Tin Ping Shopping Centre; and (v) the Tsui Lam Shopping Centre, for an aggregate consideration of HK\$1,716,160,000. Further details of the disposals were set out in the announcement dated 29 September 2014. Completion of the disposals is scheduled for 1 December 2014.

As at 30 September 2014, The Link REIT's portfolio comprised 179 properties (including the five properties already disposed of by way of tender on 29 September 2014 subject to completion as mentioned above). Save as disclosed above, neither The Link REIT nor any of its subsidiaries acquired or disposed of any real estate in the period under review.

### **New special purpose vehicles**

For the purpose of acquiring Lions Rise Mall, The Link REIT set up two new wholly-owned special purpose vehicles, namely, Metro Pilot Limited and Link (LRM) Limited. Link (LRM) Limited, a company incorporated in Hong Kong, is directly and wholly owned by Metro Pilot Limited. Metro Pilot Limited, a company incorporated in the British Virgin Islands, is itself directly and wholly owned by The Link Properties Limited (the wholly-owned special purpose vehicle incorporated in the Cayman Islands for holding all the properties of The Link REIT). Submission regarding the Note to 7.5(d) of the REIT Code in relation to The Link REIT's holding of the Lions Rise Mall through more than two layers of special purpose vehicles was made by the Manager, which was allowed by the SFC subject to the condition that there will be no change to the maximum four layers of special purpose vehicles currently used. Please refer to the announcement dated 18 August 2014 for further details.

### **Foreign Account Tax Compliance Act ("FATCA")**

In the period under review, the Manager, acting upon professional advice, has registered as a foreign financial institution with the US Internal Revenue Service for the purpose of FATCA.

### **Changes after closure of financial period**

This interim report has taken into account changes occurred since the end of the six-month period on 30 September 2014 up to the date of approval of this interim report by the Board on 12 November 2014.

Hong Kong, 12 November 2014

## Disclosures

## DISCLOSURE OF INTERESTS IN UNITS

## Interests of significant Unitholders and other Unitholder

As at 30 September 2014, the following persons were considered The Link REIT's significant Unitholders (within the meaning of "significant holder" under 8.1(d) of Chapter 8 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	243,911,355 <sup>(1)</sup>	10.63 <sup>(1)</sup>
Capital Research and Management Company <sup>(1)</sup>	Beneficial owner and interests of controlled corporations	243,911,355 <sup>(1)</sup>	10.63 <sup>(1)</sup>

In addition to the significant Unitholders as disclosed above, according to 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, another person having 5% or more interests in the units of The Link REIT as at 30 September 2014 was as follows:

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) 161,922,361 (S) 1,340,500	7.06 0.05

Notes:

(1) The Capital Group Companies, Inc. is the parent company of Capital Research and Management Company and they were interested in the same block of 243,911,355 units as at 30 September 2014 as disclosed above. As at 30 September 2014, Capital Research and Management Company was directly interested in 231,737,444 units (10.10%) and deemed to be interested in 12,173,911 units (0.53%) which were further held by its four subsidiaries, namely, Capital Guardian Trust Company (6,168,449 units or 0.27%), Capital International, Inc. (2,879,126 units or 0.12%), Capital International Limited (1,106,302 units or 0.05%) and Capital International Sàrl (2,020,034 units or 0.09%).

(2) The approximate percentages were calculated based on 2,293,242,269 units in issue as at 30 September 2014 (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 were no other persons having 5% or more interests in the units as at 30 September 2014.

## Interests of Directors in units

According to 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, the interests of the Directors in units and underlying units of The Link REIT as at 30 September 2014 were as follows:

Name	Number of units				Interest in underlying units <sup>(2)</sup>	Total interest held at 30 Sep 2014	Approximate percentage of total units in issue <sup>(4)</sup> %	Total interest held at 31 Mar 2014
	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	708,438	-	-	-	114,500	822,938	0.0359	802,146
<b>Executive Directors</b>								
George Kwok Lung HONGCHOY	1,335,239	-	-	-	926,500	2,261,739	0.0986	1,871,811
Andy CHEUNG Lee Ming	337,381	-	-	-	259,500	596,881	0.0260	513,632
<b>Non-Executive Director</b>								
Ian Keith GRIFFITHS	23,456	-	-	-	32,000	55,456	0.0024	199,888
<b>Independent Non-Executive Directors</b>								
William CHAN Chak Cheung	102,981	-	-	-	42,500	145,481	0.0063	137,696
Eva CHENG LI Kam Fun	-	-	-	-	9,000	9,000	0.0004	-
Anthony CHOW Wing Kin	544,712	-	-	-	30,000	574,712	0.0251	579,427
May Siew Boi TAN	-	-	-	-	24,000	24,000	0.0010	12,500
Peter TSE Pak Wing <sup>(3)</sup>	-	-	-	-	-	-	-	-
Nancy TSE Sau Ling <sup>(3)</sup>	-	-	-	-	-	-	-	-
David Charles WATT	62,860	-	-	-	35,500	98,360	0.0043	91,722
Richard WONG Yue Chim	224,346	-	-	-	42,000	266,346	0.0116	257,743
Elaine Carole YOUNG	2,500	-	-	-	22,000	24,500	0.0011	14,000
<b>Former Independent Non-Executive Directors</b>								
Patrick FUNG Yuk Bun <sup>(5)</sup>	294,994	-	-	-	23,500	318,494	0.0139	322,172
Stanley KO Kam Chuen <sup>(6)</sup>	228,272	-	-	-	28,000	256,272	0.0112	260,669

### 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 Directors mentioned above) on the vesting of the restricted unit awards granted to them under the LTI Plan. See also Notes 5 and 6 below.
- (3) Both Mr Peter TSE Pak Wing and Ms Nancy TSE Sau Ling were appointed as Independent Non-Executive Directors on 24 July 2014. No restricted unit award has yet been granted to them under the LTI Plan.
- (4) The approximate percentages were calculated based on 2,293,242,269 units in issue as at 30 September 2014.
- (5) These interests in units and underlying units (which were unvested restricted unit awards) represented Dr Patrick FUNG Yuk Bun's position as at 31 July 2014 (the date immediately preceding his retirement). There was no change to his unvested restricted unit awards from his retirement up to 30 September 2014. See Note 7 on page 41 for further details.
- (6) These interests in units and underlying units (which were unvested restricted unit awards) represented Mr Stanley KO Kam Chuen's position upon his retirement at the 2014 AGM on 23 July 2014. There was no change to his unvested restricted unit awards from his retirement up to 30 September 2014. See Note 8 on page 41 for further details.

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 or debentures of The Link REIT and/or its subsidiaries which were required to be disclosed pursuant to the provisions of Part XV of the SFO as at 30 September 2014.

## Disclosures (Continued)

**Interests of connected persons in units**

After making reasonable enquiry and according to the information available to the Manager, the following persons (other than the significant Unitholders<sup>(4)</sup> and Directors and any of their respective associates<sup>(5)</sup>), being connected persons (as defined in Chapter 8 of the REIT Code) to The Link REIT, held interests in the units of The Link REIT as at 30 September 2014 as follows:

Name	Number of units held at 30 Sep 2014	Approximate percentage of total units in issue <sup>(3)</sup> %	Number of units held at 31 Mar 2014
The Hongkong and Shanghai Banking Corporation Limited (" <b>HSBC</b> ") and its subsidiaries <sup>(1)</sup>	5,883,961	0.257	2,473,461
Aviva Life Insurance Company Limited (" <b>Aviva</b> ") <sup>(2)</sup>	191,000	0.008	189,000

## 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 5,883,961 units disclosed in the table above, a fellow subsidiary of HSBC was also interested in 3,454,770 units as at 30 September 2014.
- (2) Mr Nicholas Robert SALLNOW-SMITH is a non-executive director of Aviva; therefore, Aviva is a connected person to The Link REIT.
- (3) The approximate percentages were calculated based on 2,293,242,269 units in issue as at 30 September 2014.
- (4) The interests in units held by significant Unitholders (within the meaning of "significant holder" under 8.1(d) of Chapter 8 of the REIT Code and hence being connected persons to The Link REIT) as at 30 September 2014 are disclosed in the "Interests of significant Unitholders and other Unitholder" section above.
- (5) The interests in units held by Directors (as connected persons to The Link REIT for the purpose of the REIT Code) as at 30 September 2014 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 207,417 units as at 30 September 2014.
- (6) CBRE Limited, the principal valuer of The Link REIT, is a connected person to The Link REIT for the purpose of the REIT Code. A fellow subsidiary of CBRE Limited was interested in 15,787,308 units as at 30 September 2014.
- (7) Wing Hang Bank, Limited (now known as OCBC Wing Hang Bank Limited), an associate of the former Independent Non-Executive Director, Dr Patrick FUNG Yuk Bun, ceased to be a connected person to The Link REIT on 1 August 2014.

## 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, a unit option giving an option to subscribe for units, and a cash incentive in the form of a conditional cash award may be granted to the Directors and other eligible staff of the Manager. A summary of the LTI Plan was set out on pages 106 to 108 of the annual report 2013/2014 of The Link REIT. Since the adoption of the LTI Plan, no unit option has ever been granted.

### Restricted unit awards

The movements in restricted unit awards, which were granted in conjunction with conditional cash awards<sup>(5)</sup>, under the LTI Plan during the six months ended 30 September 2014 and the balances as at the beginning and end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2014 <sup>(1)</sup>	Granted during the period <sup>(1) (2)</sup>	Vested during the period <sup>(3)</sup>	Cancelled during the period	Lapsed during the period <sup>(4)</sup>	Outstanding at 30 Sep 2014 <sup>(1)</sup>
<b>Current Directors</b>								
Nicholas Robert SALLNOW-SMITH (Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	52,500	-	(47,184)	-	(5,316)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	44,500	-	(37,108)	-	(7,392)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	44,500	-	-	-	-	44,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	18,250	-	-	-	-	18,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	18,250	-	-	-	-	18,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	16,750	-	-	-	16,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	16,750	-	-	-	16,750
George Kwok Lung HONGCHOY (Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	154,000	-	(138,408)	-	(15,592)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	189,500	-	(158,020)	-	(31,480)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	189,500	-	-	-	-	189,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	187,500	-	-	-	-	187,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	187,500	-	-	-	-	187,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	181,000	-	-	-	181,000
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	181,000	-	-	-	181,000

## Disclosures (Continued)

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2014 <sup>(1)</sup>	Granted during the period <sup>(1) (2)</sup>	Vested during the period <sup>(3)</sup>	Cancelled during the period	Lapsed during the period <sup>(4)</sup>	Outstanding at 30 Sep 2014 <sup>(1)</sup>
Andy CHEUNG Lee Ming (Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	64,500	-	(57,969)	-	(6,531)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	55,500	-	(46,280)	-	(9,220)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	55,500	-	-	-	-	55,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	52,500	-	-	-	-	52,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	52,500	-	-	-	-	52,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	49,500	-	-	-	49,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	49,500	-	-	-	49,500
Ian Keith GRIFFITHS (Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	14,500	-	(13,032)	-	(1,468)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	12,500	-	(10,424)	-	(2,076)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	12,500	-	-	-	-	12,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,000	-	-	-	-	5,000
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,000	-	-	-	-	5,000
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	4,750	-	-	-	4,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	4,750	-	-	-	4,750
William CHAN Chak Cheung (Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	-	(17,526)	-	(1,974)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	-	(13,759)	-	(2,741)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	-	-	-	-	16,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	-	-	-	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	6,250	-	-	-	6,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	6,250	-	-	-	6,250



Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2014 <sup>(1)</sup>	Granted during the period <sup>(1)(2)</sup>	Vested during the period <sup>(3)</sup>	Cancelled during the period	Lapsed during the period <sup>(4)</sup>	Outstanding at 30 Sep 2014 <sup>(1)</sup>
Eva CHENG LI Kam Fun (Independent Non-Executive Director)	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	4,500	-	-	-	4,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	4,500	-	-	-	4,500
Anthony CHOW Wing Kin (Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	19,500	-	(17,526)	-	(1,974)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	16,500	-	(13,759)	-	(2,741)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	-	-	-	-	16,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	-	-	-	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750
May Siew Boi TAN (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,250	-	-	-	-	6,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,250	-	-	-	-	6,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	5,750	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	5,750	-	-	-	5,750
Peter TSE Pak Wing (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
Nancy TSE Sau Ling (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
David Charles WATT (Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	16,000	-	(14,380)	-	(1,620)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,500	-	(11,258)	-	(2,242)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,500	-	-	-	-	13,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,750	-	-	-	-	5,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,750	-	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	5,250	-	-	-	5,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	5,250	-	-	-	5,250

## Disclosures (Continued)

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2014 <sup>(1)</sup>	Granted during the period <sup>(1) (2)</sup>	Vested during the period <sup>(3)</sup>	Cancelled during the period	Lapsed during the period <sup>(4)</sup>	Outstanding at 30 Sep 2014 <sup>(1)</sup>
Richard WONG Yue Chim (Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	-	(16,178)	-	(1,822)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	-	(12,925)	-	(2,575)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	-	-	-	-	15,500
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	-	-	-	6,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	6,500	-	-	-	6,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	6,500	-	-	-	6,500
Elaine Carole YOUNG (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,750	-	-	-	-	5,750
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,750	-	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	5,250	-	-	-	5,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	5,250	-	-	-	5,250
<b>Former Directors <sup>(6)</sup></b>								
Patrick FUNG Yuk Bun (Former Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	15,000	-	(13,481)	-	(1,519)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	13,000	-	(10,841)	-	(2,159)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,000	-	-	-	-	13,000 <sup>(7)</sup>
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,250	-	-	-	-	5,250 <sup>(7)</sup>
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,250	-	-	-	-	5,250 <sup>(7)</sup>
Stanley KO Kam Chuen (Former Independent Non-Executive Director)	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	18,000	-	(16,178)	-	(1,822)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	15,500	-	(12,925)	-	(2,575)	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	-	-	-	-	15,500 <sup>(8)</sup>
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,250	-	-	-	-	6,250 <sup>(8)</sup>
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,250	-	-	-	-	6,250 <sup>(8)</sup>

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2014 <sup>(1)</sup>	Granted during the period <sup>(1) (2)</sup>	Vested during the period <sup>(3)</sup>	Cancelled during the period	Lapsed during the period <sup>(4)</sup>	Outstanding at 30 Sep 2014 <sup>(1)</sup>
<b>Other participants</b>								
In aggregate	23 Sep 2011	23 Sep 2011 to 30 Jun 2014	668,020 <sup>(9)</sup>	-	(559,944) <sup>(9)</sup>	(29,209)	(78,867) <sup>(9)</sup>	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2014	661,734 <sup>(9)</sup>	-	(525,103) <sup>(9)</sup>	(21,264)	(115,367) <sup>(9)</sup>	-
	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	660,810 <sup>(9)</sup>	-	-	-	(8,618)	652,192 <sup>(9)</sup>
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	645,500	-	-	-	(6,250)	639,250
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	645,500	-	-	-	(8,338)	637,162
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	-	659,000	-	-	-	659,000
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	-	659,000	-	-	-	659,000
<b>Total</b>			<b>5,083,564</b>	<b>1,889,000</b>	<b>(1,764,208)</b>	<b>(50,473)</b>	<b>(322,279)</b>	<b>4,835,604</b>

Notes:

- (1) These figures represent the maximum number of units that may be issued on vesting of the restricted unit awards. 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 of grant of the restricted unit awards in the period was HK\$42.60 per unit. On the assumption that the restricted unit awards granted in the period were finally vested for the maximum number of units, the estimated value of such restricted unit awards would amount to approximately HK\$73 million as at 30 September 2014 based on the valuation of an independent valuer.
- (3) The closing price of the units on the business day immediately preceding the date on which the restricted unit awards were vested in the period was HK\$41.95 per unit.
- (4) These figures represent the maximum number of units relating to the restricted unit awards lapsed in the period. The conditional cash awards granted in conjunction with such restricted unit awards lapsed simultaneously.
- (5) The restricted unit awards in the above table were all granted in conjunction with conditional cash awards and an aggregate amount of HK\$6,885,507 was paid for the conditional cash awards vested along with the relevant restricted unit awards in the period.
- (6) According to the prevailing policy, outstanding restricted unit awards held by a retired Director will vest on a pro rata basis to his/her actual number of days in office before his/her retirement.
- (7) On a pro rata basis (see point 6 above), the maximum number of units that may be issued to Dr Patrick FUNG Yuk Bun (who retired on 1 August 2014) would be 8,980 units, 2,848 units and 1,897 units (instead of 13,000 units, 5,250 units and 5,250 units as stated in the above table). The remaining portions will not vest but lapse on the relevant vesting dates.
- (8) On a pro rata basis (see point 6 above), the maximum number of units that may be issued to Mr Stanley KO Kam Chuen (who retired at the conclusion of the 2014 AGM held on 23 July 2014) would be 10,592 units, 3,322 units and 2,213 units (instead of 15,500 units, 6,250 units and 6,250 units as stated in the above table). The remaining portions will not vest but lapse on the relevant vesting dates.
- (9) Included in these figures were outstanding restricted unit awards held by Mr Michael Ian ARNOLD (a former Independent Non-Executive Director) (please see page 111 of the annual report 2013/2014 for further details). At the beginning of the period, restricted unit awards in respect of a maximum of 49,500 units were outstanding, and restricted unit awards in respect of 19,167 units were vested and in respect of 14,833 units had lapsed in the period. At period end, restricted unit awards in respect of a maximum of 15,500 units remained outstanding which will be vested on a pro rata basis in favour of Mr Michael Ian ARNOLD on the relevant vesting date (see point 6 above).

The restricted unit awards and conditional cash awards 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 18 to the condensed consolidated interim financial information in this interim report.

## Disclosures (Continued)

## 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 the 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	(314.6)
HSBC Institutional Trust Services (Asia) Limited	Trustee of The Link REIT	Trustee's fee <sup>(2)</sup>	N/A	(4.4)
CBRE Limited ("CBRE") <sup>(3)</sup>	Principal valuer of The Link REIT	Valuation fees Land consultancy services	N/A N/A	(1.3) (0.2)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence <sup>(4)</sup> Interest income Interest expenses and financing charges Arrangement fees and bank charges	14.2 <sup>(5)</sup> 0.7 N/A N/A	N/A N/A (3.2) (2.0)
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)")	Associate of Professor Richard WONG Yue Chim	Tenancy/licence <sup>(4)</sup> Interest income Bank charges	4.0 <sup>(5)</sup> 0.9 N/A	N/A N/A - <sup>(6)</sup>
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate of Ms May Siew Boi TAN	Tenancy/licence <sup>(4)</sup> Interest income Interest expenses and financing charges Arrangement fees and bank charges	5.4 <sup>(5)</sup> 0.7 N/A N/A	N/A N/A (0.6) (0.2)
Aedas Limited ("Aedas") <sup>(7)</sup>	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(6.0)
Foundation for the Arts and Music in Asia Limited	Associate of Mr Nicholas Robert SALLNOW-SMITH	Organising cultural activities	N/A	(0.2)
Hong Kong Youth Arts Foundation	Associate of Mr Nicholas Robert SALLNOW-SMITH	Organising cultural activities	N/A	(0.5)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship fee	N/A	(0.1)

Name of connected person	Relationship with The Link REIT	Nature of the transactions	Income derived HK\$'M	Expenses incurred HK\$'M
Asia Pacific Real Estate Association Limited ("APREA") <sup>(8)</sup>	Associate of Mr George Kwok Lung HONGCHOY	Annual corporate membership fee and staff training fees	N/A	(0.1)
Contender Limited <sup>(9)</sup>	Associate of Dr Patrick FUNG Yuk Bun (former Independent Non-Executive Director)	Hotel meeting package	N/A	(0.3) <sup>(9)</sup>
Wing Hang Bank, Limited ("Wing Hang Bank") <sup>(9)</sup>	Associate of Dr Patrick FUNG Yuk Bun (former Independent Non-Executive Director)	Interest income	0.7 <sup>(9)</sup>	N/A

Notes:

- The Manager, as an internalised management company of The Link REIT, recovers its expenses from The Link REIT on a cost recovery basis.
- The Trustee's fee was calculated at the rate of 0.008% per annum of the latest property values of properties of The Link REIT as determined in the latest annual valuation report of the principal valuer, subject to a minimum of HK\$150,000 per month.
- Two land consultancy services contracts were awarded to CBRE in the period with one at a lump sum fee of HK\$160,000 and another to be charged at hourly rate subject to a cap of HK\$140,000 for a 12-month service period.
- For shops, ATMs and showcases at various locations.
- Amounts excluded deposits received.
- Bank charges paid to ICBC (Asia) in the period amounted to approximately HK\$6,000.
- An architectural and renovation consultancy services contract for HK\$1.8 million and a design and project consultancy services contract for HK\$0.5 million were awarded to Aedas in the period.
- After the cessation of Mr George Kwok Lung HONGCHOY as a director of APREA in August 2014, APREA ceased to be a connected person to The Link REIT.
- After the retirement of Dr Patrick FUNG Yuk Bun as an Independent Non-Executive Director of the Manager on 1 August 2014, Wing Hang Bank (now known as OCBC Wing Hang Bank Limited) and Contender Limited, being his associates, both ceased to be connected persons to The Link REIT with effect from the same date. The amounts disclosed in the table above were calculated up till 31 July 2014.

### Lease transactions with connected persons

In addition to the tenancies set out on page 103 of the annual report 2012, page 96 of the annual report 2013 and page 114 of the annual report 2013/2014 (of which the terms of those tenancies still subsisted at the period end), the following tenancies were entered into or 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 the transactions	Lease term	Annual rent <sup>(1)</sup> HK\$'M	Rental deposit received at 30 September 2014 HK\$'M
HSBC	Tenancy for shop nos. L201-L206 at Lok Fu Plaza	Term of 3 years expiring on 21 August 2017	4.8	1.3 <sup>(2)</sup>
SCBHK	Tenancy for shop nos. G37-G40 at Hau Tak Shopping Centre	Term of 3 years expiring on 2 July 2016	3.4	1.0 <sup>(2)</sup>

Notes:

- The annual rent was calculated from the monthly base rent on a 12-month basis as if such rent were received from the beginning of the financial year.
- In the form of bank guarantee.

## Disclosures (Continued)

**Provision of banking and financial services by connected persons**

The Link REIT and/or its subsidiaries engaged the HSBC Group, ICBC (Asia), Wing Hang Bank (ceased to be a connected person to The Link REIT with effect from 1 August 2014) and SCBHK to provide ordinary course banking and financial services in the period. Further details are set out in Note 25 to the condensed consolidated interim financial information in this interim report. The HSBC Group also provided services to subsidiaries of The Link REIT in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were also maintained with the HSBC Group, ICBC (Asia), Wing Hang Bank and SCBHK for deposits and/or rent collection purposes.

**Other transactions**

A tranche of USD-denominated fixed rate notes due 2024 for a principal amount of US\$500 million (the “**USD Notes**”) were issued on 3 September 2014 by The Link Finance (Cayman) 2009 Limited (the “**Issuer**”) pursuant to the MTN Programme. The USD Notes are listed on the Hong Kong Stock Exchange (debt code: 5794). Australia and New Zealand Banking Group Limited, DBS Bank Ltd and HSBC (a connected person to The Link REIT) were dealers (collectively, the “**Dealers**”) for such issue, and pursuant to the subscription agreement dated 26 August 2014 entered into between (among others) the Issuer, the Manager and the Dealers, HSBC was paid a combined management and underwriting commission for severally subscribing for the USD Notes with the other two dealers. Such commission exceeded HK\$1 million. This transaction with HSBC was within the waiver granted by the SFC in respect of connected party transactions with the HSBC Group. It was conducted at arm’s length on normal commercial terms. 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. Save as disclosed, no other notes were issued pursuant to the MTN Programme in the period.

The Link Finance Limited also maintained interest rate swap contracts with HSBC in the period. As at 30 September 2014, the total notional principal outstanding value in respect of such swap contracts with HSBC was HK\$1.85 billion.

**Waivers from strict compliance**

During the six months ended 30 September 2014, The Link REIT complied with the stipulated terms and conditions of the waivers granted by the SFC for the relevant connected party transactions including, among others, (i) conducting the transactions at arm’s length on normal commercial terms in the usual and ordinary course of business and in the interests of the Unitholders; (ii) wherever applicable, within specific caps on transaction amounts or fees; and (iii) having the relevant transactions reviewed by the auditor and the Audit Committee and approved by the Board.

**INVESTOR RELATIONS**

The Manager has continually communicated with the investment community during the period under review to ensure that the analysts, retail and institutional investors are properly informed, and to gauge their views on the business objectives, activities and future direction of The Link REIT. There are currently 17 equity research analysts covering The Link REIT. Since 1 April 2014, the Manager held discussions with over 190 individual investment managers and analysts in meetings or conference calls, including attendance at 3 investors’ conferences/corporate days, and 8 roadshows to Asia, Australia, Europe and the United States. The Manager also arranged 8 site visits for interested parties in the investment community.

Event	Number
Individual Meetings and Conference Calls	>190
Investors’ Conferences/Corporate Days	3
Post Results/Non-deal Roadshows	8
Site Visits	8



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 46 to 72, 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 2014 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, 12 November 2014

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## Condensed consolidated income statement

For the six months ended 30 September 2014

	Note	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
<b>Revenues</b>	4	<b>3,830</b>	3,493
Property operating expenses	6	(1,047)	(976)
Net property income		<b>2,783</b>	2,517
General and administrative expenses		(286)	(106)
Change in fair values of investment properties		14,761	5,211
<b>Operating profit</b>	7	<b>17,258</b>	7,622
Interest income		14	14
Finance costs on interest bearing liabilities	8	(169)	(193)
Gain on disposal of investment properties		340	-
Profit before taxation and transactions with Unitholders		<b>17,443</b>	7,443
Taxation	10	(411)	(368)
<b>Profit for the period, before transactions with Unitholders</b> (Note (i))	11	<b>17,032</b>	7,075
Distributions paid to Unitholders (Note (ii))		(1,976)	(1,725)
		<b>15,056</b>	5,350
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		<b>15,071</b>	5,412
Amount arising from cash flow hedging reserve movement	22	(15)	(62)
		<b>15,056</b>	5,350

The notes on pages 52 to 72 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\$1,976 million for the year ended 31 March 2014 (2013: HK\$1,725 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 2014 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 9 December 2014.



# Condensed consolidated statement of comprehensive income

For the six months ended 30 September 2014

	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 2014</b>				
Profit for the period		17,032	(17,047)	(15)
Other comprehensive income				
Item that may be reclassified subsequently to the condensed consolidated income statement				
- Cash flow hedging reserve		15	-	15
Total comprehensive income for the period	(ii)	17,047	(17,047)	-
<b>Six months ended 30 September 2013</b>				
Profit for the period		7,075	(7,137)	(62)
Other comprehensive income				
Item that may be reclassified subsequently to the condensed consolidated income statement				
- Cash flow hedging reserve		62	-	62
Total comprehensive income for the period	(ii)	7,137	(7,137)	-

The notes on pages 52 to 72 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$1,976 million (2013: HK\$1,725 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$15,071 million (2013: HK\$5,412 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 Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

## Consolidated statement of distributions

For the six months ended 30 September 2014

	Note	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
<b>Profit for the period, before transactions with Unitholders</b>		<b>17,032</b>	7,075
Adjustments:			
- Change in fair values of investment properties		(14,761)	(5,211)
- Gain on disposal of investment properties, net of transaction costs		(327)	-
- Other non-cash income		(18)	(10)
<b>Total Distributable Income</b> (Note (i))		<b>1,926</b>	1,854
<b>Discretionary distribution</b> (Note (ii))		<b>128</b>	-
<b>Total Distributable Amount</b>		<b>2,054</b>	1,854
Interim distribution for the period, to be paid to the Unitholders (Note (iii))		2,054	1,854
Total Distributable Amount as a percentage of Total Distributable Income		107%	100%
Units in issue at 30 September	21	2,293,242,269	2,310,889,561
<b>Distribution per unit to Unitholders for the period</b> (Note (iv))		<b>HK89.56 cents</b>	HK80.22 cents

The notes on pages 52 to 72 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.

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 (i.e. Total Distributable Amount). The Manager has decided to distribute 100% (2013: 100%) of Total Distributable Income as the distribution for the six months ended 30 September 2014.

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

(iii) The interim distribution will be paid to Unitholders on 9 December 2014.

(iv) The interim distribution per unit of HK89.56 cents for the six months ended 30 September 2014 is calculated based on the interim distribution of HK\$2,054 million for the period and 2,293,242,269 units in issue as at 30 September 2014, without taking into account any change in the number of units in issue subsequent to the approval of the condensed consolidated interim financial information. The interim distribution per unit of HK80.22 cents for the six months ended 30 September 2013 was calculated based on the interim distribution of HK\$1,854 million for the period and 2,310,889,561 units in issue as at 30 September 2013.

## Condensed consolidated statement of financial position

As at 30 September 2014

	Note	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
<b>Non-current assets</b>			
Goodwill	12	388	331
Investment properties	13	123,882	109,899
Property, plant and equipment	14	73	70
Derivative financial instruments	20	80	69
		<b>124,423</b>	<b>110,369</b>
<b>Current assets</b>			
Investment properties held for sale	13	1,604	-
Trade and other receivables	15	262	237
Deposits and prepayments		62	66
Short-term bank deposits	16	1,614	2,234
Cash and cash equivalents	16	1,967	560
		<b>5,509</b>	<b>3,097</b>
<b>Total assets</b>		<b>129,932</b>	<b>113,466</b>
<b>Current liabilities</b>			
Trade payables, receipts in advance and accruals	17	1,319	1,310
Security deposits		1,231	1,101
Provision for taxation		421	209
Current portion of long-term incentive plan provision	18	48	60
Interest bearing liabilities	19	1,876	2,825
Derivative financial instruments	20	42	27
		<b>4,937</b>	<b>5,532</b>
<b>Net current assets/(liabilities)</b>		<b>572</b>	<b>(2,435)</b>
<b>Total assets less current liabilities</b>		<b>124,995</b>	<b>107,934</b>
<b>Non-current liabilities, excluding net assets attributable to Unitholders</b>			
Long-term incentive plan provision	18	18	32
Interest bearing liabilities	19	12,417	9,699
Derivative financial instruments	20	103	98
Deferred tax liabilities		1,847	1,754
		<b>14,385</b>	<b>11,583</b>
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<b>19,322</b>	<b>17,115</b>
<b>Net assets attributable to Unitholders</b>		<b>110,610</b>	<b>96,351</b>
Units in issue	21	2,293,242,269	2,310,889,561
Net assets per unit attributable to Unitholders		<b>HK\$48.23</b>	<b>HK\$41.69</b>

The notes on pages 52 to 72 are an integral part of these condensed consolidated interim financial information.

On behalf of the Board of Directors of  
The Link Management Limited, as Manager of The Link Real Estate Investment Trust

**Nicholas Robert SALLNOW-SMITH**  
Chairman  
12 November 2014

**George Kwok Lung HONGCHOY**  
Chief Executive Officer  
12 November 2014

# Condensed consolidated statement of changes in equity and net assets attributable to unitholders

For the six months ended 30 September 2014

	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 2014		-	96,351	96,351
Issuance of units under long-term incentive plan		-	74	74
Units bought back for cancellation	21	-	(886)	(886)
Profit for the period ended 30 September 2014, before transactions with Unitholders		-	17,032	17,032
Distributions paid to Unitholders - 2014 final distribution		-	(1,976)	(1,976)
Change in fair values of cash flow hedges	22	(13)	-	(13)
Amount transferred to the condensed consolidated income statement	22	28	-	28
Amount arising from cash flow hedging reserve movement	22	(15)	15	-
Change in net assets attributable to Unitholders for the period ended 30 September 2014, excluding issues of new units and units bought back		-	15,071	15,071
<b>Net assets attributable to Unitholders at 30 September 2014</b>		-	<b>110,610</b>	<b>110,610</b>
Net assets attributable to Unitholders at 1 April 2013		-	81,642	81,642
Issuance of units - under distribution reinvestment scheme		-	779	779
- under long-term incentive plan		-	79	79
Profit for the period ended 30 September 2013, before transactions with Unitholders		-	7,075	7,075
Distributions paid to Unitholders - 2013 final distribution		-	(1,725)	(1,725)
Change in fair values of cash flow hedges	12	-	-	12
Amount transferred to the condensed consolidated income statement		50	-	50
Amount arising from cash flow hedging reserve movement		(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>

The notes on pages 52 to 72 are an integral part of these condensed consolidated interim financial information.

## Condensed consolidated statement of cash flows

For the six months ended 30 September 2014

	Note	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
<b>Operating activities</b>			
<b>Net cash generated from operating activities</b>		<b>2,542</b>	<b>2,328</b>
<b>Investing activities</b>			
Acquisition of Lions Rise Mall	23	(1,380)	-
Proceeds from disposal of investment properties		1,240	-
Deposits from disposal of investment properties		83	-
Additions to investment properties		(464)	(483)
Additions to property, plant and equipment		(15)	(8)
Interest income received		23	18
Decrease/(increase) in short-term bank deposits with original maturity of more than three months		620	(932)
<b>Net cash generated from/(used in) investing activities</b>		<b>107</b>	<b>(1,405)</b>
<b>Financing activities</b>			
Proceeds from interest bearing liabilities, net of transaction costs		4,585	341
Repayment of interest bearing liabilities		(2,800)	(1,650)
Interest expenses paid on interest bearing liabilities		(165)	(199)
Distributions paid to Unitholders		(1,976)	(946)
Units bought back for cancellation		(886)	-
<b>Net cash used in financing activities</b>		<b>(1,242)</b>	<b>(2,454)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,407</b>	<b>(1,531)</b>
Cash and cash equivalents at 1 April		560	1,657
<b>Cash and cash equivalents at 30 September</b>		<b>1,967</b>	<b>126</b>

The notes on pages 52 to 72 are an integral part of these 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, the Ninth Supplemental Deed dated 25 July 2012 and the Tenth Supplemental Deed dated 18 February 2014) (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. The addresses of the registered offices of the Manager, The Link Management Limited, and the Trustee, 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 2014 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 2014.

## 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 2014, 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 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
HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendments	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

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

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in the condensed consolidated interim financial information. These are effective for the Group’s accounting periods beginning on or after 1 April 2015.

### 3 ACCOUNTING POLICIES (Continued)

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

<sup>(1)</sup> effective for accounting periods beginning on or after 1 January 2016

<sup>(2)</sup> effective for accounting periods beginning on or after 1 July 2014

<sup>(3)</sup> effective for accounting periods beginning on or after 1 January 2018

<sup>(4)</sup> effective for accounting periods beginning on or after 1 January 2017

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 reported results of operations and financial position.

### 4 REVENUES

Revenues recognised during the period comprise:

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Rentals from retail properties	2,831	2,602
Gross rentals from car parks	825	729
	3,656	3,331
Other revenues		
- Air conditioning service fees	164	154
- Other property related revenue	10	8
	174	162
Total revenues	3,830	3,493

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$84 million (2013: HK\$68 million) and have 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 2014 (Unaudited)</b>				
Revenues	3,003	827	-	3,830
Segment results	2,198	585	(286)	2,497
Change in fair values of investment properties	10,207	4,554	-	14,761
Interest income				14
Finance costs on interest bearing liabilities				(169)
Gain on disposal of investment properties				340
Profit before taxation and transactions with Unitholders				17,443
Taxation				(411)
Profit for the period, before transactions with Unitholders				17,032
Capital expenditure	1,603	120	15	1,738
Depreciation	-	-	(10)	(10)
<b>As at 30 September 2014 (Unaudited)</b>				
Segment assets	102,712	23,052	119	125,883
Goodwill				388
Derivative financial instruments				80
Short-term bank deposits				1,614
Cash and cash equivalents				1,967
Total assets				129,932
Segment liabilities	2,024	147	379	2,550
Provision for taxation				421
Long-term incentive plan provision				66
Interest bearing liabilities				14,293
Derivative financial instruments				145
Deferred tax liabilities				1,847
Total liabilities, excluding net assets attributable to Unitholders				19,322
Net assets attributable to Unitholders				110,610



## 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 2013 (Unaudited)				
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)
As at 31 March 2014 (Audited)				
Segment assets	91,424	18,709	139	110,272
Goodwill				331
Derivative financial instruments				69
Short-term bank deposits				2,234
Cash and cash equivalents				560
Total assets				113,466
Segment liabilities	1,927	177	307	2,411
Provision for taxation				209
Long-term incentive plan provision				92
Interest bearing liabilities				12,524
Derivative financial instruments				125
Deferred tax liabilities				1,754
Total liabilities, excluding net assets attributable to Unitholders				17,115
Net assets attributable to Unitholders				96,351

**6 PROPERTY OPERATING EXPENSES**

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	276	267
Staff costs (Note 9)	196	159
Government rent and rates	119	107
Repair and maintenance	102	99
Utilities	181	175
Promotion and marketing expenses	41	45
Estate common area costs	57	57
Other property operating expenses	75	67
	<b>1,047</b>	<b>976</b>

**7 OPERATING PROFIT**

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Operating profit for the period is stated after charging:		
Staff costs (Note 9)	278	223
Depreciation of property, plant and equipment	10	10
Loss on disposal of property, plant and equipment	2	-
Trustee's fee	4	4
Valuation fee	1	1
Auditor's remuneration	1	1
Bank charges	2	2
Operating lease charges	13	11
Other legal and professional fees	5	4
Donations	7	10

## 8 FINANCE COSTS ON INTEREST BEARING LIABILITIES

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities wholly repayable within five years	99	103
Interest expenses on interest bearing liabilities wholly repayable beyond five years	68	70
Other borrowing costs (Note (i))	10	28
	177	201
Less: capitalised under investment properties (Note (ii))	(8)	(8)
	169	193

Notes:

(i) Other borrowing costs include HK\$28 million (2013: HK\$50 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$29 million (2013: HK\$31 million) net gains on cross currency swap contracts and interest rate 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 2.89% (2013: 3.14%) per annum.

## 9 STAFF COSTS

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Wages and salaries	243	231
Contributions to mandatory provident fund scheme	6	6
Long-term incentive plan awards (Note 18)	57	13
	306	250
Less: capitalised under investment properties	(28)	(27)
Staff costs (Note 7)	278	223

Staff costs can be further analysed as below:

	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Included under property operating expenses (Note 6)	196	159
Included under general and administrative expenses	82	64
	278	223

**10 TAXATION**

Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 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 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Current taxation	318	270
Deferred taxation	93	98
Taxation	411	368

**11 EARNINGS PER UNIT BASED UPON PROFIT AFTER TAXATION AND BEFORE TRANSACTIONS WITH UNITHOLDERS**

	Six months ended 30 September 2014 (Unaudited)	Six months ended 30 September 2013 (Unaudited)
Profit after taxation and before transactions with Unitholders	HK\$17,032 million	HK\$7,075 million
Weighted average number of units for the period for calculating basic earnings per unit	2,309,562,285	2,295,748,263
Adjustment for dilutive contingently issuable units under long-term incentive plan	1,937,476	1,658,939
Weighted average number of units for the period for calculating diluted earnings per unit	2,311,499,761	2,297,407,202
Earnings per unit based upon profit after taxation and before transactions with Unitholders, basic and diluted	HK\$7.37	HK\$3.08

**12 GOODWILL**

	Carrying value (Unaudited) HK\$'M
At 1 April 2014	331
Acquisition of Lions Rise Mall (Note 23)	60
Disposal of investment properties	(3)
<b>At 30 September 2014</b>	<b>388</b>

## 13 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 2014	91,245	18,654	109,899
Acquisition of Lions Rise Mall (Note 23)	1,244	76	1,320
Additions	359	44	403
Disposals	(563)	(334)	(897)
Change in fair values	10,207	4,554	14,761
	102,492	22,994	125,486
Reclassify to "Investment properties held for sale" (see Note 13(g) below)	(993)	(611)	(1,604)
<b>At 30 September 2014</b>	<b>101,499</b>	<b>22,383</b>	<b>123,882</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 2014, the remaining lease periods range from 29 to 46 years (31 March 2014: 29 to 46 years).

### (c) Valuation process

The investment properties were revalued on an open market value basis as at 31 March and 30 September 2014 by CBRE Limited, an independent firm of professional qualified valuers and the principal valuer of The Link REIT.

The Manager held discussions with the principal valuer and reviewed all significant inputs used by the principal valuer. Discussions of the valuation processes and results at each reporting date are held between the Manager and the principal valuer.

### (d) Valuation techniques

The principal valuer has relied on the income capitalisation approach and the discounted cash flow analysis as their primary approaches, cross-referenced to the direct comparison method.

The income capitalisation approach involves the capitalisation of the current passing income and potential reversionary income to arrive at the capital value at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and tenancy profile of the properties together with the current market investment criteria, as supported by the market evidence. The prevailing market rentals have been obtained through analysis of recent lettings and achievable rentals of the properties and other similar developments in the locality. Adjustments are made accordingly to reflect factors specific to the lease and property.

Discounted cash flow analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

The investment properties are included in Level 3 (31 March 2014: Level 3) of the fair value hierarchy.

**13 INVESTMENT PROPERTIES (Continued)****(e) Restriction of the Code on Real Estate Investment Trusts (the "REIT Code")**

The Link REIT acquired Lions Rise Mall on 18 September 2014. 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.

**(f) Security for the Group's loan facilities**

As at 30 September 2014, certain of the Group's investment properties, amounting to approximately HK\$12,249 million (31 March 2014: HK\$10,772 million), were pledged to secure the loan from The Hong Kong Mortgage Corporation Limited. No property was pledged to secure any bank loan or medium term note.

**(g) Investment properties held for sale**

During the period, the Manager has put up certain properties of The Link REIT for private tender. On 29 September 2014, The Link Properties Limited, a wholly-owned subsidiary of The Link REIT, has accepted the tender documents submitted by certain independent third parties, which constitute binding agreements in respect of the sale and purchase of five properties for a cash consideration of HK\$1,716 million.

**14 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 2014	15	1	54	70
Additions	9	2	4	15
Disposals	(2)	-	-	(2)
Depreciation charge for the period	(3)	-	(7)	(10)
<b>At 30 September 2014</b>	<b>19</b>	<b>3</b>	<b>51</b>	<b>73</b>
<b>At 30 September 2014</b>				
Cost	75	6	135	216
Accumulated depreciation	(56)	(3)	(84)	(143)
Net book value	19	3	51	73

## 15 TRADE AND OTHER RECEIVABLES

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Trade receivables	86	66
Less: provision for impairment of trade receivables	(5)	(1)
Trade receivables - net	81	65
Other receivables	181	172
	262	237

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

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

The ageing of trade receivables is as follows:

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
0 - 30 days	80	64
31 - 90 days	1	1
Over 90 days	5	1
	86	66

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

**16 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS**

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Cash on hand	1	-
Cash at bank	96	42
Short-term bank deposits with original maturity of less than three months	1,870	518
Cash and cash equivalents	1,967	560
Short-term bank deposits with original maturity of more than three months	1,614	2,234
	<b>3,581</b>	<b>2,794</b>

**17 TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS**

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Trade payables	46	17
Receipts in advance	205	150
Accruals	1,068	1,143
	<b>1,319</b>	<b>1,310</b>

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

The ageing of trade payables is as follows:

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
0 - 30 days	35	14
31 - 90 days	11	3
	<b>46</b>	<b>17</b>



## 18 LONG-TERM INCENTIVE PLAN PROVISION

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Long-term incentive plan provision	66	92
Less: current portion of long-term incentive plan provision	(48)	(60)
Non-current portion of long-term incentive plan provision	18	32

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 Award ("RUA"), Unit Option and Conditional Cash Award ("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. 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.

During the period, certain directors and employees of the Manager were granted RUA and CCA at nil monetary consideration. The RUA granted under the Plan, in general, will vest approximately two to three years from the date of grant.

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, NPI or certain vesting conditions, where appropriate, will range from 0% to 200% of RUA granted. CCA is granted in conjunction with the grant of RUA, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to Unitholders during the vesting period, multiplied by the number of units that will eventually be issued to such grantee pursuant to RUA vested.

During the vesting period, a liability is recognised representing the estimated value of the Awards granted and the portion of the vesting period expired as at the reporting date. The 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 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 1,764,208 units (2013: 2,055,632 units) for RUA vested in accordance with the vesting conditions under the Plan.

**18 LONG-TERM INCENTIVE PLAN PROVISION (Continued)**

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

Date of grant	Vesting period	Outstanding as at 1 April 2014	Granted during the period	Vested during the period <sup>(i)</sup>	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2014	Maximum to be issued on vesting date <sup>(ii)</sup>
23 September 2011	23 September 2011 to 30 June 2014	529,760	-	(507,259) <sup>(iii)</sup>	(16,250)	(6,251)	-	-
16 July 2012	16 July 2012 to 30 June 2014	527,117	-	(511,104) <sup>(iii)</sup>	(12,750)	(3,263)	-	-
	16 July 2012 to 30 June 2015	526,655	-	-	-	(4,309)	522,346	1,044,692
20 January 2014	20 January 2014 to 30 June 2015	515,500	-	-	-	(3,125)	512,375	952,000
	20 January 2014 to 30 June 2016	515,500	-	-	-	(4,169)	511,331	949,912
17 July 2014	17 July 2014 to 30 June 2016	-	499,750	-	-	-	499,750	944,500
	17 July 2014 to 30 June 2017	-	499,750	-	-	-	499,750	944,500
Subtotal		2,614,532	999,500	(1,018,363)	(29,000)	(21,117)	2,545,552	4,835,604
Additional units vested over 100% of RUA granted		-	-	(745,845) <sup>(iii)</sup>	-	-	-	-
Total		2,614,532	999,500	(1,764,208)	(29,000)	(21,117)	2,545,552	4,835,604

Notes:

(i) RUA vesting percentages during the period ranged from 146% 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.

## 19 INTEREST BEARING LIABILITIES

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Bank borrowings	3,108	3,167
Medium term notes	10,185	6,357
Secured loan	1,000	3,000
	<b>14,293</b>	12,524
Less: current portion of interest bearing liabilities	<b>(1,876)</b>	(2,825)
Non-current portion of interest bearing liabilities	<b>12,417</b>	9,699

Interest bearing liabilities are repayable as follows:

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
<b>Due in the first year</b>		
Bank borrowings	876	825
Secured loan	1,000	2,000
	<b>1,876</b>	2,825
<b>Due in the second year</b>		
Bank borrowings	1,244	613
Medium term notes	169	-
Secured loan	-	1,000
	<b>1,413</b>	1,613
<b>Due in the third year</b>		
Bank borrowings	-	1,243
Medium term notes	1,111	988
	<b>1,111</b>	2,231
<b>Due in the fourth year</b>		
Bank borrowings	494	-
Medium term notes	1,096	300
	<b>1,590</b>	300
<b>Due in the fifth year</b>		
Bank borrowings	494	486
Medium term notes	738	1,095
	<b>1,232</b>	1,581
<b>Due beyond the fifth year</b>		
Medium term notes	7,071	3,974
	<b>14,293</b>	12,524

**19 INTEREST BEARING LIABILITIES (Continued)**

Notes:

- (i) Except for a bank loan of HK\$262 million (31 March 2014: HK\$277 million) and medium term notes of HK\$169 million (31 March 2014: HK\$178 million) which are denominated in Australian Dollars and medium term notes of HK\$3,833 million (31 March 2014: Nil) which are denominated in United States Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) All of The Link REIT's foreign currencies borrowings are fully hedged into Hong Kong Dollars.
- (iii) The effective interest rate of the interest bearing liabilities (taking into account cross currency swap contracts and interest rate swap contracts) at the reporting date was 2.85% (31 March 2014: 2.77%). The carrying amounts of the interest bearing liabilities approximate their fair values.

**20 DERIVATIVE FINANCIAL INSTRUMENTS**

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
<b>Derivative assets</b>		
<b>Non-current item</b>		
Designated as cash flow hedge		
- interest rate swap contract	2	5
Designated as fair value hedge		
- cross currency swap contracts	11	-
- interest rate swap contracts	67	64
	<b>80</b>	<b>69</b>
<b>Derivative liabilities</b>		
<b>Current item</b>		
Designated as cash flow hedge		
- interest rate swap contracts	4	4
Designated as fair value hedge		
- cross currency swap contract	38	23
	<b>42</b>	<b>27</b>
<b>Non-current item</b>		
Designated as cash flow hedge		
- interest rate swap contracts	51	69
Designated as fair value hedge		
- cross currency swap contracts	52	29
	<b>103</b>	<b>98</b>
	<b>145</b>	<b>125</b>
	<b>65</b>	<b>56</b>

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 of the fair value hierarchy.

## 20 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. Cross currency swap contracts and interest rate swap contracts are included in Level 2 (31 March 2014: Level 2) of the fair value hierarchy. During the period ended 30 September 2013 and 2014, there were no transfers between the three levels of the fair value hierarchy.

Notes:

- (i) The Group uses cross currency swap contracts and interest rate swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. The fair values of these cross currency swap contracts and interest rate 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 value of cross currency swap contracts are recognised directly in the condensed consolidated income statement. A net amount of HK\$15 million (2013: HK\$62 million) has been credited to the hedging reserve during the period as further set out in Note 22.
- (ii) As at 30 September 2014, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 2.2 years on HK\$2,150 million borrowings (31 March 2014: 2.7 years on HK\$2,150 million 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 2014 were HK\$2,150 million (31 March 2014: HK\$2,150 million) and 2.95% (31 March 2014: 2.95%) respectively.
- (iii) As at 30 September 2014, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars fixed rate and floating rates interest bearing liabilities. The notional principal amounts of the outstanding cross currency swap contracts and interest rate swap contracts qualifying as fair value hedges as at 30 September 2014 were HK\$4,383 million (31 March 2014: HK\$507 million) and HK\$1,820 million (31 March 2014: HK\$1,820 million) respectively.
- (iv) Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 22) as at 30 September 2014 will be released to the condensed consolidated income statement.

## 21 UNITS IN ISSUE

	Number of units (Unaudited)
At 1 April 2014	2,310,889,561
Units bought back for cancellation	(19,411,500)
Units issued under long-term incentive plan	1,764,208
<b>At 30 September 2014</b>	<b>2,293,242,269</b>

**21 UNITS IN ISSUE (Continued)**

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of The Link REIT) bought back a total of 19,411,500 units (2013: Nil) at an aggregate price of HK\$886 million (2013: Nil). Details of the units bought back during the period were as follows:

Month	Units bought back	Price paid per unit		Aggregate consideration HK\$'M
		Highest HK\$	Lowest HK\$	
June 2014	1,927,000	42.20	41.45	81
August 2014	1,773,500	46.30	45.35	81
September 2014	15,711,000	47.30	44.50	724
Total	19,411,500			886
Expenses on units bought back				2
				888

All units bought back were cancelled during the period.

Closing price of the units as at 30 September 2014 was HK\$44.75 (31 March 2014: HK\$38.15) per unit. Based on 2,293,242,269 units in issue as at 30 September 2014 (31 March 2014: 2,310,889,561 units), market capitalisation was HK\$102,623 million (31 March 2014: HK\$88,160 million).

**22 RESERVES**

	Hedging reserve (Unaudited) HK\$'M	Earnings retained for cash flow hedge adjustments (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M
At 1 April 2014	(68)	68	-
Cash flow hedges:			
- Change in fair values	(13)	-	(13)
- Amount transferred to the condensed consolidated income statement (Note)	28	-	28
	15	-	15
Net assets attributable to Unitholders:			
- Amount arising from cash flow hedging reserve movement	-	(15)	(15)
<b>At 30 September 2014</b>	<b>(53)</b>	<b>53</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).

## 23 ACQUISITION OF LIONS RISE MALL

On 18 August 2014, The Link REIT, through a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire Lions Rise Mall from Bethan Company Limited, which is a wholly-owned subsidiary of Kerry Properties Limited at a cash consideration of HK\$1,380 million. The transaction was completed on 18 September 2014. The acquisition is expected to add value to The Link REIT's portfolio with potential for further growth in rental income and capital value.

Lions Rise Mall contributed revenues of HK\$2 million and NPI of HK\$1 million since the acquisition date, while such information before the acquisition date is not available to The Link REIT.

The fair value of the investment property and goodwill arising from the acquisition are as follows:

	Fair value (Unaudited) HK\$'M
Investment property acquired (Note 13) (Note)	1,320
Goodwill (Note 12)	60
Cash outflow on acquisition	1,380
Acquisition-related costs (included in "General and administrative expenses" in the condensed consolidated income statement for the six months ended 30 September 2014)	128

Note: The investment property was valued at 13 August 2014 by CBRE Limited, the principal valuer of The Link REIT. This approximates the fair value of the investment property at the acquisition date.

## 24 CAPITAL COMMITMENTS

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Improvement projects to existing investment properties		
- Authorised but not contracted for	1,781	2,064
- Contracted but not provided for	683	483
	2,464	2,547

## 25 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 2014:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee")*	The Trustee of The Link REIT
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the "HSBC Group")*	Associates <sup>#</sup> of the Trustee
CBRE Limited (the "Principal Valuer")	The Principal Valuer of The Link REIT
Aedas Limited and its subsidiaries (the "Aedas Group")*	Associates <sup>#</sup> of director
Asia Pacific Real Estate Association Limited ("APREA") (Note (i))	Associate <sup>#</sup> of director
Contender Limited (Note (ii))	Associate <sup>#</sup> of director
Foundation for the Arts and Music in Asia Limited	Associate <sup>#</sup> of director
Hong Kong Youth Arts Foundation	Associate <sup>#</sup> of director
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)")	Associate <sup>#</sup> of director
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate <sup>#</sup> of director
The Chamber of Hong Kong Listed Companies	Associate <sup>#</sup> of director
Wing Hang Bank, Limited (currently known as OCBC Wing Hang Bank Limited ) ("Wing Hang Bank")* (Note (ii))	Associate <sup>#</sup> of director

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

<sup>#</sup> "Associate" has the meaning ascribed to it under the REIT Code.

Notes:

- (i) APREA was an associate of Mr George Kwok Lung HONGCHOY. After the cessation of Mr George Kwok Lung HONGCHOY as a director of APREA in August 2014, APREA ceased to be a connected party of The Link REIT.
- (ii) Wing Hang Bank and Contender Limited were associates of Dr Patrick FUNG Yuk Bun, who retired as a director on 1 August 2014 and since then, Wing Hang Bank and Contender Limited ceased to be connected parties of The Link REIT.



## 25 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 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(4)	(4)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contract and interest rate swap contracts	(5)	(17)
Rental income from the HSBC Group on leasing of retail units	14	13
Interest income from the HSBC Group on short-term bank deposits	1	-
Valuation fee paid and payable to the Principal Valuer (Note (iv))	(1)	(1)
Architectural/renovation consultancy services fees paid and payable to the Aedas Group (Note (iii))	(6)	(1)
Project fee paid and payable to Hong Kong Youth Arts Foundation (Note (iii))	(1)	-
Transactions with ICBC (Asia) (Note (iii))		
Rental income from ICBC (Asia) on leasing of retail units	4	4
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)	(1)
Rental income from SCBHK on leasing of retail units	5	4
Interest income from SCBHK on short-term bank deposits	1	1
Transactions with Wing Hang Bank (Note (v))		
Interest income from Wing Hang Bank on short-term bank deposits	1	1

#### 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.

**25 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)****(b) Transactions with connected/related parties (Continued)**

Notes (Continued):

(iv) CBRE Limited was appointed as the Principal Valuer of The Link REIT with effect from 17 November 2013. The former Principal Valuer, Jones Lang LaSalle Limited, was responsible for the property valuation of The Link REIT up till the period ended 30 September 2013. Valuation fee for the period ended 30 September 2014 of HK\$1 million was payable to CBRE Limited while valuation fee of HK\$1 million was paid to Jones Lang LaSalle Limited for the period ended 30 September 2013.

The transactions with the Principal Valuer were entered into at arm's length on normal commercial terms.

(v) Wing Hang Bank was an associate of Dr Patrick FUNG Yuk Bun, who retired as a director on 1 August 2014 and since then, Wing Hang Bank ceased to be a connected party of The Link REIT.

The transactions with Wing Hang Bank were entered into at arm's length on normal commercial terms.

**(c) Balances with related parties**

Balances with related parties are set out below:

	30 September 2014 (Unaudited) HK\$'M	31 March 2014 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(1,150)	(650)
Security deposits from the HSBC Group	(2)	(2)
Cross currency swap contract and interest rate swap contract with the HSBC Group	26	18
Deposits placed with the HSBC Group	222	171

**(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 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M
Fees	4	4
Basic salaries, allowances and other benefits	45	38
Long-term incentive plan awards	34	4
	83	46

**26 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The condensed consolidated interim financial information was authorised for issue by the Board on 12 November 2014.

# Five year performance summary

## FINANCIAL DATA

	Six months ended 30 September 2014 (Unaudited) HK\$'M	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
<b>Condensed consolidated income statement</b>					
Revenues	3,830	3,493	3,197	2,887	2,621
Property operating expenses	(1,047)	(976)	(941)	(846)	(856)
Net property income	2,783	2,517	2,256	2,041	1,765
General and administrative expenses	(286)	(106)	(104)	(147)	(80)
Change in fair values of investment properties	14,761	5,211	6,787	3,272	3,259
Operating profit	17,258	7,622	8,939	5,166	4,944
Interest income	14	14	22	11	1
Finance costs on interest bearing liabilities	(169)	(193)	(228)	(197)	(271)
Gain on disposal of investment properties	340	-	-	-	-
Profit before taxation and transactions with Unitholders	17,443	7,443	8,733	4,980	4,674
Taxation	(411)	(368)	(317)	(288)	(236)
Profit for the period, before transactions with Unitholders	17,032	7,075	8,416	4,692	4,438
Distributions paid to Unitholders	(1,976)	(1,725)	(1,502)	(1,286)	(1,079)
	15,056	5,350	6,914	3,406	3,359
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	15,071	5,412	6,970	3,373	3,317
Amount arising from cash flow hedging reserve movement	(15)	(62)	(56)	33	42
	15,056	5,350	6,914	3,406	3,359
<b>Consolidated statement of distributions</b>					
Profit for the period	17,032	7,075	8,416	4,692	4,438
Adjustments:					
- Change in fair values of investment properties	(14,761)	(5,211)	(6,787)	(3,272)	(3,259)
- Gain on disposal of investment properties, net of transaction costs	(327)	-	-	-	-
- Other non-cash income	(18)	(10)	(5)	-	(7)
Total distributable income	1,926	1,854	1,624	1,420	1,172
Discretionary distribution	128	-	-	-	-
Total distributable amount	2,054	1,854	1,624	1,420	1,172
<b>Distribution per unit (HK cents)</b>					
Interim DPU	89.56	80.22	71.08	63.11	52.86

## Five year performance summary (Continued)

### FINANCIAL DATA (Continued)

		As at 30 September 2014 (Unaudited)	As at 31 March 2014 (Audited)	As at 31 March 2013 (Audited)	As at 31 March 2012 (Audited)	As at 31 March 2011 (Audited)
<b>Assets and liabilities</b>						
Investment properties	HK\$'M	125,486	109,899	95,366	76,672	67,318
Other non-current assets	HK\$'M	541	470	572	598	391
Current assets, excluding investment properties held for sale	HK\$'M	3,905	3,097	3,485	1,955	1,045
Total assets	HK\$'M	129,932	113,466	99,423	79,225	68,754
Current liabilities	HK\$'M	4,937	5,532	4,198	2,245	4,577
Non-current liabilities	HK\$'M	14,385	11,583	13,583	14,245	9,202
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	19,322	17,115	17,781	16,490	13,779
Net assets attributable to Unitholders	HK\$'M	110,610	96,351	81,642	62,735	54,975
Interest bearing liabilities to total assets	%	11.0	11.0	13.6	15.9	15.1
Total liabilities to total assets	%	14.9	15.1	17.9	20.8	20.0
Valuation of investment properties	HK\$'M	125,486	109,899	95,366	76,672	67,318
Valuation weighted average capitalisation rate	%	4.82	5.27	5.39	6.11	6.16
Net assets per unit attributable to Unitholders	HK\$	48.23	41.69	35.68	27.73	24.63
Closing price per unit	HK\$	44.75	38.15	42.30	28.90	24.35
Market capitalisation	HK\$'M	102,623	88,160	96,785	65,383	54,356
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	(7.2)	(8.5)	18.6	4.2	(1.1)
Units in issue		2,293,242,269	2,310,889,561	2,288,061,440	2,262,372,930	2,232,284,540

## PORTFOLIO DATA

		Six months ended 30 September 2014 (Unaudited)	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)
<b>Operational Data</b>						
Average monthly unit rent at period end	HK\$ psf	43.6	40.2	37.2	34.2	31.7
Average monthly unit rent excluding self use office, Education/Welfare, Office and Ancillary at period end	HK\$ psf	46.9	43.2	40.0	36.9	34.1
Composite reversion rate						
- Shops	%	24.1	22.6	27.9	22.7	22.2
- Overall	%	23.6	23.6	25.9	21.5	22.7
Occupancy rate at period end	%	94.4	94.1	93.2	92.1	90.9
Net property income margin	%	72.7	72.1	70.6	70.7	67.3
Retention rate	%	71.2	76.2	80.3	79.3	74.6
Number of turnover rent leases (excluding ancillary) at period end		5,187	5,082	4,896	4,590	3,794
Car park income per space per month	HK\$	1,738	1,529	1,338	1,193	1,067
Car park utilisation rate at period end	%	91.7	86.4	81.1	78.3	72.6
<b>Performance Data</b>						
Net assets attributable to Unitholders at period end	HK\$'M	110,610	87,912	70,394	58,807	44,766
Net assets per unit attributable to Unitholders at period end	HK\$	48.23	38.04	30.82	26.14	20.19
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	N/A	8.36	6.13	2.06	3.36
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(10.83)	(4.74)	(2.27)	(2.34)	(1.65)
Closing price per unit at period end	HK\$	44.75	38.05	36.75	24.70	23.00
Net yield per unit (Note (ii))	%	2.0	2.1	1.9	2.6	2.3
Net yield (annualised) per unit (Note (ii))	%	4.0	4.2	3.9	5.1	4.6
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	17.4	15.6	13.8	12.3	10.3

### Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$47.30 (2013: HK\$46.40) and HK\$37.40 (2013: HK\$33.30) respectively on The Stock Exchange of Hong Kong Limited during the period. During the period, the highest traded price was lower than the net assets per unit attributable to Unitholders as at period end date. Accordingly, no premium of the traded price to net assets attributable to Unitholders was presented at 30 September 2014.
- (ii) Net yield per unit is calculated based on distribution per unit for the period ended 30 September 2014 of HK\$9.56 cents (2013: HK\$8.02 cents) over the closing price as at 30 September 2014 of HK\$44.75 (2013: HK\$38.05).

# Definitions and glossary terms

<b>2014 AGM</b>	the annual general meeting of Unitholders held on 23 July 2014
<b>average monthly unit rent</b>	the average base rent plus management fee per month per square foot of leased IFA
<b>base rent</b>	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
<b>Board or Board of Directors</b>	board of directors of the Manager
<b>Board Committees</b>	committees of the Board to discharge the duties set out in their respective written terms of reference as approved by the Board, which currently include the Audit Committee, the Nomination Committee, the Remuneration Committee, the Human Resources and Compensation Committee, and the Finance and Investment Committee
<b>car park utilisation rate</b>	the number of tickets sold to monthly users as a percentage of the number of monthly parking spaces available
<b>CCEP</b>	the charity and community engagement programme of The Link REIT known as "The Link Together Initiatives" which was established to support eligible charitable organisations in launching relevant service projects that benefit the communities near The Link REIT's properties
<b>composite reversion rate</b>	the percentage change in per square foot average unit rent between old and new leases on the same store
<b>Director(s)</b>	director(s) of the Manager
<b>DCF</b>	discounted cash flow
<b>DPU</b>	distribution per unit in respect of the total distributable amount of The Link REIT for a financial year/period
<b>EUPP</b>	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing through an independent third party intermediary the units of The Link REIT in the open market in accordance with the EUPP rules
<b>Group</b>	The Link REIT and its subsidiaries
<b>HKMC</b>	The Hong Kong Mortgage Corporation Limited
<b>HKSAR</b>	Hong Kong Special Administrative Region of The People's Republic of China

<b>Hong Kong Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>IFA</b>	internal floor area, the internal area within the enclosure and available for the exclusive use of the occupier(s) of a building excluding common area and the thickness of all enclosing walls
<b>IIRC</b>	International Integrated Reporting Council
<b>internally managed REIT</b>	the manager who manages the REIT is beneficially owned by the REIT itself rather than being owned by an external party
<b>lease</b>	a lease or a tenancy agreement (both of which grant a possessory interest) or a license (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
<b>leased IFA</b>	the IFA being let out under a lease
<b>Listing Rules</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>LTI Plan</b>	long-term incentive plan of The Link REIT
<b>Manager</b>	The Link Management Limited, which is the manager of The Link REIT
<b>market capitalisation</b>	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Hong Kong Stock Exchange
<b>MTN Programme</b>	Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (wholly-owned subsidiary of The Link REIT) in May 2009, and "MTN" refers to note(s) issued or to be issued from time to time pursuant to the MTN Programme
<b>NPI</b>	net property income, being total revenue less direct property related expenses
<b>occupancy rate</b>	the aggregated leased IFA as a percentage of total leasable IFA
<b>psf or sq ft</b>	per square foot or square feet
<b>REIT(s)</b>	real estate investment trust(s)
<b>REIT Code</b>	Code on Real Estate Investment Trusts issued by the SFC

## Definitions and glossary terms (Continued)

<b>retail operations</b>	the operations within the shopping centres, including shop units, market stalls, cooked food stalls, education and welfare, office, ancillary and mall merchandising
<b>retention rate</b>	the percentage of tenants being retained in the same shopping centre upon the expiry of leases
<b>return on investment</b>	projected NPI post-project minus NPI pre-project divided by the estimated amount of project capital expenditure and loss of rental
<b>SFC</b>	Securities and Futures Commission of Hong Kong
<b>SFO</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>tenant</b>	a lessee, tenant or licensee (as the case may be) under a lease
<b>The Link REIT</b>	The Link Real Estate Investment Trust
<b>total distributable amount</b>	total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable
<b>total distributable income</b>	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
<b>Trust Deed</b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting The Link REIT as amended and supplemented by ten supplemental deeds
<b>Trustee</b>	trustee of The Link REIT
<b>turnover rent</b>	rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent
<b>unit(s)</b>	unit(s) of The Link REIT unless the context requires the otherwise
<b>Unitholder(s)</b>	holder(s) of unit(s)
<b>vacancy rate</b>	the aggregated vacant IFA as a percentage of total leasable IFA



# 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 2,293,242,269 units in issue as at 30 September 2014. Further details of such units in issue are set out in Note 21 to the condensed consolidated interim financial information in this interim report.

## FINANCIAL CALENDAR

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Interim results announcement for the six months ended 30 September 2014	12 November 2014
Ex-interim distribution date	25 November 2014
Closure of register of Unitholders	27 November to 1 December 2014 (both days inclusive)
Record date for interim cash distribution	1 December 2014
Interim cash distribution payment date	9 December 2014
Final results announcement for the financial year ending 31 March 2015	June 2015

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In order to qualify for the interim cash distribution (including a discretionary 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 26 November 2014.

## Investor information (Continued)

Financial reports, announcements, circulars, notices, other 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). To promote environmental protection, we recommend you to view our publications online at our corporate website instead of using printed copies.

### 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 CONTACT

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)

### INDEX 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 Index<sup>(4)</sup>  
Hang Seng REIT Index

MSCI<sup>(5)</sup> All Country World Index  
MSCI<sup>(5)</sup> All Country Asia Pacific ex-Japan Index  
MSCI<sup>(5)</sup> World REIT Index  
MSCI<sup>(5)</sup> Hong Kong Index

S&P<sup>(6)</sup> Global REIT Index  
S&P<sup>(6)</sup> Global Intrinsic Value Index  
S&P<sup>(6)</sup> Asia Property 40 Index

TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Composite Index  
TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Composite Hong Kong Index  
TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Composite REIT Index  
TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Composite REIT Hong Kong Index  
TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Investable 100 Index  
TR<sup>(7)</sup>/GPR<sup>(3)</sup>/APREA<sup>(8)</sup> Investable REIT 100 Index

Notes:

- (1) European Public Real Estate Association
- (2) National Association of Real Estate Investment Trust
- (3) Global Property Research
- (4) Inclusion in Hang Seng Index will be effective from 8 December 2014
- (5) Morgan Stanley Capital International
- (6) Standard and Poor's
- (7) Thomson Reuters
- (8) 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  
Eva CHENG LI Kam Fun  
Anthony CHOW Wing Kin  
May Siew Boi TAN  
Peter TSE Pak Wing  
Nancy TSE Sau Ling  
David Charles WATT  
Richard WONG Yue Chim  
Elaine Carole YOUNG

## RESPONSIBLE OFFICERS OF THE MANAGER <sup>(1)</sup>

George Kwok Lung HONGCHOY  
Andy CHEUNG Lee Ming  
Hubert CHAK  
Christine CHAN Suk Han  
Eric YAU Siu Kei

## COMPANY SECRETARY OF THE MANAGER

Ricky CHAN Ming Tak

## AUTHORISED REPRESENTATIVES <sup>(2)</sup>

Andy CHEUNG Lee Ming  
Ricky CHAN Ming Tak

## TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

## AUDITOR

PricewaterhouseCoopers

## PRINCIPAL VALUER

CBRE 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  
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(1) Required by the SFO

(2) Required by the Listing Rules

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