



# The Link Real Estate Investment Trust

*(a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance  
(Chapter 571 of the Laws of Hong Kong))*  
(stock code: 823)

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2008

The board of directors (the “Board”) of The Link Management Limited (the “Manager”), as the manager of The Link Real Estate Investment Trust (“The Link REIT”), are pleased to announce the audited consolidated final results of The Link REIT and its subsidiaries (the “Group”) for the year ended 31 March 2008.

The final results and the financial statements of the Group for the financial year ended 31 March 2008 have been reviewed by the Audit Committee of the Manager and subsequently approved by the Board at its meeting on 6 June 2008.

### TOTAL DISTRIBUTABLE INCOME

Pursuant to the trust deed dated 6 September 2005 between HSBC Institutional Trust Services (Asia) Limited as the trustee of The Link REIT (the “Trustee”) and the Manager, constituting The Link REIT as amended from time to time by supplemental deeds (the “Trust Deed”), the Total Distributable Income is defined as the amount calculated by the Manager as representing the consolidated audited profit after tax attributable to unitholders of The Link REIT and its subsidiaries for the financial year, as adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the Consolidated Income Statement.

Non-cash income/gains such as “Change in fair values of investment properties” as they appear in the Consolidated Income Statement have been adjusted to eliminate the effects of such adjustments as defined in the Trust Deed. Total Distributable Income was HK\$1,602 million for the year ended 31 March 2008 as compared to HK\$1,441 million for the year ended 31 March 2007.

It is the Manager’s current policy to distribute to unitholders 100% of The Link REIT’s Total Distributable Income for the year ended 31 March 2008. With an interim distribution per unit of HK36.11 cents and a final distribution per unit approved by the Board of HK38.29 cents, total distribution per unit for the year amounted to HK74.40 cents (2007: HK67.43 cents). The distribution per unit for the year of HK74.40 cents represents a distribution yield of 4.3% based on the market price on 31 March 2008 of HK\$17.26.

A distribution reinvestment scheme will be available to the unitholders and the unitholders can elect to receive the final distribution in respect of the year ended 31 March 2008 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. Please refer to the “Distribution Reinvestment Scheme” section below for more information.

## FINANCIAL STATEMENTS

### Consolidated Income Statement

For the year ended 31 March 2008

	<i>Note</i>	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Revenues	2	<b>4,199</b>	3,954
Property operating expenses		<u><b>(1,662)</b></u>	<u>(1,593)</u>
Net property income		<b>2,537</b>	2,361
General and administrative expenses		<b>(102)</b>	(88)
Change in fair values of investment properties		<u><b>4,265</b></u>	<u>3,514</u>
Operating profit	4	<b>6,700</b>	5,787
Interest income		<b>78</b>	60
Finance costs on interest bearing liabilities		<u><b>(604)</b></u>	<u>(578)</u>
Profit before taxation and transactions with unitholders		<b>6,174</b>	5,269
Taxation	5	<u><b>(1,035)</b></u>	<u>(915)</u>
Profit for the year, before transactions with unitholders		<b>5,139</b>	4,354
Distributions paid to unitholders			
2006 final distribution		—	(467)
2007 interim distribution		—	(702)
2007 final distribution		<b>(739)</b>	—
2008 interim distribution		<u><b>(776)</b></u>	<u>—</u>
		<u><b>3,624</b></u>	<u>3,185</u>
Represented by:			
Change in net assets attributable to unitholders, excluding issues of new units		<b>3,408</b>	3,074
Amount arising from cash flow hedging reserve movement		<u><b>216</b></u>	<u>111</u>
		<u><b>3,624</b></u>	<u>3,185</u>

#### Notes:

- (i) Total Distributable Income is determined in the Statement of Distributions. The final distribution declared in respect of this year as set out in the Statement of Distributions will be paid to unitholders on or about 19 August 2008.
- (ii) Earnings per unit, based upon profit after taxation and before transactions with unitholders and the average number of units in issue, is set out in Note 6 to the consolidated financial statements.

**Statement of Distributions**  
*For the year ended 31 March 2008*

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Profit for the year, before transactions with unitholders	<b>5,139</b>	4,354
Adjustments:		
Change in fair values of investment properties	<b>(4,265)</b>	(3,514)
Deferred taxation on change in fair values of investment properties	<b>747</b>	614
Other non-cash income	<b>(19)</b>	(13)
Total Distributable Income ( <i>Note (i)</i> )	<b><u>1,602</u></b>	<u>1,441</u>
Interim distribution, paid	<b>776</b>	702
Final distribution, to be paid to the unitholders	<b>826</b>	739
Total distributions for the year ( <i>Note (ii)</i> )	<b><u>1,602</u></b>	<u>1,441</u>
As a percentage of Total Distributable Income	<b><u>100%</u></b>	<u>100%</u>
Units in issue as at 31 March	<b><u>2,158,677,767</u></b>	<u>2,137,454,000</u>
Distributions per unit to unitholders:		
Interim distribution per unit, paid ( <i>Note (iii)</i> )	<b>HK36.11 cents</b>	HK32.81 cents
Final distribution per unit, to be paid to the unitholders ( <i>Note (iv)</i> )	<b><u>HK38.29 cents</u></b>	<u>HK34.62 cents</u>
Distribution per unit for the year	<b><u>HK74.40 cents</u></b>	<u>HK67.43 cents</u>

*Notes:*

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to unitholders (equivalent to profit for the year, before transactions with unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year.
- (ii) Pursuant to the Trust Deed, The Link Real Estate Investment Trust is required to ensure that the total amount distributed to unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the distributions for the year ended 31 March 2008. The interim distribution was paid to unitholders on 15 January 2008. The final distribution will be paid to unitholders on or about 19 August 2008.
- (iii) The interim distribution per unit of HK36.11 cents is calculated based on the interim distribution paid of HK\$776 million for the period and 2,148,434,317 units in issue as at 30 September 2007 (2007: HK\$702 million and 2,137,454,000 units).
- (iv) The final distribution per unit of HK38.29 cents is calculated based on the final distribution to be paid to the unitholders of HK\$826 million for the period and 2,158,677,767 units in issue as at 31 March 2008 (2007: HK\$739 million and 2,137,454,000 units).

**Consolidated Balance Sheet***As at 31 March 2008*

	<i>Note</i>	<b>2008</b> <i>HK\$'M</i>	<b>2007</b> <i>HK\$'M</i>
<b>Non-current assets</b>			
Goodwill		<b>3,988</b>	3,988
Investment properties		<b>44,307</b>	39,557
Property, plant and equipment		<b>46</b>	52
		<b>48,341</b>	43,597
<b>Current assets</b>			
Trade and other receivables	7	<b>112</b>	92
Deposits and prepayments		<b>25</b>	18
Short-term bank deposits		<b>1,753</b>	1,475
Cash and cash equivalents		<b>117</b>	53
		<b>2,007</b>	1,638
<b>Total assets</b>		<b>50,348</b>	45,235
<b>Current liabilities</b>			
Trade payables, receipts in advance and accruals	8	<b>858</b>	738
Security deposits		<b>376</b>	318
Provision for taxation		<b>48</b>	—
Interest bearing liabilities	9	<b>2,199</b>	—
		<b>3,481</b>	1,056
<b>Net current (liabilities)/assets</b>		<b>(1,474)</b>	582
<b>Total assets less current liabilities</b>		<b>46,867</b>	44,179
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Interest bearing liabilities	9	<b>9,986</b>	12,177
Deferred tax liabilities		<b>5,976</b>	5,102
Long-term incentive plan payable		<b>20</b>	—
Other non-current liabilities		<b>327</b>	111
		<b>16,309</b>	17,390
<b>Total liabilities, excluding net assets attributable to unitholders</b>		<b>19,790</b>	18,446
<b>Net assets attributable to unitholders</b>		<b>30,558</b>	26,789
Units in issue		<b>2,158,677,767</b>	2,137,454,000
Net assets per unit attributable to unitholders		<b>HK\$14.16</b>	HK\$12.53

**Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders**  
*For the year ended 31 March 2008*

	<b>Total reserves HK\$'M</b>	<b>Net assets attributable to unitholders HK\$'M</b>	<b>Total HK\$'M</b>
Net assets attributable to unitholders at 1 April 2006	—	23,715	23,715
Profit for the year ended 31 March 2007, before transactions with unitholders	—	4,354	4,354
Distributions paid to unitholders			
2006 final distribution	—	(467)	(467)
2007 interim distribution	—	(702)	(702)
Change in fair values of cash flow hedges	(111)	—	(111)
Amount arising from cash flow hedging reserve movement	111	(111)	—
Change in net assets attributable to unitholders for the year ended 31 March 2007	—	3,074	3,074
Net assets attributable to unitholders at 31 March 2007	<u>—</u>	<u>26,789</u>	<u>26,789</u>
Net assets attributable to unitholders at 1 April 2007	—	26,789	26,789
Issuance of units under distribution reinvestment scheme	—	361	361
Profit for the year ended 31 March 2008, before transactions with unitholders	—	5,139	5,139
Distributions paid to unitholders			
2007 final distribution	—	(739)	(739)
2008 interim distribution	—	(776)	(776)
Change in fair values of cash flow hedges	(247)	—	(247)
Amount transferred to the consolidated income statement	31	—	31
Amount arising from cash flow hedging reserve movement	216	(216)	—
Change in net assets attributable to unitholders for the year ended 31 March 2008, excluding issues of new units	—	3,408	3,408
Net assets attributable to unitholders at 31 March 2008	<u>—</u>	<u>30,558</u>	<u>30,558</u>

## Notes to the Consolidated Financial Statements

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (the “REIT Code”). HKFRS is a collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

Accounting policies have been consistently applied and there is no significant change in accounting policies from those which were disclosed in the audited financial statements for the year ended 31 March 2007.

### 2. REVENUES

Revenues recognised during the year comprise:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Rental income from retail properties	<b>3,017</b>	2,832
Gross rental receipts from car parks	<u>934</u>	<u>881</u>
	<u>3,951</u>	<u>3,713</u>
Other revenues		
Air conditioning service fees	<b>243</b>	236
Other property related income	<u>5</u>	<u>5</u>
	<u>248</u>	<u>241</u>
Total revenues	<u><b>4,199</b></u>	<u>3,954</u>

Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover amounting to HK\$52 million (2007: HK\$32 million) have been included in the rental income.

## Notes to the Consolidated Financial Statements (Continued)

### 3. SEGMENT INFORMATION

	Retail properties <i>HK\$'M</i>	Carparks <i>HK\$'M</i>	Head office <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>For the year ended 31 March 2008</b>				
Revenues	<u>3,265</u>	<u>934</u>	<u>—</u>	<u>4,199</u>
Segment results	2,025	512	(102)	2,435
Change in fair values of investment properties	3,415	850	—	4,265
Interest income				78
Finance costs on interest bearing liabilities				<u>(604)</u>
Profit before taxation and transactions with unitholders				6,174
Taxation				<u>(1,035)</u>
Profit for the year, before transactions with unitholders				<u>5,139</u>
Capital expenditure	439	46	10	495
Depreciation	<u>—</u>	<u>—</u>	<u>14</u>	<u>14</u>
<b>As at 31 March 2008</b>				
Segment assets	36,180	8,234	76	44,490
Goodwill				3,988
Short-term bank deposits				1,753
Cash and cash equivalents				<u>117</u>
Total assets				<u>50,348</u>
Segment liabilities	975	137	122	1,234
Interest bearing liabilities				12,185
Provision for taxation				48
Deferred tax liabilities				5,976
Long-term incentive plan payable				20
Other non-current liabilities				<u>327</u>
Total liabilities, excluding net assets attributable to unitholders				<u>19,790</u>
Net assets attributable to unitholders				<u>30,558</u>

## Notes to the Consolidated Financial Statements (Continued)

### 3. SEGMENT INFORMATION (Continued)

	Retail properties <i>HK\$'M</i>	Carparks <i>HK\$'M</i>	Head office <i>HK\$'M</i>	Total <i>HK\$'M</i>
<b>For the year ended 31 March 2007</b>				
Revenues	<u>3,073</u>	<u>881</u>	<u>—</u>	<u>3,954</u>
Segment results	1,889	472	(88)	2,273
Change in fair values of investment properties	2,914	600	—	3,514
Interest income				60
Finance costs on interest bearing liabilities				<u>(578)</u>
Profit before taxation and transactions with unitholders				5,269
Taxation				<u>(915)</u>
Profit for the year, before transactions with unitholders				<u>4,354</u>
Capital expenditure	239	32	29	300
Depreciation	<u>—</u>	<u>—</u>	<u>9</u>	<u>9</u>
<b>As at 31 March 2007</b>				
Segment assets	32,294	7,340	85	39,719
Goodwill				3,988
Short-term bank deposits				1,475
Cash and cash equivalents				<u>53</u>
Total assets				<u>45,235</u>
Segment liabilities	830	112	114	1,056
Interest bearing liabilities				12,177
Deferred tax liabilities				5,102
Other non-current liabilities				<u>111</u>
Total liabilities, excluding net assets attributable to unitholders				<u>18,446</u>
Net assets attributable to unitholders				<u>26,789</u>



## Notes to the Consolidated Financial Statements (Continued)

### 4. OPERATING PROFIT BEFORE FINANCE COSTS, TAXATION AND TRANSACTIONS WITH UNITHOLDERS

	2008 <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Operating profit before finance costs, taxation and transactions with unitholders is stated after charging:		
Staff costs	176	136
Depreciation of property, plant and equipment	14	9
Loss on disposal of property, plant and equipment	2	—
Strategic partner fee	3	1
Trustee's fee	3	3
Valuation fee	4	4
Auditor's remuneration		
— audit service	3	3
— non-audit service	1	1
Bank charges	1	—
Operating lease charges	5	4
Other legal and professional fees	<u>3</u>	<u>6</u>

### 5. TAXATION

Hong Kong profits tax has been provided for at the rate of 17.5% on the estimated assessable profit for the year. For the year ended 31 March 2007, no current taxation has been provided for as the Group has no estimated assessable profit.

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

	2008 <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Current taxation	161	—
Deferred taxation	<u>874</u>	<u>915</u>
	<u>1,035</u>	<u>915</u>

## Notes to the Consolidated Financial Statements (Continued)

### 5. TAXATION (Continued)

The differences between the Group's expected tax charge, using the Hong Kong profits tax rate, and the Group's taxation for the year were as follows:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Profit before taxation	<u>6,174</u>	<u>5,269</u>
Expected tax calculated at the Hong Kong profits tax rate of 17.5%	1,081	922
Tax effect of non-deductible expenses	6	3
Tax effect of non-taxable income	(14)	(10)
Recognition of previously unrecognised temporary differences	<u>(38)</u>	<u>—</u>
Taxation	<u><u>1,035</u></u>	<u><u>915</u></u>

On 27 February 2008, the Financial Secretary proposed a reduction of profits tax rate from 17.5% to 16.5% from the fiscal year 2008/2009 onwards. As at 31 March 2008, the proposed reduction of profits tax rate has not yet been substantively enacted. There was no financial impact for the current year.

### 6. EARNINGS PER UNIT BASED UPON PROFIT AFTER TAXATION AND BEFORE TRANSACTIONS WITH UNITHOLDERS

	<b>2008</b>	2007
Profit for the year, before transactions with unitholders	<u><b>HK\$5,139 million</b></u>	<u>HK\$4,354 million</u>
Weighted average number of units for the year	<u><b>2,146,299,236</b></u>	<u>2,137,454,000</u>
Earnings per unit based on profit after taxation, before transactions with unitholders, basic and diluted	<u><b>HK\$2.39</b></u>	<u>HK\$2.04</u>

### 7. TRADE AND OTHER RECEIVABLES

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Trade receivables	63	53
Less: provision for impairment of receivables	<u>(5)</u>	<u>(2)</u>
Trade receivables — net	58	51
Other receivables	<u>54</u>	<u>41</u>
	<u><u>112</u></u>	<u><u>92</u></u>

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

## Notes to the Consolidated Financial Statements (Continued)

### 7. TRADE AND OTHER RECEIVABLES (Continued)

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

The ageing analysis of trade receivables is as follows:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
0–30 days	<b>53</b>	47
31–90 days	<b>3</b>	3
Over 90 days	<u><b>7</b></u>	<u>3</u>
	<u><b>63</b></u>	<u>53</u>

Monthly base rental in respect of retail properties are payable in advance by tenants in accordance with the leasing agreements while daily gross receipts from carparks are received from the carpark operators in arrears.

Included in the net trade receivables of HK\$58 million (2007: HK\$51 million) presented above were HK\$30 million (2007: HK\$33 million) of accrued carpark income and HK\$13 million (2007: HK\$5 million) of accrued turnover rent, which were not yet due as at 31 March 2008. The remaining HK\$15 million (2007: HK\$13 million) were past due but not impaired.

The ageing analysis of the past due trade receivables is as follows:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
0–30 days	<b>10</b>	9
31–90 days	<b>3</b>	3
Over 90 days	<u><b>2</b></u>	<u>1</u>
	<u><b>15</b></u>	<u>13</u>

As at 31 March 2008, trade receivables of HK\$5 million (2007: HK\$2 million) were considered as impaired and had been provided for. The individually impaired receivables are those where the collectibility of which is in doubt.

The ageing analysis of the impaired trade receivables is as follows:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Over 90 days	<u><b>5</b></u>	<u>2</u>

## Notes to the Consolidated Financial Statements (Continued)

### 7. TRADE AND OTHER RECEIVABLES (Continued)

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

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
At 1 April	2	—
Provision for trade receivables impairment	5	2
Receivables written off during the year as uncollectible	<u>(2)</u>	<u>—</u>
At 31 March	<u><u>5</u></u>	<u><u>2</u></u>

The creation and release of provision for impaired receivables have been included in property operating expenses in the consolidated income statement. Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

The other classes of receivables included in the trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of trade and other receivables.

### 8. TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
Trade payables	62	64
Receipts in advance	61	59
Accruals	<u>735</u>	<u>615</u>
	<u><u>858</u></u>	<u><u>738</u></u>

The ageing analysis of trade payables is as follows:

	<b>2008</b> <i>HK\$'M</i>	2007 <i>HK\$'M</i>
0–30 days	53	60
31–90 days	8	3
Over 90 days	<u>1</u>	<u>1</u>
	<u><u>62</u></u>	<u><u>64</u></u>

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

## Notes to the Consolidated Financial Statements (Continued)

### 9. INTEREST BEARING LIABILITIES

	<b>2008</b>	2007
	<i>HK\$'M</i>	<i>HK\$'M</i>
Guaranteed notes ( <i>Note a</i> )	<b>3,596</b>	3,591
Syndicated loan ( <i>Note b</i> )	<b>4,589</b>	4,586
Other loan (secured) ( <i>Note c</i> )	<b>4,000</b>	4,000
	<b>12,185</b>	12,177
Less: Current portion of interest bearing liabilities	<b>(2,199)</b>	—
Non-current portion of interest bearing liabilities	<b>9,986</b>	12,177

Interest bearing liabilities, denominated in Hong Kong Dollars, are repayable as follows:

	<b>2008</b>	2007
	<i>HK\$'M</i>	<i>HK\$'M</i>
<b>Due in the first year</b>		
Guaranteed notes	<b>2,199</b>	—
<b>Due in the second year</b>		
Guaranteed notes	<b>1,397</b>	2,196
<b>Due in the third year</b>		
Guaranteed notes	—	1,395
Other loan (secured)	<b>4,000</b>	4,000
	<b>4,000</b>	5,395
<b>Due in the fourth year</b>		
Syndicated loan	<b>4,589</b>	—
<b>Due in the fifth year</b>		
Syndicated loan	—	4,586
	<b>12,185</b>	12,177

*Notes:*

- (a) On 4 August 2006, a subsidiary of the Group, The Link Finance (Cayman) 2006 Limited, issued three guaranteed notes (the “Notes”) in the aggregate amount of HK\$3.6 billion. The Notes, listed on The Stock Exchange of Hong Kong Limited and guaranteed by two subsidiaries of the Group, The Link Holdings Limited and The Link Properties Limited, are divided into three tranches, HK\$1.4 billion 5.12% guaranteed notes due in 2009, HK\$1.4 billion 5.00% guaranteed notes due in 2008 and HK\$0.8 billion floating rate guaranteed notes due in 2008.

## Notes to the Consolidated Financial Statements (Continued)

### 9. INTEREST BEARING LIABILITIES (Continued)

*Notes: (Continued)*

- (b) On 4 August 2006, the Group arranged a HK\$5 billion five-year floating rate syndicated term/revolving bank loan facility, guaranteed by two subsidiaries of the Group, The Link Holdings Limited and The Link Properties Limited. The undrawn portion of the facility amounted to HK\$0.4 billion as at 31 March 2008 (2007: HK\$0.4 billion).
- (c) On 27 November 2006, The Link Properties Limited entered into a three-year floating rate mortgage loan facility of HK\$4 billion (the “Mortgage Loan Facility”) with The Link Finance Limited. Certain of the investment properties were pledged for this purpose, the carrying value of which as at 31 March 2008 amounted to approximately HK\$4.8 billion (2007: HK\$4.4 billion). The Mortgage Loan Facility was then sold for a consideration of HK\$4 billion to The Hong Kong Mortgage Corporation Limited. The Mortgage Loan Facility is guaranteed by The Link Holdings Limited and HSBC Institutional Trust Services (Asia) Limited, the trustee of The Link REIT. The Mortgage Loan Facility contained an option for the Group to extend the loan for one year. On 19 March 2008, the Group exercised its option to extend the loan for one year thus extending the maturity of this loan to November 2010.
- (d) The effective interest rate of the interest bearing liabilities at the balance sheet date was 4.10% (2007: 4.94%). The carrying amounts of the interest bearing liabilities approximate their fair values.

### 10. SECURITY FOR THE GROUP’S LOAN FACILITIES

As at 31 March 2008, certain of the Group’s investment properties, amounting to approximately HK\$4.8 billion (2007: HK\$4.4 billion), were pledged to secure the Group’s loan facilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Review

The Link REIT was the first and is still the largest Hong Kong REIT with a geographically diverse portfolio of 180 properties, comprising 149 integrated retail and carpark facilities, two standalone retail facilities and 29 standalone carparks.

As at 31 March 2008, the portfolio provided an internal floor area (“IFA”) of approximately 11,007,000 square feet of retail space and approximately 80,000 carpark spaces. Approximately 8%, 33% and 59% of the total IFA are located on Hong Kong Island, Kowloon and the New Territories, respectively. The occupancy rate of the retail facilities was 89.3% as at 31 March 2008 (2007: 90.3%). The utilisation rate for the carpark facilities, calculated as a percentage of total monthly tickets sold compared with the total number of monthly carpark spaces available, was 71.2% (2007: 71.6%).

### The Manager

The Manager is licensed by the Securities and Futures Commission to conduct the regulated activity of asset management and is responsible for managing The Link REIT’s portfolio of 180 properties. As at 31 March 2008, the Manager had 423 (2007: 340) staff. Key activities of the Manager include leasing, property management, enhancement and maintenance works, investment, fund management and associated corporate services.

### Asset Enhancement

Asset enhancement continues to be one of the fundamental drivers to improving unitholders’ returns. During the year, we witnessed the successful completion of various projects/phases of different projects as follows:

*Fully Completed Projects* — Phase 2 of Lung Cheung shopping centre; Phase 3 of Tsz Wan Shan shopping centre; Ming Tak shopping centre; Choi Ming shopping centre and Chung On shopping centre

*Partially Completed Projects* — Phase 1 of Lok Fu shopping centre; Phase 3 of Hau Tak shopping centre and Phase 1 of Wong Tai Sin shopping centre

In carrying out asset enhancement projects, our main objectives are to optimise and improve the facility layout, maximise lettable internal floor areas, improve visibility and access and also to align trade and tenant mixes. With these in mind, we have reconfigured the shop fronts at Chung On shopping centre to create additional retail space. Similarly, in Choi Ming shopping centre, a new shoppers’ walkway has been strategically created from the previously idle space to provide shoppers with more shopping options. By converting the vacant market in Ming Tak shopping centre into retail shops, footfall and revenue have both been enhanced.

Renovations in both Lung Cheung and Tsz Wan Shan shopping centres have been fully completed as at 31 March 2008, and leasing is continuing to review the trade and tenant mixes in these centres.

With asset enhancement projects continuing in other centres such as Lok Fu and Wong Tai Sin, it is inevitable that there will be some loss of rental income. However, by successfully phasing the work, we are focused to reduce both the disruptions to our tenants and customers and also the rental loss during renovations before capturing the incremental rental.

In many of our properties, we have also continued with a range of smaller scale improvements such as upgrading of washroom facilities, new signages, improved access and air conditioning which have enhanced the ambience and shopping experience. All these initiatives have been well received by both customers and tenants.

Improvements in several cooked food stalls are also in progress which is expected to bring in new looks, additional choices and a better dining environment to customers.

## **Leasing**

During the year under review, the Manager has continued with adopting a flexible leasing strategy in order to attract and retain tenants but also in keeping with asset enhancement plans, aligning tenancies for phased refurbishment/renovation work. In such instances, tenancies have been renewed on terms of less than three years which is the usual term for commercial leases.

Trade mix upgrading and planning is carried out on a continual basis and in line with planned expiry of tenancies as well as asset enhancement projects. We have also achieved good progress in increasing tenancies with turnover rent clauses so that we can share in the upside with our tenants as their businesses improve. The number of tenancies with such clauses has increased to 976 (2007: 561) with turnover rent for the year increasing to HK\$52 million from HK\$32 million for the year ended 31 March 2007, representing a yearly increase of approximately 62.5% for such revenue.

Carpark income per bay per month for the year ended 31 March 2008 was approximately HK\$979 (2007: HK\$923), which is an increase of 6.1% for the year.



Category	Total IFA		Leased IFA		Vacant IFA	
	31 March	31 March	31 March	31 March	31 March	31 March
	2008	2007	2008	2007	2008	2007
	(sq ft)	(sq ft)	(sq ft)	(sq ft)	(sq ft)	(sq ft)
Retail	<b>8,661,156</b>	8,561,739	<b>7,901,282</b>	7,898,425	<b>759,874</b>	663,314
Market	<b>872,648</b>	886,458	<b>683,600</b>	687,433	<b>189,048</b>	199,025
Cooked food stalls	<b>152,677</b>	152,773	<b>97,651</b>	99,169	<b>55,026</b>	53,604
Education/welfare	<b>928,373</b>	919,020	<b>861,077</b>	865,576	<b>67,296</b>	53,444
HD offices and ancillary	<b>279,035</b>	297,216	<b>185,248</b>	213,689	<b>93,787</b>	83,527
Total excluding Self use offices	<b>10,893,889</b>	10,817,206	<b>9,728,858</b>	9,764,292	<b>1,165,031</b>	1,052,914
Self use offices	<b>112,710</b>	111,246	N/A	N/A	N/A	N/A
<b>Total including Self use offices</b>	<b>11,006,599</b>	10,928,452				
Excluding Self use offices, Education/welfare only	<b>9,965,516</b>	9,898,186	<b>8,867,781</b>	8,898,716	<b>1,097,735</b>	999,470
Excluding Self use offices, Education/welfare, HD offices and ancillary	<b>9,686,481</b>	9,600,970	<b>8,682,533</b>	8,685,027	<b>1,003,948</b>	915,943
Category	Occupancy rate		Vacancy rate		Average base rent per leased IFA	
	31 March	31 March	31 March	31 March	31 March	31 March
	2008	2007	2008	2007	2008	2007
	(%)	(%)	(%)	(%)	(HK\$psf)	(HK\$psf)
Retail	<b>91.2%</b>	92.3%	<b>8.8%</b>	7.7%	<b>25.1</b>	23.3
Market	<b>78.3%</b>	77.5%	<b>21.7%</b>	22.5%	<b>57.6</b>	54.3
Cooked food stalls	<b>64.0%</b>	64.9%	<b>36.0%</b>	35.1%	<b>32.1</b>	30.7
Education/welfare	<b>92.8%</b>	94.2%	<b>7.2%</b>	5.8%	<b>4.4</b>	4.3
HD offices and ancillary	<b>66.4%</b>	71.9%	<b>33.6%</b>	28.1%	<b>15.8</b>	11.5
Total excluding Self use offices	<b>89.3%</b>	90.3%	<b>10.7%</b>	9.7%	<b>25.4</b>	23.6
Excluding Self use offices, Education/welfare only	<b>89.0%</b>	89.9%	<b>11.0%</b>	10.1%	<b>27.5</b>	25.5
Excluding Self use offices, Education/welfare, HD offices and ancillary	<b>89.6%</b>	90.5%	<b>10.4%</b>	9.5%	<b>27.7</b>	25.9

<b>Composite Reversion Rate</b>	<b>Year ended 31 March</b>	
	<b>2008</b>	<b>2007</b>
	<b>%</b>	<b>%</b>
Retail	<b>24.78</b>	11.09
Market	<b>12.67</b>	6.38
Cooked food stalls	<b>8.88</b>	7.21
Education/welfare	<b>3.03</b>	0.82
HD offices and ancillary	<b>38.58</b>	11.22
Overall	<b>22.48</b>	9.87
Overall excluding Education/welfare	<b>22.64</b>	10.28

<b>Revenue</b>	<b>Year ended 31 March</b>		<b>% Increase/ (Decrease)</b>
	<b>2008</b>	<b>2007</b>	
	<b>HK\$'M</b>	<b>HK\$'M</b>	
Retail	<b>2,346</b>	2,166	8.3%
Market	<b>466</b>	460	1.3%
Cooked food stalls	<b>36</b>	40	(10.0%)
Education/welfare	<b>46</b>	47	(2.1%)
HD offices and ancillary	<b>74</b>	86	(14.0%)
Promotional venue	<b>49</b>	33	48.5%
Carparks	<b>934</b>	881	6.0%
Other revenues	<b>248</b>	241	2.9%
Total	<b>4,199</b>	<b>3,954</b>	6.2%

## **Portfolio Management**

Management is focused to reduce our cost to income ratio. For the year ended 31 March 2008, excluding estate common area costs, the cost to income ratio for our portfolio was 37.1% (2007: 38.9%). We will endeavour to control costs but it is inevitable, as more List 2 property titles are transferred to us, that government rent will increase. We presently expect that all the titles will be transferred by early 2010.

During the year, energy saving initiatives in select properties commenced. Those efforts were recognised in the Second Hong Kong Energy Efficiency Awards. Apart from promoting energy saving among tenants and the public, The Link's winning properties implemented various energy saving measures to strengthen staff's energy efficiency awareness.

No commission was paid to any real estate agents during the year ended 31 March 2008 (2007: Nil). The aggregate value of service contracts of the top five contractors engaged by the Group during the year was HK\$384 million (2007: HK\$328 million). During the year ended 31 March 2008, the top five contractors and their respective value of services rendered were:

<b>Contractors</b>	<b>Nature of Services</b>	<b>Value of Services HK\$'M</b>	<b>Percentage of Relevant Costs %</b>
Synergis Management Services Limited	Property and carpark management	90	6.1%
China Overseas Property Services Limited	Property and carpark management	85	5.8%
Guardian Property Management Limited	Property and carpark management	71	4.8%
Jetline Company Limited	Projects and maintenance	70	4.8%
Sino Estates Management Limited	Property management	68	4.6%
		384	26.1%

## **Property Valuation**

Pursuant to the REIT Code, CB Richard Ellis Limited (“CBRE”) retired as The Link REIT’s Principal Valuer after conducting valuations of the real estate of The Link REIT for three consecutive years. The Link REIT has appointed Knight Frank Petty Limited (“KFP”) as the Principal Valuer to The Link REIT. As at 31 March 2008, The Link REIT’s property portfolio was revalued by KFP and an increase in fair value of HK\$4,265 million (2007: HK\$3,514 million) was recorded as compared with the valuation as at 31 March 2007. KFP has primarily used two methodologies, the discounted cash flow analysis and the income capitalisation approach, supported by the direct comparison method, in arriving at the market valuation for each individual property in the portfolio.

The movements in fair values are tabulated below:

	<b>Retail properties HK\$'M</b>	<b>Carparks HK\$'M</b>	<b>Total HK\$'M</b>
At 1 April 2007	32,251	7,306	39,557
Additions	439	46	485
Change in fair values	3,415	850	4,265
At 31 March 2008	36,105	8,202	44,307
% change	+11.95%	+12.26%	+12.01%

## Financial Review

### *Revenue and Net Property Income*

Revenue and net property income from the property portfolio for the year ended 31 March 2008 were HK\$4,199 million (2007: HK\$3,954 million) and HK\$2,537 million (2007: HK\$2,361 million), respectively. Total retail revenue amounted to HK\$3,017 million (2007: HK\$2,832 million) with HK\$934 million (2007: HK\$881 million) of carpark income and HK\$248 million (2007: HK\$241 million) of other income. Net property income represented approximately 60.4% of total revenue after the deduction of property management costs and other property operating expenses resulting in an expenditure-to-income ratio of approximately 39.6% (2007: 40.3%).

	Year ended 31 March			
	2008		2007	
	HK\$'M	% of Revenue	HK\$'M	% of Revenue
Property management costs	685	16.3%	682	17.3%
Other property operating expenses	977	23.3%	911	23.0%
Total property expenses	1,662	39.6%	1,593	40.3%
Net Property Income	2,537	60.4%	2,361	59.7%
E/I ratio		39.6%		40.3%
E/I ratio excluding estate common area costs		37.1%		38.9%

### *Funding and Financing*

The Group has continued to follow a prudent financial management policy during the year. As at 31 March 2008, the Group had net cash at bank and on hand of HK\$1,870 million and total undrawn bank loan facilities of HK\$400 million. The deposits are with maturities that have been well planned to satisfy the financial commitments and working capital requirements of the Group. The Manager has adopted a principal preservation approach in its cash management to ensure flexibility to meet the operational needs of the Group. In addition, the generation of strong recurrent cashflows from the Group's investment property portfolio provides the Group with a strong financial position and enables the Group to finance any capital expenditure that The Link REIT may incur in relation to major renovations, improvement works and other value-enhancing strategic initiatives.

In 2006, the Group entered into an agreement for the sale and purchase of a HK\$4 billion mortgage loan with The Hong Kong Mortgage Corporation Limited. The loan was originally scheduled to be repaid in 2009 and contained an option for the Group to extend the loan for one year. On 19 March 2008, the Group exercised its option to extend the loan for one year thus extending the maturity of this loan to November 2010.

In August 2008, approximately HK\$2.2 billion of the Group's Guaranteed Notes will mature. The Group is currently undertaking reviews to assess the various alternatives available for the refinancing of the amount. The Group will keep watching market conditions to assess the possibility of arranging longer term refinancing at favourable rates and extending the maturity profile of its debt.

The maturity profile of the Group's borrowings as at 31 March 2008 was as follows:

	<b>31 March 2008</b>		31 March 2007	
	<i>HK\$'M</i>	<i>%</i>	<i>HK\$'M</i>	<i>%</i>
Due in the first year	<b>2,199</b>	<b>18%</b>	—	—
Due in the second year	<b>1,397</b>	<b>11%</b>	2,196	18%
Due in the third year	<b>4,000</b>	<b>33%</b>	5,395	44%
Due in the fourth year	<b>4,589</b>	<b>38%</b>	—	—
Due in the fifth year	<u>—</u>	<u>—</u>	<u>4,586</u>	<u>38%</u>
<b>Total</b>	<b><u>12,185</u></b>	<b><u>100%</u></b>	<b><u>12,177</u></b>	<b><u>100%</u></b>

The average outstanding life of the Group's loan facilities as at 31 March 2008 was 30 months (2007: 38 months).

The Group had outstanding interest rate swap contracts which amounted to HK\$4 billion (2007: HK\$4 billion) in total as at 31 March 2008, enabling the Group to hedge its interest rate exposure and to have a more stable interest rate profile in the next few years. Accordingly, approximately 54% (2007: 54%) of the total available facilities are at fixed rates.

#### *Gearing Ratio*

As at 31 March 2008, the loan to asset ratio for the Group was 24.2% (2007: 26.9%), based on total borrowings of HK\$12,185 million (2007: HK\$12,177 million) and total gross asset value of HK\$50,348 million (2007: HK\$45,235 million), after the revaluation conducted by KFP (2007: CBRE) for the property portfolio, the result of which has been reflected in the valuation report and audited financial statements.

The Group continued to maintain most of its borrowings on an unsecured basis, with unsecured debt accounting for approximately 68.3% (2007: 68.3%) of total available facilities as at 31 March 2008. The Group will continue to obtain financing on an unsecured basis whenever possible.

### *Credit Ratings*

On 23 October 2007, Moody's Investors Service changed the outlook of the A3 corporate family and senior unsecured debt ratings of The Link REIT from stable to positive. The improvement in outlook is a recognition of the progress undertaken by The Link REIT in its asset enhancement projects as well as the strong and prudent financial management strategy undertaken. On 30 December 2007, Standard and Poor's also reaffirmed The Link REIT's corporate credit rating of "A grade with a stable outlook".

### *Gross Liabilities and Net Assets*

As at 31 March 2008, gross liabilities (excluding net assets attributable to unitholders) accounted for HK\$19,790 million (2007: HK\$18,446 million), or 39.3% (2007: 40.8%) of total gross asset value. Net assets attributable to unitholders amounted to HK\$30,558 million or HK\$14.16 per unit (2007: HK\$26,789 million or HK\$12.53 per unit) as at 31 March 2008.

### **Units in Issue**

A distribution reinvestment scheme was adopted by The Link REIT in respect of its final and interim distributions for the years ended 31 March 2007 and 31 March 2008, respectively. Pursuant to the distribution reinvestment schemes, unitholders can elect to receive the distribution in the form of cash, or in the form of new units of The Link REIT, or a combination of both. On 22 August 2007, 10,980,317 units were issued at a price of HK\$17.09 per unit pursuant to the said distribution reinvestment scheme in respect of the final distribution for the year ended 31 March 2007. Subsequently on 15 January 2008, another 10,243,450 units were issued at a price of HK\$16.84 per unit in respect of the interim distribution for the year ended 31 March 2008. As a result, a total of 21,223,767 units were issued during the year resulting in a total of 2,158,677,767 units in issue as at 31 March 2008.

During the year under review, the units have been actively traded. The closing price of the units as at 31 March 2008 was HK\$17.26 (2007: HK\$18.80) with total market capitalisation amounting to HK\$37,259 million (2007: HK\$40,184 million). The closing price reflected a premium of approximately 21.9% (2007: 50.0%) over the net asset value of HK\$14.16 (2007: HK\$12.53) per unit.

### **Human Resources Development**

Human resources are a vital part to the success of The Link REIT and the Manager has strived to attract potential talent and to retain existing competent staff. Most of the additions in headcounts during the year are in the property management and project management departments. The Manager provides a comprehensive and integrated series of programmes for its staff covering both professional and personal developments. For example, induction and refreshment courses are held to ensure that staff are equipped with all the necessary knowledge or updated information about the operational systems they use in their day-to-day work. Other soft skills programmes are also offered such as time management, listening and understanding, communication skill and

complaints handling, etc. Off-site team building courses are also arranged to build up bonding and trust between colleagues. Professional and educational subsidies are also available to staff who want to upgrade themselves. Regular training on service standards including appearance and personal hygiene, courtesy, greeting and offering service etc are arranged for frontline staff of the property management agents and carpark operators.

## **Appreciation**

I would like to offer the Board's sincere thanks to our management and staff, whose professionalism and dedication are critical to our success.

Mr Victor So Hing Woh resigned as Executive Director and Chief Executive Officer of the Manager during the year. The Board would like to acknowledge and thank Mr So for his outstanding contribution in building up and laying a strong foundation for the Manager to continue its long term sustainable growth. The Board offers its best wishes to Mr So for the future.

Dr Harry Lee Nai Shee and Mr Patrick Sun also ceased to be independent non-executive directors of the Manager during the year upon their retirement by rotation from the Board at the 2007 annual general meeting. Mr Liew Mun Leong, a nominee of the Manager's strategic partner, CapitaLand Limited, resigned as a non-executive director and Mr Kee Teck Koon was nominated to replace Mr Liew during the year. On behalf of the Board, I would like to thank Dr Lee, Messrs Liew and Sun for their invaluable contribution to the Manager and The Link REIT during their tenure as directors.

Professor Richard Wong Yue Chim and Mr Ian Keith Griffiths were appointed as an independent non-executive director and non-executive director of the Manager, respectively, during the year.

The Board would also like to welcome Mr Ian Robins to the Board of the Manager, succeeding Mr Victor So Hing Woh as Executive Director and Chief Executive Officer of the Manager.

The Manager also welcomes Mr Ross O'Toole as Chief Operating Officer, who joined the Manager post the year end.

## **Future Prospect**

Our prospects remain exciting and challenging. As evidenced from the encouraging results brought about by our asset enhancement projects, we are continuing to position our business in the right direction. We will leverage on this strategy and continue with our efforts in undertaking the remaining planned enhancement projects with care to avoid undue disruption. In addition, we will also conduct feasibility studies to identify other possible improvement opportunities within the portfolio in order to achieve higher rentals and increased footfall.

Building on our success, we will continue to implement our various business initiatives and meet customers' calls for a more inviting shopping experience in our properties. We will continue to refine and enhance our trade mixes. We will keep abreast of market trends, coupled with market research to understand customers' needs. By widening the tenants' portfolio and introducing a diversified selection of tenants into our mall, footfall can be enhanced and in turn, will benefit our tenants as their businesses will also thrive with the increased patronage. These will help to enhance our centres as shopping and dining destinations and to augment the long term value of our portfolio.

Lastly, riding on the success of our existing portfolio as well as our sound financial fundamentals we will consider other accretive investments to expand our portfolio and maximise unitholders' return as potential opportunities are identified.

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

During the year ended 31 March 2008, neither the Manager nor any of the subsidiaries of The Link REIT purchased, sold or redeemed any of The Link REIT's listed units. The Manager has agreed not to repurchase any units of The Link REIT unless permitted to do so under the guidelines issued by the Securities and Futures Commission.

### **CORPORATE GOVERNANCE**

With the objectives of establishing and maintaining high standards of corporate governance, the Manager is committed to certain policies and procedures to ensure that The Link REIT is well-managed and operates in a transparent manner.

During the financial year ended 31 March 2008, both the Manager and The Link REIT have complied with the provisions of the REIT Code, the relevant provisions of the Securities and Futures Ordinance, the relevant sections of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") applicable to The Link REIT, the Trust Deed, and have in material terms fulfilled the requirements and procedures laid down in the compliance manual of the Manager adopted for use in relation to the management of The Link REIT. The Manager and The Link REIT have also met the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, where appropriate.



## INVESTOR RELATIONS

In promoting good corporate governance and transparency, The Link REIT has continuously communicated with both the stakeholders and unitholders during the year under review. Since 1 April 2007, the Manager has participated in the following roadshows and investors' conferences:

Month	Event	Organiser	Venue
May 2007	Asian and Australian Property Conference	Deutsche Bank	Hong Kong
June 2007	Post Final Results Roadshow	Goldman Sachs	Hong Kong
June 2007	Best of Asia Conference	UBS	Boston, New York, London
June 2007	Regional Property Corporate Day	Morgan Stanley	Hong Kong
July 2007	Post Final Results Roadshow	Daiwa Securities SMBC	Tokyo
October 2007	Greater China Investor Conference 2007	Citigroup	Macau
November 2007	Post Interim Results Roadshow	Lehman Brothers	Hong Kong
December 2007	Post Interim Results Roadshow	Goldman Sachs	London, New York, Boston, San Francisco
January 2008	Greater China Conference 2008	UBS	Shanghai
March 2008	Asian Investment Conference 2008	Credit Suisse	Hong Kong

The Manager will continue to participate in roadshows and investors' conferences to enhance The Link REIT's relationship with the investor community and investors' understanding of The Link REIT's operations and developments.

Further details of the corporate governance practices that are adopted by the Manager and The Link REIT will be set out in The Link REIT's 2008 Annual Report.

## PROGRESS REPORT OF THE TITLE TRANSFER OF THE PROPERTIES

As a condition of a modification of Rules 4.2(k), 5.2(c) and 7.7 of the REIT Code regarding the legal title requirements granted to The Link REIT, the progress of the conveyance of the legal and beneficial title of the 180 properties to The Link REIT shall be reported in the annual report and the results announcement of The Link REIT for the financial year ended 31 March 2008. As at 6

June 2008, there are 122 properties with both legal and beneficial title held by The Link REIT and 58 properties with beneficial title held by The Link REIT. We presently expect full legal title to the 58 properties to be transferred to The Link REIT by early 2010.

### **CLOSURE OF REGISTER OF UNITHOLDERS**

The record date for the distribution for the year ended 31 March 2008 will be 24 June 2008. For the purpose of the distribution, the register of unitholders of The Link REIT will be closed from 20 June 2008 to 24 June 2008, both dates inclusive. In order to qualify for the distribution, all transfers, accompanied by the relevant unit certificates, must be lodged with The Link REIT's unit registrar, Computershare Hong Kong Investor Services Limited (the "Unit Registrar") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on 19 June 2008. The distribution will be paid to the unitholders on or about 19 August 2008.

For the purpose of the annual general meeting, the register of unitholders of The Link REIT will be closed from 24 July 2008 to 29 July 2008, both dates inclusive. In order to be eligible to attend and vote at the annual general meeting, all transfers, accompanied by the relevant unit certificates, must be lodged with the Unit Registrar at its address mentioned above for registration no later than 4:30 pm on 23 July 2008.

### **DISTRIBUTION REINVESTMENT SCHEME**

An announcement explaining further information of the distribution reinvestment scheme will be released on or about 24 June 2008 and a circular containing the details together with the relevant election form or entitlement advice will be sent to the unitholders on or about 3 July 2008.

### **ISSUANCE OF ANNUAL REPORT**

The annual report 2008 will be published and sent to the unitholders on or about 27 June 2008.

## ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of The Link REIT be held on 29 July 2008. Notice of the annual general meeting will be published and issued to the unitholders in due course.

By order of the board of directors of  
**The Link Management Limited**  
(as Manager of The Link Real Estate Investment Trust)  
**Nicholas Robert SALLNOW-SMITH**  
*Chairman*

Hong Kong, 6 June 2008

*As at the date of this announcement, the Board of the Manager comprises:*

*Chairman (also an Independent Non-executive Director)*  
Nicholas Robert SALLNOW-SMITH

*Executive Directors*  
Ian David Murray ROBINS (*Chief Executive Officer*)  
CHEW Fook Aun (*Chief Financial Officer*)

*Non-Executive Directors*  
Ian Keith GRIFFITHS  
John HO Chi On  
KEE Teck Koon  
PUA Seck Guan

*Independent Non-Executive Directors*  
Michael Ian ARNOLD  
Leslie CHAO Tse Hou  
Anthony CHOW Wing Kin  
Patrick FUNG Yuk Bun  
Stanley KO Kam Chuen  
Richard WONG Yue Chim  
Allan ZEMAN