

Consolidated Income Statement

For the financial period from 6 September 2005 (date of establishment) to 31 March 2006
(operations since 25 November 2005, the listing date)

	<i>Note</i>	<i>HK\$'M</i>
Revenues	5	1,354
Property operating expenses	7	(541)
Net property income		813
Interest income		5
General and administrative expenses		(42)
Change in fair values of investment properties		1,949
Operating profit	8	2,725
Finance costs on bank borrowings	9	(201)
Profit before taxation and transactions with unitholders		2,524
Taxation	11	(443)
Profit for the period, before transactions with unitholders	12	2,081
Distributions to unitholders, paid <i>(ii)</i> <i>(iii)</i>		—
Change in net assets attributable to unitholders		2,081

The above consolidated income statement should be read with the accompanying notes to these financial statements.

Notes:

- (i) Operations commenced on 25 November 2005, date of listing of The Link REIT (the "Trust") and acquisition of the retail and carpark operations.
- (ii) In accordance with the Trust Deed, The Link REIT is required to distribute to unitholders not less than 90% 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 to pay cash dividends 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 of the Trust. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Disclosure and Presentation. Consistent with unitholders' funds being classified as a financial liability, the distributions to unitholders are part of finance costs which are recognised in the income statement.
- (iii) Distributable Income is determined in Note 13. The Distributions declared in respect of this financial period are set out in the Statement of Distributions, and will be paid out to unitholders on 30 August 2006.
- (iv) Earnings per unit, based upon profit after tax before transactions with unitholders and the average number of units in issue, is set out in Note 12.