

Stock Code: 823

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The Link

The Link Real Estate Investment Trust

Annual Report 2007

Year Ended 31 March 2007





## New Face, New Era

Hau Tak Shopping Centre, one of The Link's asset enhancement projects, exemplifies the success of optimising the potential of our properties.

In just one year, the East Wing of the Hau Tak Shopping Centre has experienced a total facelift. The lifted ceiling height introduces better natural sunlight, giving the renovated atrium a more modern and spacious look and feel. The East Wing has now become Tseung Kwan O's major dining hub, offering many exclusive choices in the area and is visited by thousands of customers each day.

Asset enhancement is a continual evolution, providing leverage to creating value for our customers and the community of Hong Kong.



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## Corporate Information

### Board of Directors of the Manager

**Chairman** (also an Independent Non-Executive Director)

Nicholas Robert SALLNOW-SMITH

### Executive Directors

Victor SO Hing Woh (Chief Executive Officer)

CHEW Fook Aun (Chief Financial Officer)

### Non-Executive Directors

John HO Chi On

LIEW Mun Leong

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

Harry LEE Nai Shee

Patrick SUN

Allan ZEMAN

### Audit Committee

Patrick FUNG Yuk Bun (Chairman)

Harry LEE Nai Shee

Allan ZEMAN

### Disclosures Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

CHEW Fook Aun

Anthony CHOW Wing Kin

PUA Seck Guan

Victor SO Hing Woh

### Finance and Investment Committee

Patrick SUN (Chairman)

Michael Ian ARNOLD

Leslie CHAO Tse Hou

CHEW Fook Aun

John HO Chi On

LIEW Mun Leong

Nicholas Robert SALLNOW-SMITH

Victor SO Hing Woh

### Human Resources and Compensation Committee

Michael Ian ARNOLD (Chairman)

John HO Chi On

Stanley KO Kam Chuen

LIEW Mun Leong

Victor SO Hing Woh

Patrick SUN

### Nomination Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

Michael Ian ARNOLD

Anthony CHOW Wing Kin

Harry LEE Nai Shee

Victor SO Hing Woh

### Responsible Officers of the Manager

Victor SO Hing Woh

CHEW Fook Aun

Simon HO Kam Por

### Authorised Representatives of The Link REIT

CHEW Fook Aun

Phoebe LAM Wan Ting

### Qualified Accountant of the Manager

CHEW Fook Aun

### Company Secretary of the Manager

Phoebe LAM Wan Ting

### Trustee

HSBC Institutional Trust Services (Asia) Limited

### Auditors of The Link REIT

PricewaterhouseCoopers

### Principal Valuer

CB Richard Ellis Limited

### Hong Kong Legal Advisors

Linklaters

Baker & McKenzie

### Principal Bankers

Bank of China (Hong Kong) Limited

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

BNP Paribas Hong Kong Branch

DBS Bank Ltd, Hong Kong Branch

The Hongkong and Shanghai Banking Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

### Registered Office of the Manager

18th Floor, 8 Queen's Road Central, Hong Kong

### Unit Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East, Wanchai, Hong Kong

## Information for Unitholders

### Unit Listing

The Link REIT's units are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The stock code is 823.

### Investor Calendar

Final results announcement for the year ended 31 March 2007	8 June 2007
Closure of register of unitholders (for distribution)*	25 to 26 June 2007 (both dates inclusive)
Record date for the final distribution	26 June 2007
Closure of register of unitholders (for annual general meeting)**	18 to 23 July 2007 (both dates inclusive)
2007 Annual General Meeting	23 July 2007
Scrip distribution election period closes <sup>^</sup>	3 August 2007
Distribution payment date	On or about 22 August 2007
Interim results announcement for the six months ending 30 September 2007	November 2007 <sup>#</sup>

\* For the purpose of the distribution, the register of unitholders of The Link REIT will be closed from 25 June 2007 to 26 June 2007 (both dates inclusive), during which no transfer of units can be registered. 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"), Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 22 June 2007.

\*\* For the purpose of the annual general meeting, the register of unitholders of The Link REIT will be closed from 18 July 2007 to 23 July 2007 (both dates inclusive), during which no transfer of units can be registered. 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 not later than 4:30 pm on 17 July 2007.

<sup>^</sup> A distribution reinvestment scheme will be available to the unitholders and the unitholders can elect to receive the distribution in respect of the year ended 31 March 2007 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. A circular containing the details and the election form will be sent to unitholders on or about 7 July 2007.

<sup>#</sup> tentative date

### Investor Information

Corporate press releases, financial reports and other investor information on The Link REIT are available online at its website.

### Investor Relations Contact

Please direct enquiries to:

Investor Relations Officer

Address: 4/F, Multi-Storey Carpark Building, 108 Ching Tak Street,  
Wong Tai Sin, Kowloon, Hong Kong

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1900

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

### Website Address

[www.thelinkreit.com](http://www.thelinkreit.com)

## Corporate Profile

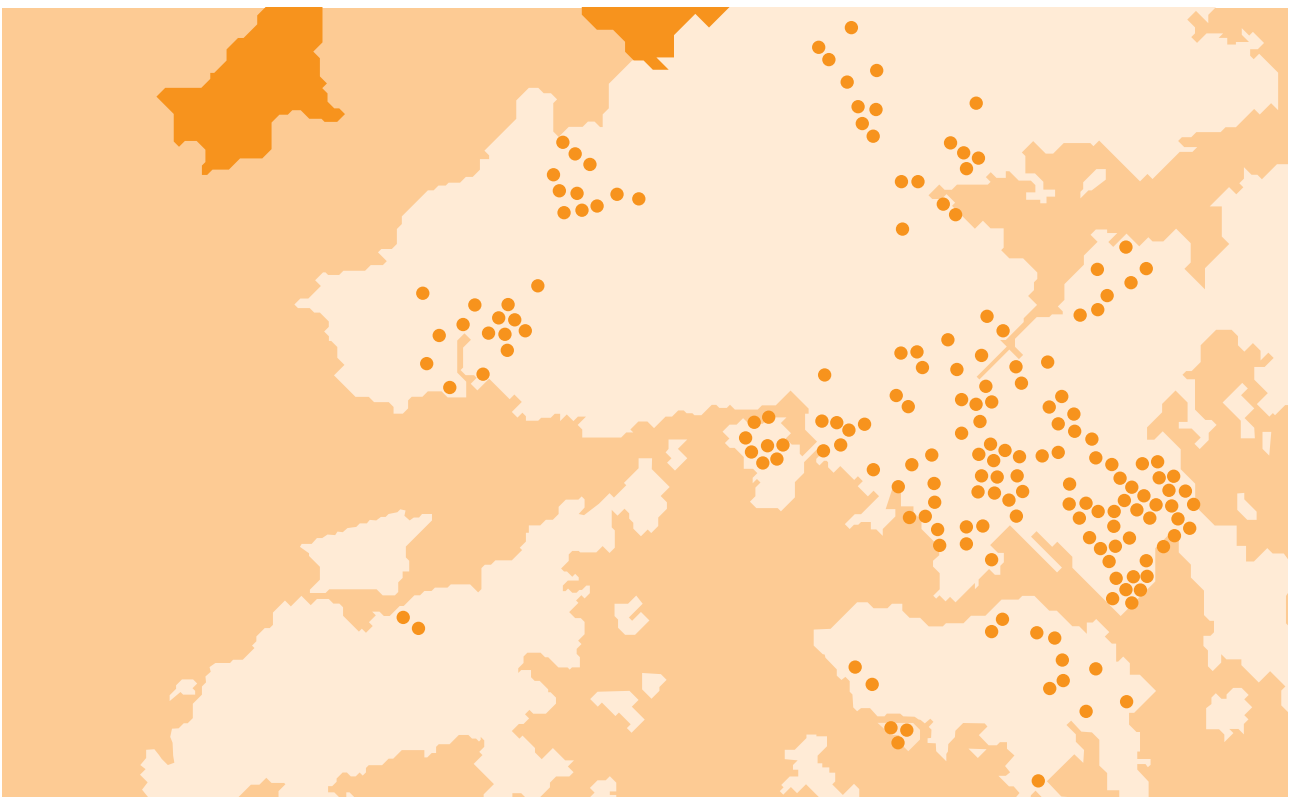
**The Link Real Estate Investment Trust** (“The Link” or “The Link REIT”) is Hong Kong’s first and largest real estate investment trust.

Our 180 retail and carpark facilities are on the doorstep to nearly 40% of Hong Kong’s population. Our properties are where our customers shop for their daily needs.

The Link REIT’s portfolio consists of approximately 1,015,000 square metres of retail space and 80,000 carpark spaces and boasts a large and diverse tenant base, including retailers of varying sizes in a wide array of trades. Some of them are Hong Kong’s best-known retail and restaurant brands.

The Link REIT was listed on the Hong Kong Stock Exchange on 25 November 2005 (Hong Kong stock code: 823), as part of a divestment exercise by the Hong Kong Housing Authority. 100% of the units of The Link REIT were sold at the Initial Public Offering (“IPO”).

The current investment strategy of The Link REIT’s manager, The Link Management Limited (the “Manager”), is to invest in sustainable income-producing properties in Hong Kong that are mainly for retail and carpark use and to maximise their value through asset enhancement works encompassing physical structure, trade-mix, customer service and promotional activities. As these enhancement projects progress, we can offer customers a better shopping experience with more choices at reasonable prices, whilst improving returns for unitholders.





## Mission and Values Statements

### Mission Statement

To build The Link as a market-driven and value-creating asset manager offering –

- ◆ inviting shopping experiences to customers;
- ◆ prosperous business opportunities to tenants; and
- ◆ rewarding financial returns to investors.

### Values Statement

- ◆ Integrity, Professionalism and Innovation
- ◆ Customer-Focused, People-Oriented
- ◆ Continuous Development, Pursuit of Excellence
- ◆ Teamwork, Commitment to Quality



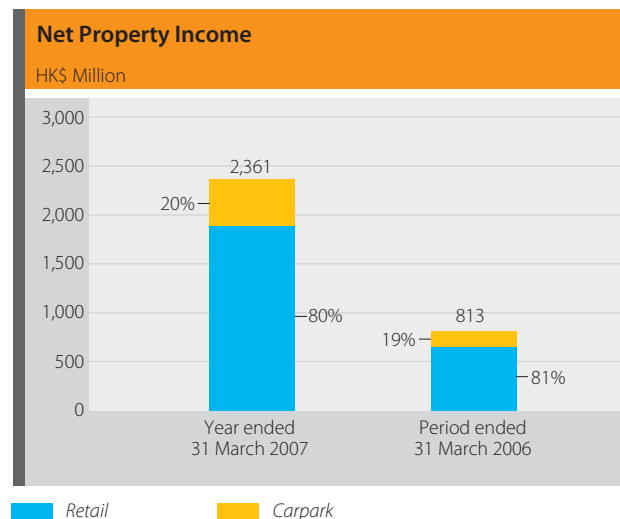
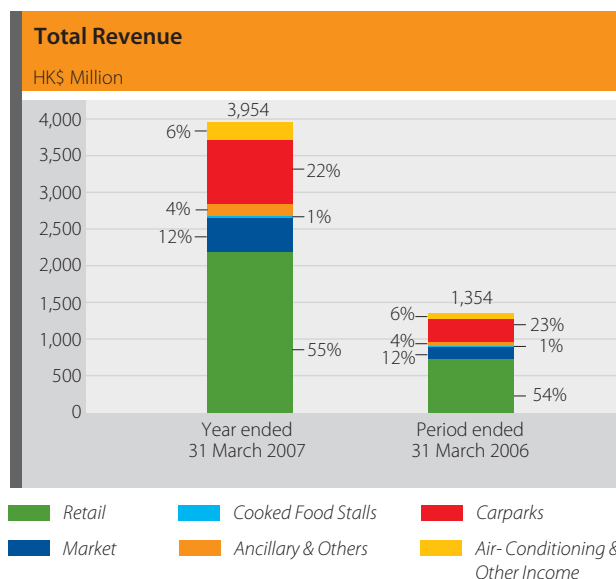
## Financial Highlights

		Year ended 31 March 2007	Period ended 31 March 2006 <sup>(3)</sup>	Changes %
Revenue	HK\$M	3,954	1,354	1.6% <sup>(1)</sup>
Net property income	HK\$M	2,361	813	1.0% <sup>(1)</sup>
Distributable income	HK\$M	1,441	467	7.4% <sup>(1)</sup>
Valuation of investment properties at year/period end	HK\$M	39,557	35,772	10.6%
Net asset value at year/period end	HK\$M	26,789	23,715	13.0%
Distribution per unit				
Interim	HK cents	32.81	N/A	N/A
Final	HK cents	34.62	21.81	10.8% <sup>(2)</sup>
Total	HK cents	67.43	21.81	7.6% <sup>(1)</sup>
Net asset value per unit at year/period end	HK\$	12.53	11.09	13.0%
Borrowings to total asset ratio at year/period end	%	26.92	29.91	-10.0%
Expenditure/Income ratio for the year/period	%	40.30	39.96	0.9%
Expenditure/Income ratio excluding estate common area costs for the year/period	%	38.90	38.71	0.5%
Composite reversion rate for the year/period	%	9.87	3.72	165.3%
Retention rate for the year/period	%	78.70	93.40	-15.7%
Retail facility occupancy rate at year/period end	%	90.30	91.20	-1.0%
Carpark utilisation rate at year/period end	%	71.60	72.00	-0.6%
Average base unit rent excluding self use offices at year/period end (per square foot)	HK\$	23.6	23.0	2.6%
Average base unit rent excluding self use offices, education/welfare, Housing Department offices and ancillary at year/period end (per square foot)	HK\$	25.9	25.4	2.0%
Market price per unit at year/period end	HK\$	18.80	16.80	11.9%
Market capitalisation at year/period end	HK\$M	40,184	35,909	11.9%
Distribution yield				
on listing price	%	6.55	6.09 <sup>(1)</sup>	7.6%
on market price at year/period end	%	3.59	3.73 <sup>(1)</sup>	-3.8%

(1) based on annualised figure

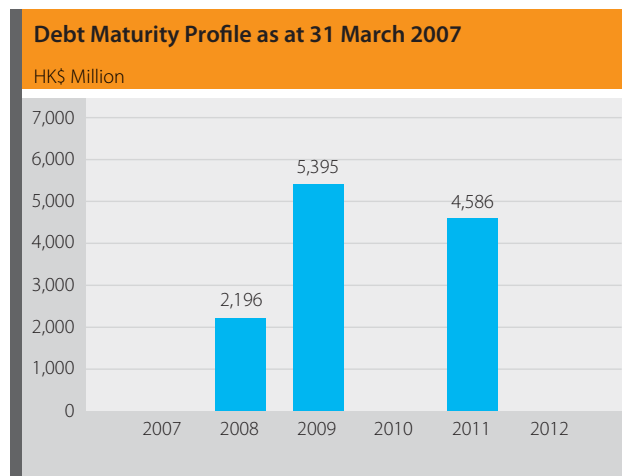
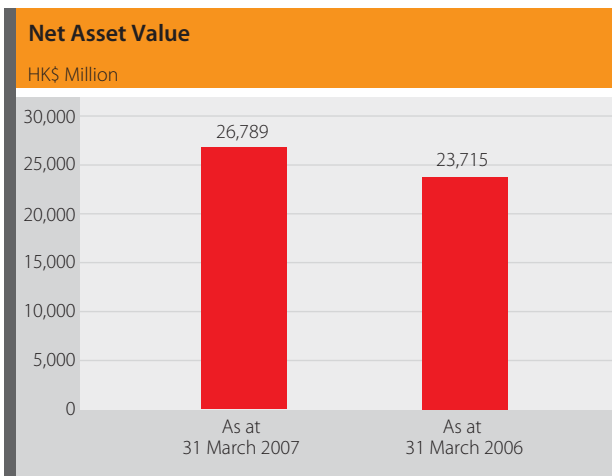
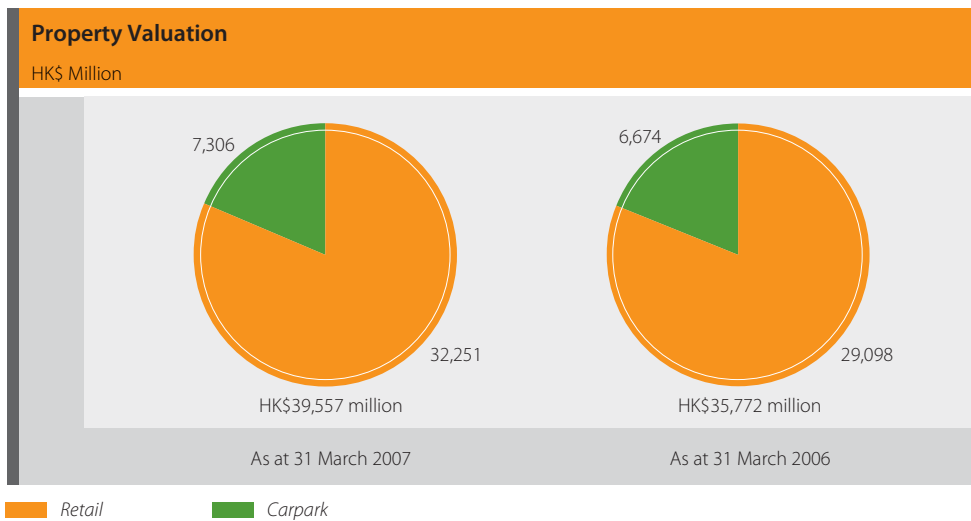
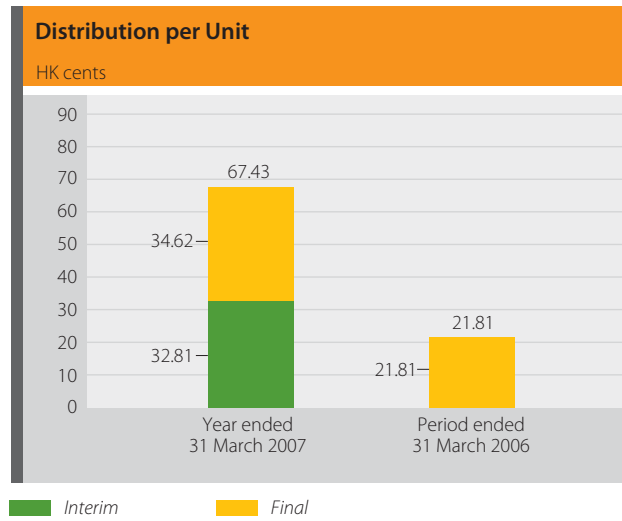
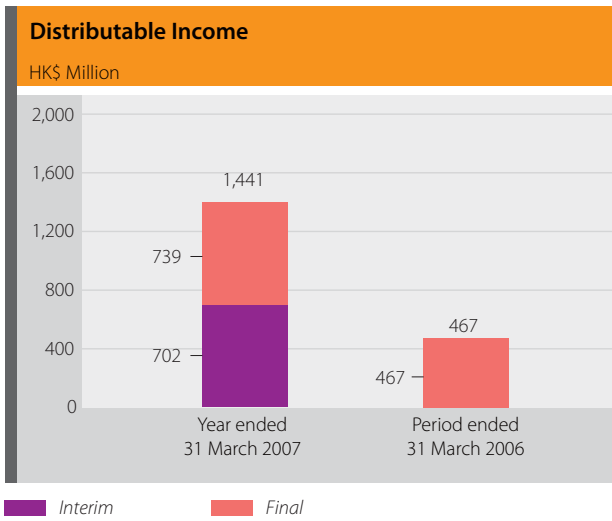
(2) based on pro-rated six months figure

(3) represents period from 6 September 2005 to 31 March 2006 (operational since 25 November 2005, the listing date)





# Financial Highlights



## Chairman's Statement

**On behalf of the Board of The Link Management Limited, I am pleased to report the annual results of The Link REIT for the year ended 31 March 2007.**

### Financial Results For The Year Ended 31 March 2007

Total distributable income for the year ended 31 March 2007 was approximately HK\$1,441 million. It is the Manager's current policy to distribute to unitholders 100% of The Link REIT's total distributable income for the financial year. The board of directors of the Manager (the "Board") has accordingly approved a final distribution of HK34.62 cents per unit which, together with the interim distribution per unit of HK32.81 cents, gives a total distribution per unit of HK67.43 cents for the year. This exceeds by some 9% the distribution committed to in the IPO Offering Circular of HK61.76 cents.

### Strategy

Our objective is to provide our investors with a reasonably stable distribution while working to create long term capital growth. In partnership with our tenants, The Link seeks to offer a growing array of shopping and dining choices and deliver a lively customer experience to the public, as we meet the daily shopping requirements of nearby residents representing some 40% of Hong Kong's population. Our business strategies are designed to optimise the potential of our diversified portfolio and to rejuvenate the shopping environment we provide, building on the unique characteristics of each property.

### Operations

During the year, we have continued with our asset enhancement programmes, which encompass not only improvements in the physical structure but also in trade-mix,



- More customers are drawn to our shopping centres after the completion of asset enhancement works and trade mix improvement.

customer service and promotional activities. By progressively enlivening our properties, we are generating higher shopper patronage and customer satisfaction, improving investment returns and providing job opportunities. As a result, tenants, shoppers and our unitholders all benefit.

We have substantially completed three of the initial 15 asset enhancement projects. The Board has endorsed asset enhancement plans for another 11 shopping centres, bringing the total number of approved projects to 26. Feasibility studies are in progress for a further 16.

Customer opinion surveys conducted by The Hong Kong Polytechnic University showed our first two asset enhancement projects were highly popular with our customers. As we continue to enhance our retail mix, another survey by The University of Hong Kong, showed an 18% increase in customer ratings of shopping and dining choices in our centres during the 18 months from September 2005. 88% of customers interviewed supported our plans to continue to increase choice in our properties.

## Chairman's Statement



- The facelift at the Hau Tak Shopping Centre is shown by the contrast between the enhanced East Wing (left) and West Wing, in which renovation work is currently ongoing.



- Our asset enhancement projects optimise our properties' potential and rejuvenate the environment to bring shoppers an inviting experience.

In addition to improving revenue, we are lowering operating costs. An example is the reduction of the number of property management agents and carpark operators. Relationships are now focused only on the top performers. We are also introducing energy-saving devices where applicable and appropriate. Initiatives like these help us control operating costs without compromising the quality of service delivery.

### People

Since I joined the Board in April this year, I have begun to build strong working relationships with the management team and I would like to offer the Board's sincere thanks to our management and staff. Their professionalism and dedication are essential to our success.

Mr Paul CHENG Ming Fun stepped down as Chairman on 31 March 2007, having led The Link REIT since before its listing. We offer our best wishes to him on his retirement.

On 30 April 2007, the Board announced that due to health reasons, Mr Victor SO Hing Woh, Executive Director and Chief Executive Officer, does not intend to serve a further full term after his current three year service contract expires on 15 July 2007. A search is in progress to identify a successor,

the results of which will be announced as soon as an appointment is made.

### Outlook

While good progress has been made already in growing the value of The Link's assets, there is much more to be done. We see many opportunities to grow returns to unitholders, while making a significant contribution to the daily lives of many Hong Kong people by providing them with greatly improved shopping facilities. I am confident that our strong professional management team can take these opportunities and create value for our unitholders, shoppers, tenants and the community of Hong Kong.

**Nicholas Robert SALLNOW-SMITH**

*Chairman*

**The Link Management Limited  
as Manager of The Link Real Estate Investment Trust**

8 June 2007



## CEO's Report

**We have achieved considerable progress during the year in rejuvenating our properties through asset enhancement, improving service quality and business performance. In this process, we are continuously aiming at offering an inviting shopping and dining experience to our customers, prosperous business opportunities to tenants and sustainable and rewarding financial returns to investors.**

### Financial Highlights

Total revenue for the year ended 31 March 2007 was HK\$3,954 million (Period ended 31 March 2006: HK\$1,354 million), with income from retail facilities of HK\$2,832 million (Period ended 31 March 2006: HK\$968 million), income from carpark operations of HK\$881 million (Period ended 31 March 2006: HK\$305 million) and income from other sources of HK\$241 million (Period ended 31 March 2006: HK\$81 million). The proportion of revenue from shopping centres and carparks was approximately 78% and 22% (Period ended 31 March 2006: 77% and 23%), respectively.

Total Distributable Income to unitholders for the year amounted to HK\$1,441 million (Period ended 31 March

2006: HK\$467 million). Total distribution per unit for the year amounted to HK67.43 cents, 9.2% higher than the forecast of HK61.76 cents as stated in the Offering Circular. As at 31 March 2007, the total market value of the properties in the portfolio amounted to HK\$39,557 million (2006: HK\$35,772 million) which is an increase of approximately 10.6%.

### Asset Enhancement

Asset enhancement continues to be a key element to improving returns to unitholders and service to customers and tenants. According to surveys conducted by The Hong Kong Polytechnic University, overall customer satisfaction ratings jumped by over 60% on completion of asset enhancement projects. In addition, more than 80% of



■ New restaurants offering different Chinese cuisines were introduced at the Tsz Wan Shan Shopping Centre, providing quality choices at reasonable prices.

## CEO's Report



■ Sunrise Restaurant operating for 10 years at the Tsz Wan Shan Shopping Centre initiated a complete make-over.

customers interviewed have voiced their support for us to carry out similar enhancement work at our other properties. In view of this positive feedback, we have expanded our programme to 26 shopping centres which are currently under various stages of renovations. The asset enhancement highlights at these properties are shown from pages 34 to 45 of this report.

The asset enhancement works at these properties will focus on optimising/improving the facility layout to create additional retail space, improving access and aligning trade mix. We will focus on maximising lettable internal floor areas, enhancing the business environment for tenants and customers through an optimal trade mix and providing a wider range of shopping and dining choices. As these centres are almost fully occupied, we need to undertake the renovation works in phases in order to ensure minimal disruption to our tenants and customers. It is inevitable that as we accelerate the asset enhancement programme, there will be loss of rental income but by phasing the work, the rental loss will be mitigated during the interim period before capturing the incremental rental.

We have completed the remodeling of the formerly vacant 5th and 6th floors at the Tsz Wan Shan Shopping Centre into a high street shopping environment. The transformation has enlivened the centre with a range of brandname shopping and dining choices for customers. The installation

of escalators from the bus terminus at Wai Wah Street has reversed the gravity pattern and provides direct access to these floors, thereby increasing customer flow. The new Chinese restaurants at the 4th and 7th floors and conversion of a vacant management office on the 7th floor into additional shops and a medical zone is expected to further increase customer flow to these higher floors, thereby reversing the previous isolation experienced at these higher levels of the centre. These improvements have had a positive effect on existing tenants who are upgrading their shop front designs, quality of service and range of products to meet customers' aspirations.



■ Enhanced facilities with improvement in ambience at the Tsz Wan Shan Shopping Centre attract new tenants offering a wider range of products, including JP Books which is heavily frequented by nearby residents and students.

## CEO's Report

We have also seen an improved trade mix in the Hau Tak Shopping Centre. This combined with the state-of-the-art hardware design, has put the shopping centre on par with nearby shopping facilities in terms of competitiveness as well as rental levels. The remaining renovation work to the West Wing is currently ongoing and should be substantially completed in the coming financial year. In March 2007, the Hau Tak fresh food market was badly affected by a fire, resulting in the market being closed and some parts of the mall being damaged. This market is leased to a single operator. Management together with the operator are making strenuous efforts to repair the damage and to reopen the market and the affected mall areas within the next few months. As at the date of this report, approximately 25% of the market has been reopened and it is expected that another 50% of the market can be reopened by the end of June 2007. Resuming business for tenants is our top priority and we are communicating with the affected tenants on a regular basis and handling insurance claims promptly.

The opening of new shops and improvement works in the level one passageway near the atrium in the Lung Cheung Mall have enabled the mall to capitalise on its proximity to the Wong Tai Sin Temple to bring up the rental levels. This new passageway will help to capture tourist traffic



- To leverage on its proximity to Wong Tai Sin Temple, a passageway enabling tourist drop-off has been newly created in the Lung Cheung Mall.



- Exclusive dining choices at the Hau Tak Shopping Centre have transformed the shopping centre into a major dining hub in the Tseung Kwan O area.

visiting the Temple. As a result, some tenants have started to renovate their shops to upgrade their image and improve their product range.

We continually reassess our portfolio to identify other properties with potential for asset enhancement. We have identified another 16 shopping centres for asset enhancement/district improvements and detailed feasibility studies are currently being undertaken. Upon review and approval by the Finance and Investment Committee, we will proceed with the work to realise the yield accretive potential of these centres.



- With the opening of the passageway, the Lung Cheung Mall attracts more shoppers and tourists.



## CEO's Report



- Trade-mix has been enhanced by clustering shops with the same trade at the right location.

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 shopping and dining experience. All these initiatives have been well received by both customers and tenants.

We have also begun the process to automate our car parks. This automation process is progressing in phases and will be completed by the second half of 2008. This will bring more convenience to our users, enhance service quality



- The new automation system allows our carpark users to enjoy more convenient access and better service quality.



- Additional retail units created in the Sha Kok Shopping Centre provide more choices.

and help to reduce carpark operating costs, ensuring better management of the car parks.

## Leasing

To enable our shopping centres to operate at its optimal potential, we are continually working to achieve an optimal trade mix for our malls, one that meets the demands of customers whose homes are on the doorstep of our retail facilities as well as the wider customer base. This is an ongoing and proactive process which takes into account current business trends and customer preferences. In addition to retaining tenants providing essential services in our shopping centres, we have also introduced popular brandnames. We have been successful in introducing much more variety in terms of the food and beverage offering which has helped to attract more customers to our malls. These initiatives are increasing customer flow and utilisation of the adjacent car parks.

Customer satisfaction has seen a marked increase as evidenced by the 18% jump in customer ratings of shopping and dining choices in the 18 months since September 2005 as recorded in a recent survey by The University of Hong Kong on shop mix enhancement in four of our shopping centres. 88% of the survey respondents supported The Link in its initiatives for introducing more shopping and dining choices in its properties.

CEO's Report



Examples of shops, newly introduced at our properties during the year, were all well received by customers.

The occupancy rate of the portfolio as at 31 March 2007 was 90.3% (2006: 91.2%). The retention rate for the year was 78.7% (Period ended 31 March 2006: 93.4%). We have continued to increase the number of tenancies with turnover rent clauses. As at 31 March 2007, there were 561 (2006: 313) tenancies with such a clause. The average composite reversion rate for the portfolio during the year was 9.87% (Period ended 31 March 2006: 3.72%). Excluding welfare letting, the average composite reversion rate during the year was 10.28% (Period ended 31 March 2006:

3.72%). Inevitably, reversion rates for individual malls show large variances as rental levels are affected by the local business operating environment and the positioning of the individual centre. Short term tenancy extensions also affect the reversion rates, as they are usually granted at minimal adjustments to tie in with planned and phased realignment of trade mix and asset enhancement projects. The average unit rent of the total portfolio has increased from HK\$23 per square foot ("psf") at 31 March 2006 to HK\$23.6 psf at the year end. Excluding welfare/education letting, Housing



The Lung Wah Chinese Restaurant, famous for its traditional village cuisine, opens a new branch at the Tai Hing Shopping Centre.



Popular restaurants are attracting more patronage to our shopping centres.



More banking facilities have been introduced to meet our shoppers' needs.

## CEO's Report

Department ("HD") offices and ancillary, the average unit rent of the total portfolio as at 31 March 2007 was HK\$25.9 psf (2006: HK\$25.4 psf)

Leasing of market stalls continues with occupancies of markets standing at 77.5% (2006: 82.2%) at the year end. In order to improve the overall management and to increase the occupancy of the markets, management has introduced the concept of the Market Management Agent ("MMA") in a pilot scheme for eight directly managed markets starting from May 2007. The MMA will work with management to increase occupancy of the designated markets and also assist with managing the markets to improve services and eliminate tenancy malpractices. The MMA will be remunerated on the basis of a base fee plus a performance based revenue share, allowing both parties to share in the upside. If successful, we will consider extending this pilot scheme to other directly managed markets.

In line with our proactive leasing strategy, we have taken steps to unlock the potential of our properties. For instance, we have converted under utilised tennis courts on the roof top of a carpark building into mini soccer pitches which have proved to be very popular with customers.

Effective from 1 June 2007, we have started to apportion management fees from rent for all new leases and renewals. This will ensure that we align our leasing practices in line with the commercial sector.

Carpark utilisation as at 31 March 2007 was 71.6% (2006: 72.0%). We are closely monitoring utilisation at our carparks to ensure that our rates charged are competitive and to align them with market rentals. To bring even more convenience to our monthly carpark users, we have introduced an e-payment scheme to facilitate payment of carpark fees.



■ Our customer service ambassadors welcome shoppers with tokens of appreciation during special events such as Mother's Day.

## Portfolio Management

During the year, we have completed the regrouping and reorganisation of the property management agents and carpark operators through tendering. As a result, we have appointed nine property management agents and three carpark operators to provide management services to our retail and carpark facilities. This has enabled us to achieve cost savings and operational efficiencies. In addition, installation of energy savings devices in our carparks has helped to reduce electricity cost. The new carpark automation system, together with the upgrading of security systems will further enhance operational efficiency, customer services and reduce operating costs.

Our cost to income ratio for the year was 40.3%, an improvement since the interim results which showed a figure of 40.5%. Excluding estate common area costs, the cost to income ratio for our portfolio was 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.



## CEO's Report



- Customers can surf on the internet through the Wi-Fi network available at selected shopping centres.

## Marketing and Promotion

We believe that promotions are not just a cost item, but can be profitable in themselves. Our promotional programmes, which include festive decorations and entertaining stage events, have encouraged shoppers to visit our centres more and boosted our corporate image as an innovative and customer-focused manager. These programmes also created a more lively and enjoyable shopping experience for our shoppers whilst generating extra promotional venue income for us.

We have also launched programmes to increase carpark utilisation to tap new business opportunities brought about by new tourist attractions and transport facilities such as the Hong Kong Wetland Park and Tuen Mun-Zhuhai ferry services.

We have started to introduce Wi-Fi at our shopping centres and we will roll out a programme to enhance 30 shopping centres with such a service during the coming year.

To create more synergy between our facilities, we launched a series of incentive parking promotions to award free parking hours for spending in our centres. Approximately 1.8 million hours of free parking costing HK\$19 million was offered to shoppers during the financial year. Going forward, we will continue to use free carparking as a promotional tool to enhance utilisation and patronage of our shopping centres.

## Refinancing

During the year, we successfully refinanced The Link REIT's HK\$12.5 billion bridging loan facility with the outstanding amount fully repaid in November 2006. We have extended the maturity profile of The Link REIT's debt with the average life of the outstanding debt facilities being 38 months as at the year end.



- Food fairs at our promotion venues offer delicacies and accessories during festive periods.



- Attractive festive decorations were set up at the entrance of the Lung Cheung Mall to celebrate Chinese New Year.



- The "Haunted Castle" at the Tsz Wan Shan Shopping Centre was a "must visit" spot for kids and students from surrounding schools during Halloween.

## CEO's Report

### Future Prospects

Our prospects remain exciting and challenging. We have successfully implemented operational enhancements and are continuing to work to reduce operating costs. We are also progressively increasing income through rental reversion, introduction of new trades to provide more choices for customers and through asset enhancements. We will continue to implement these business strategies. This will feed through into income over time, as leases revert through the leasing cycle. Asset enhancement will be managed with care to avoid undue disruption. The benefits of our work can be seen in the three completed projects which have all been very well received by customers and tenants alike.

Strong customer support for our completed asset enhancement projects as demonstrated by an increase in shopper patronage and positive customer feedback is testimony to the potential of The Link's portfolio and serves as a key motivating force for the management team. Building on our success, we will continue to implement our various business initiatives and meet customers' calls for a more inviting leisure and shopping experience in our properties.

I am very pleased with the success and progress we have achieved so far. Our Board of Directors, management and employees form an integral part to the continuing prosperity of The Link. We will continue to strive to achieve the best for our unitholders, tenants and the community.

**Victor SO Hing Woh** *JP*

*Chief Executive Officer*

**The Link Management Limited**  
**as Manager of The Link Real Estate Investment Trust**

8 June 2007

## Board of Directors

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

*Chairman (also an Independent Non-Executive Director)*

Mr Sallnow-Smith, aged 57, has been Chairman of the Board of the Manager and Independent Non-Executive Director of the Manager since April 2007. He is Chairman of the Disclosures Committee and the Nomination Committee and a member of the Finance & Investment Committee of the Manager.

Mr Sallnow-Smith has over 30 years of experience in the finance and treasury field in the United Kingdom and in Hong Kong and has extensive knowledge of the property investment/management industry in Hong Kong. He was Chief Executive of Hongkong Land Limited.

Mr Sallnow-Smith has been actively involved in public service and is currently a member of the Board of the Asian Youth Orchestra, a member of the Executive Committee of Hong Kong Youth Arts Foundation Limited, a member of the Manpower Committee of Hong Kong General Chamber of Commerce, a member of the English Schools Foundation (Hong Kong General Chamber of Commerce Representative) and a Council member of the Treasury Markets Association.

### **Mr Victor SO Hing Woh JP**

*Executive Director and Chief Executive Officer*

Mr So, aged 60, has been Executive Director and Chief Executive Officer of the Manager since July 2004. He is a member of the Disclosures Committee, Finance & Investment Committee, Human Resources & Compensation Committee and Nomination Committee of the Manager. Mr So is also a Director of The Link Holdings Limited, The Link Properties Limited and The Link Finance Limited, being the principal subsidiaries of The Link REIT.

Mr So is a registered Professional Housing Manager, and a Fellow Member of the Royal Institution of Chartered Surveyors, Chartered Institute of Housing, Hong Kong Institute of Surveyors and Hong Kong Institute of Housing.

He has extensive experience in the development and management of commercial and residential portfolios. He was the Assistant General Manager of Hutchison Properties Limited from 1972 to 1981, Property Director of the Mass Transit Railways Corporation Limited from 1981 to 1990, Executive Director and Chief Executive Officer of the Hong Kong Housing Society from 1990 to 2002 and Executive Director of Sun Hung Kai Properties Limited from 2002 until 2004.

Mr So is currently a member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption and the Hong Kong Housing Society.



## Board of Directors

### Mr CHEW Fook Aun

*Executive Director and Chief Financial Officer*

Mr Chew, aged 45, has been Executive Director and Chief Financial Officer of the Manager since February 2007. He is a member of the Disclosures Committee and the Finance & Investment Committee of the Manager. Mr Chew is also a Director of The Link Holdings Limited, The Link Properties Limited and The Link Finance Limited, being the principal subsidiaries of The Link REIT.

Mr Chew is a graduate of the London School of Economics and Political Science of the University of London in the United Kingdom and holds a Bachelor of Science (Economics) degree from the University of London. He is a Fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a Fellow of the Institute of Chartered Accountants in England and Wales. Mr Chew has substantial experience in the accounting, auditing and finance fields in the United Kingdom and in Hong Kong. He trained and qualified as a Chartered Accountant with Ernst & Whinney in London and was formerly with Ernst & Young in Hong Kong. He was the Chief Financial Officer of Kerry Properties Limited from 1996 to 2004, a Director of Corporate Finance for Kerry Holdings Limited from 1998 to 2004 and the Executive Director responsible for the property portfolio for Kyard Limited from 2004 to 2007.

Mr Chew is a Council member of the HKICPA and the Chairman of its Corporate Governance Committee and a Technical Advisor to the Chairman of the Professional Accountants in Business Committee of the International Federation of Accountants (IFAC). He is also a Member of the Advisory Committee of the Securities and Futures Commission (the "SFC") and the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption (ICAC).

### Mr John HO Chi On

*Non-Executive Director*

Mr Ho, aged 30, has been a Non-Executive Director of the Manager since July 2006. He is a member of the Finance & Investment Committee and the Human Resources & Compensation Committee of the Manager. Mr Ho has broad investment and business management experience in real estate and property industries globally. He is currently a Director of The Children's Investment Fund Management (Asia) Limited. He heads up The Children's Investment Fund Management (UK) LLP's ("TCI") office in Hong Kong and is responsible for TCI's Asia-Pacific investment activities. Mr Ho is also a Non-Executive Director of Chinese Future Limited, which undertakes infrastructure investments in China. TCI is a substantial unitholder of The Link REIT within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

### Mr LIEW Mun Leong

*Non-Executive Director*

Mr Liew, aged 60, joined the Board in September 2004. He is a member of the Finance & Investment Committee and the Human Resources & Compensation Committee of the Manager. Mr Liew has more than 30 years of international experience in the construction and real estate industries in Singapore and overseas. He is President and Chief Executive Officer of CapitaLand Group. He is also Deputy Chairman of The Ascott Group Limited (a company listed on the Singapore Exchange), CapitaMall Trust Management Limited (manager of CapitaMall Trust, the first listed REIT in Singapore), CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust, a listed REIT in Singapore), CapitaCommercial Trust Management Limited and Ascott Residence Trust Management Limited. In addition, Mr Liew is Chairman of the Civil Aviation Authority of Singapore.

## Board of Directors

### Mr PUA Seck Guan

*Non-Executive Director*

Mr Pua, aged 43, has been a Non-Executive Director of the Manager since April 2005 and is also a member of the Disclosures Committee of the Manager. He has over 17 years of real estate experience and is currently the Chief Executive Officer of CapitaMall Trust Management Limited, manager of CapitaMall Trust, the first and largest REIT in Singapore. Mr Pua also holds the portfolio of Chief Executive Officer of Capitaland Retail Limited and Co-Chief Executive Officer of Capitaland Financial Limited.

### Mr Michael Ian ARNOLD

*Independent Non-Executive Director*

Mr Arnold, aged 63, has been an Independent Non-Executive Director of the Manager since September 2004. Mr Arnold is the Chairman of the Human Resources & Compensation Committee and a member of the Finance & Investment Committee and the Nomination Committee of the Manager. He is a Chartered Surveyor and has some 40 years' experience in the property industry.

### Mr Leslie CHAO Tse Hou

*Independent Non-Executive Director*

Mr Chao, aged 50, joined the Board in November 2005. He is a member of the Finance & Investment Committee of the Manager. Mr Chao has substantial experience in financial management and retail real estate. He is currently Chief Executive Officer of Chelsea Property Group and has overall responsibility for the activities in the Asia/Pacific region of Chelsea's parent company, Simon Property Group, a US-listed REIT.

### Mr Anthony CHOW Wing Kin SBS, JP

*Independent Non-Executive Director*

Mr Chow, aged 56, joined the Board in May 2006. He is a member of the Disclosures Committee and the Nomination Committee of the Manager. Mr Chow is a solicitor admitted to practice in Hong Kong and England and Wales. He has been practicing as a solicitor in Hong Kong for over 25 years and is currently a Partner of the law firm Peter, C Wong, Chow & Chow. Mr Chow is a China-Appointed Attesting Officer and member of the Guangzhou Arbitration Commission. His principal areas of practice include corporate and commercial, property law, probate and civil litigation. He is also a Non-Executive Director of Kingmaker Footwear Holdings Limited, an Independent Non-Executive Director of Fountain Set (Holdings) Limited and Ping An Insurance (Group) Company of China, Limited, which are listed in Hong Kong and an Independent Non-Executive Director of Evergro Properties Limited, which is listed in Singapore. He is the former President of the Law Society of Hong Kong.

## Board of Directors

### **Dr Patrick FUNG Yuk Bun**

*Independent Non-Executive Director*

Dr Fung, aged 60, has been an Independent Non-Executive Director of the Manager since August 2005. Dr Fung is the Chairman of the Audit Committee of the Manager. He is a veteran banker with over 30 years of experience. Dr Fung has been Chairman and Chief Executive of Wing Hang Bank Limited since 1996. He is also a Non-Executive Director of Miramar Hotel and Investment Company, Limited, Vice President of the Hong Kong Institute of Bankers and a member of the Hong Kong Tourism Board.

### **Mr Stanley KO Kam Chuen** *BBS, JP*

*Independent Non-Executive Director*

Mr Ko, aged 61, joined the Board in September 2005. He is a member of the Human Resources & Compensation Committee of the Manager. Mr Ko has extensive experience in business development and management of business portfolios. He is Chairman of Jardine Airport Services Limited, Advisor to the board of Jardine Matheson Limited and an Independent Non-Executive Director of SW Kingsway Capital Holdings Limited (a Hong Kong-listed company). Mr Ko is Deputy Chairman of the Council of the Open University of Hong Kong.

### **Dr Harry LEE Nai Shee** *OBE, SBS, JP*

*Independent Non-Executive Director*

Dr Lee, aged 64, has been an Independent Non-Executive Director of the Manager since September 2004. He is a member of the Audit Committee and the Nomination Committee of the Manager. Dr Lee is the Managing Director of TAL Apparel Limited. He is actively involved in a number of trade organisations and public services in Hong Kong and is also Honorary Chairman of the Hong Kong Garment Manufacturer's Association and Chairman of the Textile Council of Hong Kong Limited.

### **Mr Patrick SUN**

*Independent Non-Executive Director*

Mr Sun, aged 48, has been an Independent Non-Executive Director of the Manager since September 2004. Mr Sun is the Chairman of the Finance & Investment Committee and a member of the Human Resources & Compensation Committee of the Manager. He is a Qualified Accountant in the United Kingdom and Hong Kong and has been in the investment banking business for more than 20 years. Mr Sun is currently an Executive Director and Chief Executive Officer of Value Convergence Holdings Limited. He is also the Non-Executive Chairman of Solomon-Systech (International) Limited. Both companies are listed on the Hong Kong Stock Exchange. Mr Sun was a member of the Council of the Hong Kong Stock Exchange from 1995 to 2000.

### **Dr Allan ZEMAN** *GBS, JP*

*Independent Non-Executive Director*

Dr Zeman, aged 58, joined the Board in September 2004. He is a member of the Audit Committee of the Manager. Dr Zeman is Chairman of Lan Kwai Fong Holdings Limited and Ocean Park Hong Kong. He is also an Independent Non-Executive Director of Pacific Century Premium Developments Limited, Sino Land Company Limited and Tsim Sha Tsui Properties Limited (companies listed on the Hong Kong Stock Exchange). Dr Zeman was founder and owner of Colby International Limited until late 2000. He is a member of the Urban Renewal Authority and the Consultative Committee on the Core Arts & Cultural Facilities of the West Kowloon Cultural District.



## Management Team

### Mr Sardara Singh DILLON

*Director (Corporate Services)*

Mr Dillon, aged 58, has been Director (Corporate Services) of the Manager since May 2007.

Mr Dillon was awarded a Diploma in Management Studies from the Council for National Academic Awards in 1979. He joined the civil service as an Executive Officer in 1970 and has held various senior positions in Government policy bureaux and departments, including a secondment as Director of Administration to help establish the Hong Kong Applied Science and Technology Research Institute from March 2001 to March 2003. Over the years, he has gained extensive experience in departmental administration, human resources management and administration, procurement, resource planning and financial management, projects planning and management and other corporate support services. Prior to joining the Manager, he was the Assistant Director (Administration) in the Housing Department from March 2003 to November 2006.

### Mr KOO Kai Chong

*Director (Human Resources)*

Mr Koo, aged 54, has been Director (Human Resources) of the Manager since July 2006.

Mr Koo graduated from The University of Hong Kong with a Bachelor of Social Sciences degree and completed the Executive Human Resources Program at University of Minnesota, Carlson School of Management. Prior to joining the Manager, Mr Koo held the position of Group General Manager (Human Resources) of Sino Land Company Limited. He has also previously worked for The Hongkong and Shanghai Banking Corporation Limited, Fuji Xerox Co., Limited, NCR Corporation and AlliedSignal Inc. (now Honeywell Inc.)

Mr Koo is a Fellow of the Hong Kong Institute of Human Resource Management with approximately 30 years of human resources management experience in Hong Kong, the United States and Canada. He served on the Human Resources Committee of the Hong Kong Housing Authority from 1996 to 2000.

### Ms LAM Lit Kwan

*Director (Portfolio Management)*

Ms Lam, aged 49, has been Director (Portfolio Management) of the Manager since December 2006. She is also a Director of The Link Holdings Limited and The Link Properties Limited, being the principal subsidiaries of The Link REIT.

Ms Lam graduated with a Master of Philosophy degree in Urban Design and Regional Planning from The University of Edinburgh, Scotland in the United Kingdom. She is a member of the Royal Town Planning Institute and the Hong Kong Town Planning Institute. Ms Lam also holds an Estate Agent's Licence (Individual) and is a registered professional planner.

Ms Lam has extensive experience in the preparation of planning briefs and development proposals for new and redevelopment projects, implementation of construction projects for commercial and residential portfolios, and formulation and implementation of the Government's Long Term Housing Strategy. Prior to joining the Manager, Ms Lam was the Assistant Director (Divestment) in the Housing Department from 2003 to 2006. She was one of the core members who oversaw and supervised the divestment to The Link REIT in all areas of its work, including finance, operations and public relations, leading up to the successful listing of The Link REIT. She has acquired a unique in-depth knowledge and understanding of The Link REIT's property portfolio as a result of her past experience in the listing process.

## Management Team

### **Mr Ball WONG Kim Wing**

*Director (Project and Planning)*

Mr Wong, aged 45, has been Director (Project & Planning) of the Manager since January 2005. He is also a Director of The Link Holdings Limited and The Link Properties Limited, being the principal subsidiaries of The Link REIT.

Mr Wong is a registered architect and an authorised person in Hong Kong and has over 20 years of experience in property branding and assets development. Having graduated from The University of Hong Kong, Mr Wong is also currently a part-time research student of finance at the Shanghai University of Finance and Economics. Prior to joining the Manager, Mr Wong was the Director and Deputy General Manager (China Subsidiaries) and Group Senior Project Manager of Sun Hung Kai Properties Group.

### **Mr AU YEUNG Hau Cheong**

*Head of Leasing and Control*

Mr Au Yeung, aged 58, joined the Manager in December 2004 and has been Head of Leasing and Control since April 2007, overseeing aspects relating to leasing strategies, policies, trade mix optimisation of the shopping centres and tenancy administration.

Mr Au Yeung completed The Competition & Strategy Program in Harvard Business School, Boston in the United States in 2002. He also holds an Estate Agent's Licence (Individual). Prior to joining the Manager, Mr Au Yeung was the General Manager of the Leasing Department of Sun Hung Kai Real Estate Agency Limited and was in charge of a large portfolio of quality and prestige retail properties. With over 37 years of experience in the leasing and marketing fields, Mr Au Yeung is a veteran specialising in retail properties and has extensive experience in all property aspects.

### **Ms Freda CHANG Yin Wa**

*Head of Finance and Investment Management*

Ms Chang, aged 40, has been Head of Finance and Investment Management of the Manager since April 2007.

Ms Chang is a graduate of The Hong Kong Polytechnic University and holds a Bachelor of Arts degree in Accountancy. She is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. Ms Chang has more than 18 years of experience in accounting, auditing and finance. She trained and qualified as a Certified Public Accountant with Ernst & Young in Hong Kong. Prior to joining the Manager, she was the Group Financial Controller of Kerry Properties Limited.

### **Ms Rachel MIU Mei Sze**

*Head of Corporate Communications*

Ms Miu, aged 31, joined the Manager in January 2005 and has been Head of Corporate Communications since July 2006.

Ms Miu graduated with a Master of Business Administration degree from The Chinese University of Hong Kong and obtained her Bachelor's degree from the Journalism School of Ryerson Polytechnic University in Canada. Prior to joining the Manager, Ms Miu was the prime time news anchor, public affairs programme host and senior reporter in Asia Television Limited.

## Management Team

### Mr CHEUNG Kin Fat

*General Manager (Business Advisory/Planning)*

Mr Cheung, aged 57, joined the Manager in July 2004 and has been General Manager (Business Advisory/Planning) since June 2006.

Mr Cheung was awarded a Diploma in Housing Management from the Department of Extramural Studies of The University of Hong Kong in 1978 and completed the Housing Finance and Administration Course at the University of Birmingham in the United Kingdom in 1995. He is a member of the Chartered Institute of Housing and the Hong Kong Institute of Housing. He has extensive experience in the development, management and leasing of commercial portfolios. Prior to joining the Manager, Mr Cheung was the Chief Manager of the Commercial Properties Division in the Housing Department.

### Mr Daniel POON Wai Fun

*General Manager (Carpark Management and Support Services)*

Mr Poon, aged 53, has been General Manager (Carpark Management and Support Services) of the Manager since November 2006.

Mr Poon has over 30 years of experience in public sector administration and executive management and is well versed in organisation restructuring and business process reengineering. Prior to joining the Manager, Mr Poon was a Chief Executive Officer in the Government of the Hong Kong Special Administrative Region and has held managerial positions in various departments.

### Ms Cissy TSANG Yuk Ying

*General Manager (Portfolio Management)*

Ms Tsang, aged 60, has been General Manager (Portfolio Management) of the Manager since May 2006.

Ms Tsang graduated with a Master of Business Administration degree from Brunel University in the United Kingdom. She is a Fellow of the Chartered Institute of Housing. Ms Tsang has over 26 years of experience in the property management industry and has held managerial positions in sizable and reputable companies such as MTR Corporation Limited, Hongkong Land Limited and the Hong Kong Housing Society. Prior to joining the Manager, Ms Tsang was the General Manager of Citybase Property Management Limited.

### Ms Rosa TSANG Yuen Yin

*Financial Controller*

Ms Tsang, aged 37, has been Financial Controller of the Manager since January 2007.

Ms Tsang is a graduate of The Hong Kong Polytechnic University and holds a Bachelor of Arts degree in Accountancy. She is an Associate of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. Ms Tsang has 15 years of experience in auditing, accounting and finance. She trained and qualified as a Certified Public Accountant with Ernst & Young in Hong Kong and has held a managerial role in Kerry Properties Limited from 1999 to 2006. Prior to joining the Manager, she was the Financial Controller of Kyard Limited.



## Management Team

### **Ms Phoebe LAM Wan Ting**

*Legal Counsel and Company Secretary*

Ms Lam, aged 38, has been Legal Counsel and Company Secretary of the Manager since October 2004. She is also the Authorised Representative of The Link Properties Limited and the Company Secretary of The Link Finance Limited, being the principal subsidiaries of The Link REIT.

Ms Lam was admitted as a solicitor in Hong Kong in 1997 and in England and Wales in 1999. She holds a Bachelor's degree in Arts and a Bachelor's degree in Law. Ms Lam was trained with F. Zimmern and qualified and worked as a solicitor at Johnson Stokes & Master from 1997 to 2003. Prior to joining the Manager, she was a Legal Counsel with Hutchison Port Holdings Limited from 2003 to 2004.

### **Mr Simon HO Kam Por**

*Compliance Manager*

Mr Ho, aged 54, has been Compliance Manager of the Manager since July 2004, overseeing matters in relation to regulatory compliance. He is one of the Responsible Officers of the Manager for the purpose of the SFO.

Mr Ho has more than 30 years of experience in the financial business and is well versed in the trading operations of derivatives and investment management. Prior to joining the Manager, Mr Ho held directorships with various listed companies in Hong Kong and was the Executive Director of AIM Group of Companies from 1999 to 2004.

## Management Discussion and Analysis



Before



### Turnaround

Enhancing accessibility is a key turnaround tactic. Once a quiet corridor at the Hau Tak Shopping Centre, this passageway has been turned into an air-conditioned shopper gateway with advertising lightboxes for the many newly introduced dining choices, drawing in customers from the nearby Mass Transit Railway station and other neighbouring developments.

## Management Discussion and Analysis

### Operational Review

The Link REIT was the first and is 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 carpark facilities.

As at 31 March 2007, the portfolio provided an internal floor area ("IFA") of approximately 1,015,000 square metres of retail space and around 80,000 carpark spaces. Approximately 8%, 33% and 59% of the total IFA are located on Hong Kong Island, in Kowloon and the New Territories, respectively. The occupancy rate of the retail facilities was 90.3% as at 31 March 2007 (2006 : 91.2%). 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 71.6% (2006 : 72.0%).

### The Manager

The Manager is licensed by the SFC 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 2007, the Manager had 340 (2006 : 288) staff. Key activities of the Manager include leasing, property management, enhancement and maintenance works, investment, fund management and associated corporate services.

### 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 many 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 is done 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 561 (2006 : 313) with turnover rent for the year amounting to HK\$32 million (Period ended 31 March 2006 : HK\$9 million).

Carpark income per bay per month for the year ended 31 March 2007 was approximately HK\$923 (Period ended 31 March 2006: HK\$913).

Category	Total IFA (sqm)	Leased IFA (sqm)	Vacancy IFA (sqm)	As at 31 March 2007		Average base rent psf per month of leased IFA	
				Occupancy rate (%)	Vacancy rate (%)	31 March 2007 (HK\$ psf)	31 March 2006 (HK\$ psf)
Retail	795,405	733,782	61,623	92.3	7.7	23.3	22.7
Market	82,354	63,864	18,490	77.5	22.5	54.3	53.0
Cooked Food Stalls	14,193	9,213	4,980	64.9	35.1	30.7	30.2
Education/Welfare	85,379	80,414	4,965	94.2	5.8	4.3	4.3
HD Offices and Ancillary	27,612	19,852	7,760	71.9	28.1	11.5	9.9
Total excluding Self Use Offices	1,004,943	907,125	97,818	90.3	9.7	23.6	23.0
Self Use Offices	10,335						
Total including Self Use Offices	1,015,278						
Excluding Self Use Offices, Education/Welfare only	919,564	826,711	92,853	89.9	10.1	25.5	24.8
Excluding Self Use Offices, Education/Welfare, HD Offices and Ancillary	891,952	806,859	85,093	90.5	9.5	25.9	25.4

## Management Discussion and Analysis

<b>Composite Reversion Rate</b>	<b>Year ended 31 March 2007</b> %	<b>Period ended 31 March 2006</b> %
Retail	11.09	2.62
Market	6.38	5.67
Cooked Food Stalls	7.21	7.88
Education/Welfare	0.82	N/A
Ancillary	11.22	6.96
Overall	9.87	3.72
Overall excluding Education/Welfare	10.28	3.72

<b>Revenue</b>	<b>Year ended 31 March 2007</b> HK\$'M	<b>Period ended 31 March 2006</b> HK\$'M
Retail	2,166	736
Market	460	159
Cooked Food Stalls	40	14
Education / Welfare	47	16
HD Offices and Ancillary	86	32
Promotional Venue	33	11
Carparks	881	305
Other Revenues	241	81
Total	3,954	1,354



## Management Discussion and Analysis

### Portfolio Management

#### Major Real Estates Agents and Contractors

No commission was paid to any real estate agents during the year ended 31 March 2007. The aggregate value of service contracts of the top five contractors engaged by The Link REIT and its subsidiaries (the "Group") during the year was HK\$328 million.

#### Top Five Contractors

During the year ended 31 March 2007, the top five contractors and their respective value of services rendered were:

Contractors	Nature of Services	Value of Services HK\$'M	Percentage of Relevant Costs
China Overseas Property Services Ltd	Property and carpark management	78	6.3
Synergis Management Services Limited	Property and carpark management	72	5.8
Wenden Engineering Service Co Ltd	Maintenance	63	5.1
Wan Chung Construction Co Ltd	Maintenance	58	4.7
Jetline Company Limited	Projects and maintenance	57	4.6
		328	26.5

### Financial Highlights

#### Revenue and Net Property Income

Revenue and net property income from the properties portfolio for the year ended 31 March 2007 were HK\$3,954 million (Period ended 31 March 2006: HK\$1,354 million) and HK\$2,361 million (Period ended 31 March 2006: HK\$813 million), respectively. Total retail revenue amounted to

HK\$2,832 million (Period ended 31 March 2006: HK\$968 million) with HK\$881 million (Period ended 31 March 2006: HK\$305 million) of carpark income and HK\$241 million (Period ended 31 March 2006: HK\$81 million) of other income. Net property income represented approximately 60% of total revenue after the deduction of property management costs and other property operating expenses resulting in an expenditure-to-income ratio of approximately 40%.

	HK\$'M	% of Revenue
Property management costs	682	17
Other property operating expenses	911	23
Total property expenses	1,593	40
Net Property Income	2,361	60

## Management Discussion and Analysis

### 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\$1,441 million for the year ended 31 March 2007 as compared to HK\$467 million for the period ended 31 March 2006.

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 2007. With an interim distribution per unit of HK\$32.81 cents and a final distribution per unit approved by the Board of HK\$34.62 cents, total distribution per unit for the year amounted to HK\$67.43 cents. The distribution per unit for the year of HK\$67.43 cents (Period ended 31 March 2006: HK\$21.81 cents) represents a distribution yield of 6.55% based on the final initial public

offer price of HK\$10.30. This is an increase of 9.2% over the committed distribution per unit of HK\$61.76 cents for the year ended 31 March 2007 as indicated in the Offering Circular. The record date for the final distribution will be 26 June 2007 and the register of unitholders will be closed from 25 June 2007 to 26 June 2007, both dates inclusive. The distribution to unitholders will be effected on or about 22 August 2007.

A distribution reinvestment scheme will be available to the unitholders and the unitholders can elect to receive the distribution in respect of the year ended 31 March 2007 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. A circular containing the details and the election form will be sent to unitholders on or about 7 July 2007.

### Property Valuation

As at 31 March 2007, The Link REIT's property portfolio was revalued by an independent professional property valuer, CB Richard Ellis Limited ("CBRE") and recorded a revaluation gain of HK\$3,514 million as compared with the valuation as at 31 March 2006. CBRE 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:

	Retail properties HK\$'M	Carparks HK\$'M	Total HK\$'M
At beginning of the year	29,098	6,674	35,772
Additions	239	32	271
Change in fair values	2,914	600	3,514
At end of the year	32,251	7,306	39,557
% change	+10.8%	+9.5%	+10.6%

## Management Discussion and Analysis

### Financial Review

During the year, the Manager refinanced The Link REIT's HK\$12.5 billion bridging loan facilities and fully repaid the outstanding bridging loan facilities in November 2006.

On 4 August 2006, the Group signed a five year unsecured floating rate syndicated loan agreement for a HK\$5 billion term and revolving loan facility. The interest rate for this facility is HIBOR (Hong Kong Interbank Offered Rate) plus 31 basis points. This facility is for general corporate funding requirements of the Group. The facility received participations from ten reputable international and local banks and financial institutions.

On 4 August 2006, the Group issued three guaranteed notes ("Notes") in the aggregate amount of HK\$3.6 billion. The Notes are divided into three tranches, HK\$1.4 billion 5.12% guaranteed notes due in 2009, HK\$1.4 billion 5% guaranteed notes due in 2008 and HK\$0.8 billion floating rate guaranteed notes due in 2008. This issuance of the Notes was awarded the "Local currency bond markets in Asia ex-Japan: Best Hong Kong Dollar Bond" by Euromoney, a leading international financial journal, in 2006.

On 4 September 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 will be repayable in 2009 unless the Group exercises its option to extend the loan for another year. This is the first ever sale of mortgage loan by a real estate investment trust in Hong Kong. The transaction was completed on 27 November 2006.

As at 31 March 2007, certain of the Group's investment properties, amounting to approximately HK\$4 billion (2006: Nil) were pledged to secure the Group's loan facilities.

These refinancing arrangements have successfully extended the maturity profile of the Group's borrowings. As at 31 March 2007, HK\$2,196 million representing approximately 18% of the Group's total borrowings was repayable in the second year and the remaining HK\$9,981 million representing approximately 82% was repayable in the third to fifth year. The average outstanding life of the Group's loan facilities as at 31 March 2007 was 38 months.

As at 31 March 2007, the Group had outstanding interest rate swap contracts which amounted to HK\$4 billion in total, 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% of the total available facilities are at fixed rates.

In terms of the Group's available financial resources as at 31 March 2007, the Group had total undrawn bank loan facilities of HK\$400 million and net cash at bank and on hand of HK\$1,528 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.

## Management Discussion and Analysis

### Gearing Ratio

As at 31 March 2007, the loan to asset ratio for the Group was 26.9% (2006: 29.9%), based on total borrowings of HK\$12,177 million (2006: HK\$12,169 million) and total gross asset value of HK\$45,235 million (2006: HK\$40,691 million), after the revaluation conducted by CBRE for the properties 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% of total available facilities as at 31 March 2007. The Group will continue to obtain financing on an unsecured basis whenever possible.

### Credit Ratings

In June 2006, The Link REIT was assigned a corporate credit rating of "A grade with a stable outlook" by Standard and Poor's and a corporate family rating of "A3 grade with a stable outlook" by Moody's Investor Service. The strong ratings given by the two agencies are a reflection of The Link REIT's unique and strong market position of managing a geographically diverse portfolio of retail and carpark facilities and such credit ratings have also shown the strong credit

standing and financial position of The Link REIT. This is the first time the agencies assigned a rating to The Link REIT.

In addition to the strong credit ratings, The Link REIT was honoured to be awarded Asia's Best Newly Listed Company in the "Asia's Best Managed Companies 2006" survey conducted in October 2006 by Euromoney.

### Gross Liabilities and Net Assets

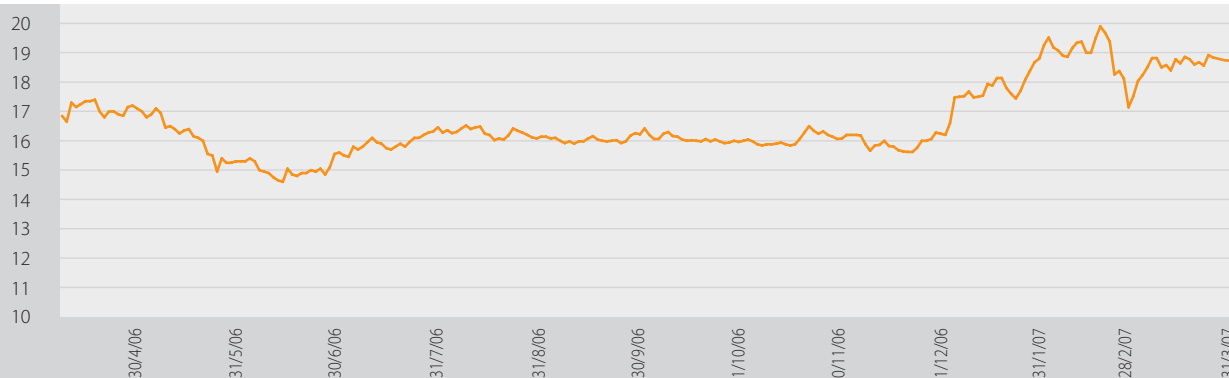
As at 31 March 2007, gross liabilities (excluding net assets attributable to unitholders) accounted for HK\$18,446 million (2006: HK\$16,976 million), or 40.8% (2006: 41.7%) of total gross asset value. As at 31 March 2007, net assets attributable to unitholders amounted to HK\$26,789 million or HK\$12.53 per unit (2006: HK\$23,715 million or HK\$11.09 per unit).

### Units in Issue

Upon listing on 25 November 2005, a total of 2,137,454,000 units were issued. During the year under review, the units have been actively traded. The closing price of the units as at 31 March 2007 was HK\$18.80 (2006: HK\$16.80) with total market capitalisation amounting to HK\$40,184 million (2006: HK\$35,909 million). The closing price reflected a premium of 50% (2006: 51%) over the net asset value of HK\$12.53 (2006: HK\$11.09) per unit.

The Link REIT (0823) Price Performance

HK\$





## Management Discussion and Analysis

### Remuneration Policy

#### Independent Non-Executive Directors

The objective of remunerating Independent Non-Executive Directors is to ensure that they are remunerated sufficiently but not excessively for their efforts and time dedicated to the Manager. Their remuneration is reviewed annually in line with market practices and with assistance provided by an independent consultant. They receive fees comprising a director's fee and additional fees for additional responsibilities such as chairmanship or membership of Board/Committees.

#### Non-Executive Directors

Messrs Liew Mun Leong and Pua Seck Guan are appointed Non-Executive Directors pursuant to the Co-operation Agreement and its supplemental agreement signed between the Manager and CapitaLand Limited. Under the said agreement, they do not receive any remuneration. Mr John Ho Chi On has elected not to receive any remuneration in relation to his appointment as a Non-Executive Director.

#### Executive Directors and Staff in General

The Manager's remuneration policy is built upon the principles of providing an equitable, motivating and competitive remuneration package with a view to attracting, motivating and retaining high performing staff.

As an on-going practice of adhering to these principles, the Manager reviews the remuneration policies and practices in line with market practices and with assistance provided by an independent consultant.

All full-time and permanent staff are eligible for a discretionary bonus, the payment of which is based on both the individual staff's performance and the performance of The Link REIT.

Staff benefits, amongst others, include the Mandatory Provident Fund ("MPF"), annual leave, sick leave, maternity leave, medical insurance, life and personal accident insurance, employee compensation, club membership, etc.

### 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 has planned and provided 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.

Management Discussion and Analysis

# Portfolio Highlights



**Tai Wo Shopping Centre**

- Located right above Kowloon-Canton Railway ("KCR") East Rail's Tai Wo Station with no major competitor around
- With potential to position itself as a "Station Mall" in the district

## Management Discussion and Analysis

## We hold Hong Kong's Largest Portfolio of Diversified Shopping Centres and Carpark Facilities



### Wong Tai Sin Shopping Centre

- Linked to Mass Transit Railway ("MTR") Station at Wong Tai Sin, one of the most heavily populated districts in Kowloon Central
- A short walk next to Wong Tai Sin Temple, one of Hong Kong's most popular tourist attraction, bringing a lot of visitors to the mall every day



### Hau Tak Shopping Centre

- The enhancement works received positive feedback and praise from customers and tenants
- The newly renovated centre stimulates shoppers with exciting new shopping and dining choices and is part of the major shopping ring at MTR Hang Hau Station



### Lok Fu Shopping Centre

- Located in the heart of Kowloon Central right above Lok Fu MTR Station
- It is currently the largest retail facility of The Link REIT. The enhancement works in progress will position it as a down town shopping destination for Central Kowloon



### Stanley Plaza

- Located in Island South, a major tourist spot adjacent to The Stanley Market and Stanley promenade
- A major enhancement project by the Manager running in parallel with the Government's Stanley Waterfront Improvement Scheme

- Three completed Asset Enhancement Projects
- Twenty Three Asset Enhancement Projects in Progress
- Major tourist attractions

## Management Discussion and Analysis

## Master Programme for Twenty Six Asset Enhancement Projects

Announced in 2005/IPO	Announced in 2006	Announced in 2007	Internal Floor Area (sqm)
1. Tsz Wan Shan	1. Tsz Wan Shan	1. Tsz Wan Shan	19,500
2. Hau Tak	2. Hau Tak	2. Hau Tak	15,540
3. Lung Cheung	3. Lung Cheung	3. Lung Cheung	14,198
4. Lok Fu	4. Lok Fu	4. Lok Fu	38,468
5. Choi Ming	5. Choi Ming	5. Choi Ming	8,703
6. Tai Wo	6. Tai Wo	6. Tai Wo	13,492
7. Stanley	7. Stanley	7. Stanley	8,615
8. Chung On	8. Chung On	8. Chung On	7,488
	9. Chung Fu	9. Chung Fu	21,395
	10. Wong Tai Sin	10. Wong Tai Sin	14,123
	11. Butterfly	11. Butterfly	15,290
	12. Cheung Fat	12. Cheung Fat	13,741
	13. Wo Che	13. Wo Che	17,333
	14. Lek Yuen	14. Lek Yuen	11,029
	15. Ming Tak	15. Ming Tak	3,620
		16. Leung King	18,327
		17. Siu Sai Wan	8,988
		18. Oi Man	18,912
		19. Kwai Fong	5,450
		20. Fu Tung	9,261
		21. Kai Tin	17,161
		22. Tin Yiu	7,844
		23. Choi Yuen	12,120
		24. Tak Tin	8,399
		25. Hing Wah	7,222
		26. Wan Tsui	7,508
		TOTAL	<u>343,727</u>



## Management Discussion and Analysis

## Master Programme for Twenty Six Asset Enhancement Projects

Project	Commencement	Target Completion	Capital Expenditure HK\$M
1) Tsz Wan Shan (Phase 3)	Aug 2006	1st Quarter 2008	29.8
2) Hau Tak (Phase 3)	Dec 2006	2nd Quarter 2009	46.0
3) Lung Cheung Mall (Phase 2)	Nov 2006	2nd Quarter 2007	10.0
4) Lok Fu	Aug 2006	2nd Quarter 2010	130.0
5) Choi Ming	Apr 2007	4th Quarter 2007	10.0
6) Tai Wo	Jan 2007	1st Quarter 2009	46.0
7) Stanley	Aug 2006	4th Quarter 2008	100.0
8) Chung On	Oct 2006	4th Quarter 2008	15.6
9) Chung Fu	May 2008	4th Quarter 2009	72.0
10) Wong Tai Sin	Aug 2006	2nd Quarter 2009	31.0
11) Butterfly	Aug 2007	1st Quarter 2009	35.0
12) Cheung Fat	Oct 2006	1st Quarter 2010	80.0
13) Wo Che	May 2007	1st Quarter 2009	50.0
14) Lek Yuen	Mar 2007	3rd Quarter 2009	29.0
15) Ming Tak	Sep 2006	2nd Quarter 2007	8.0
16) Leung King	Sep 2006	1st Quarter 2010	58.0
17) Siu Sai Wan	Oct 2007	4th Quarter 2009	49.0
18) Oi Man	Oct 2007	4th Quarter 2009	75.0
19) Kwai Fong	Mar 2008	4th Quarter 2010	29.0
20) Fu Tung	Nov 2007	4th Quarter 2008	28.0
21) Kai Tin	Apr 2008	3rd Quarter 2009	46.0
22) Tin Yiu	Mar 2007	2nd Quarter 2009	28.0*
23) Choi Yuen	Dec 2007	3rd Quarter 2009	77.5*
24) Tak Tin	Apr 2008	3rd Quarter 2010	50.0*
25) Hing Wah	Apr 2008	3rd Quarter 2010	22.0*
26) Wan Tsui	Apr 2008	4th Quarter 2009	66.0*
<b>Total</b>			<b>1,220.9</b>

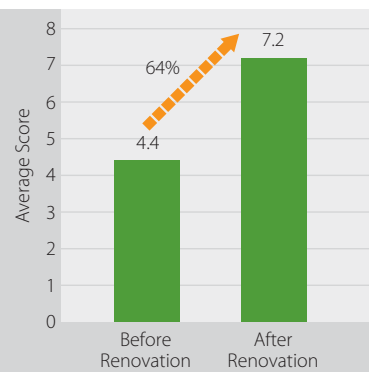
\* Subject to Finance &amp; Investment Committee's approval

## Management Discussion and Analysis

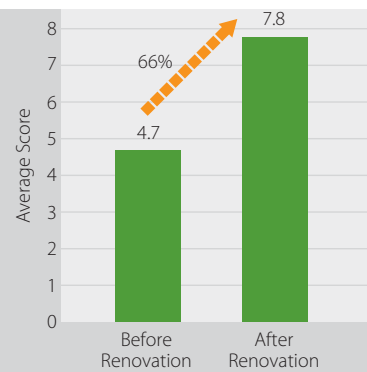
## Three Completed Asset Enhancement Projects

Asset Enhancement remains one of the main drivers of the Manager's effort to improve the quality of the portfolio, to optimise trade mixes and to raise rental income. According to a survey of shoppers carried out recently, the results indicated that the overall customer satisfaction scores of customers are up over 60%

## Customer Satisfaction Score - Tsz Wan Shan



## Customer Satisfaction Score - Hau Tak



Source: The Hong Kong Polytechnic University survey, June 2006 and September 2006  
A score from 1-10, 1 is the lowest, 10 is the highest



## 1. Tsz Wan Shan Shopping Centre – Public Transport Interchange

- The renovated side-walk near the bus terminal improves the ambience and brings in more variety of shops

## 2. Tsz Wan Shan Shopping Centre – 7/F

- The newly introduced "Medical Zone" provides convenience and a better environment for users

## 3. Tsz Wan Shan Shopping Centre – New Escalators to 5/F

- Higher foot-fall is generated after the Manager installed a pair of new escalators from the bus terminal

## 4. Hau Tak Shopping Centre

- Positive feedback is noted from customer satisfaction survey

## 5. Lung Cheung Mall – New Shopping Zone

- The new corridor links up the additional shopping zone with the main atrium

## Management Discussion and Analysis

## Twenty Three Asset Enhancement Projects in Progress

Examples of the twenty three projects in progress are as follows:

### Lok Fu Shopping Centre

- The renovation works will be carried out in phases and the completion of the ground floor area will showcase the new ambience to tenants and visitors



- The concept of "Market Mall" will blend the local dry market tenants with the upgraded shopping environment
- New trades are attracted after completion of common area enhancement
- The mall transformation started with facilities improvement to the entrance common area on the first floor
- The newly renovated zone with decorative lighting has become a focal meeting point for shoppers
- A new outdoor terrace has been introduced. Customers can enjoy both outdoor and indoor shopping experiences



Management Discussion and Analysis

## Twenty Three Asset Enhancement Projects in Progress

### Stanley Plaza

- The flagship shopping mall of The Link in Island South
- Upon completion, it will become a destination for both tourists and residents



1. Common area improvements synchronize with tenants' renewal schedule and decoration
2. The renovation works provided more trades to the mall
3. The Government's improvement works along the water front will attract more tourists to the mall
4. New shops offer more choices to the shoppers
5. The renovation work provided additional space for rebranding/expansion of tenant's business
6. Better utilisation of open spaces achieved by introducing more outdoor cafes



## Management Discussion and Analysis

## Twenty Three Asset Enhancement Projects in Progress

### Wong Tai Sin Shopping Centre

- Linked to Wong Tai Sin MTR Station
- Located in a densely populated district of Kowloon Central



1. A new pedestrian footbridge is completed for better access between the carpark and the shopping mall
2. A new experience from the MTR exit will be introduced
3. New face of the mall will be completed in phases

## Twenty Three Asset Enhancement Projects in Progress



- 1. Choi Ming Shopping Centre**
  - Construction work commenced in April 2007
- 2. Chung On Shopping Centre**
  - New shops are created from some underutilised space
- 3. Tai Wo Shopping Centre – Concourse**
  - The mall is integrated with the entrance and exit of Tai Wo KCR East Rail Station
- 4. Tai Wo Shopping Centre – Side Wing**
  - Site work in progress for modification of some functional facilities and a new food and beverage zone will be introduced



## Management Discussion and Analysis

## Twenty Three Asset Enhancement Projects in Progress



1. **Cheung Fat Shopping Centre – The Atrium**
  - A total facelift will be introduced to the mall
2. **Cheung Fat Shopping Centre – 3/F New “Market Mall”**
  - Construction work has commenced
3. **Chung Fu Shopping Centre**
  - New shops were created by converting an idle area as phase 1 of the renovation
4. **Ming Tak Shopping Centre**
  - The vacant market has been renovated to become an extension of the shopping mall

## Twenty Three Asset Enhancement Projects in Progress



### 1. Lek Yuen Commercial Complex

- The shopping mall forms part of the Shatin shopping spine attached to the Shatin KCR Station. Renovation will improve the ambience and help to attract visitors

### 2. Wo Che Commercial Centre

- The shopping centre will have a synergy effect with the Lek Yuen Commercial Complex and will become a shopping destination for neighbouring residents as well as visitors from Shatin North

### 3. Butterfly Shopping Centre

- Renovation will commence shortly to transform the centre with a modern garden theme



## Management Discussion and Analysis

## Twenty Three Asset Enhancement Projects in Progress



1. **Leung King Shopping Centre**
  - Some enhancement work completed quickly to generate higher rental early
2. **Kwai Fong Shopping Centre**
  - The mall has potential for more smaller units to provide a variety of trades to suit the local community
3. **Siu Sai Wan Shopping Centre**
  - Escalators will be introduced for better accessibility
4. **Fu Tung Shopping Centre**
  - Renovation will provide optimal layout and re-alignment of trade mix
5. **Kai Tin Shopping Centre**
  - A new mini-performance stage added an entertainment element to the shopping centre
6. **Oi Man Shopping Centre**
  - Shopfront extension and ceiling improvement work enhances the overall image and shopping ambience

\* The other five shopping centres included in the asset enhancement programme are Tin Yiu Shopping Centre, Choi Yuen Shopping Centre, Tak Tin Shopping Centre, Hing Wah Shopping Centre and Wan Tsui Shopping Centre



Management Discussion and Analysis

## Minor Improvement Works to Our Shopping Centres



- 1. Lai Kok Market**
  - After completion of improvement works, lighting and ventilation systems are greatly improved together with a more efficient layout
- 2. Shun Lee Shopping Centre**
  - The common areas of the corridors connecting Phases 1 and 2 have been enhanced to provide a better shopping environment for customers
- 3. Ho Man Tin Plaza**
  - Carpark arrival lobby improvement work enhances the connectivity between the shopping mall and the carpark building

## Management Discussion and Analysis

## Tenants Views



**Ms Chiu Chung Ching**  
**Shop Manager, JP Books**  
 Tsz Wan Shan Shopping Centre Branch  
 opened in January 2007

“We believe in the new business approach and have therefore extended the branch network to The Link’s shopping centre for the first time. The result is surprisingly good, as the customer flow has exceeded our expectations and the spending potential of nearby residents is encouraging. Our bookstore has drawn a crowd of young readers from the surrounding schools as well. We hope that more opportunities can be explored in The Link’s properties to promote reading in the community.”

“With new shops and popular restaurants opening in the past year, it is obvious that residents in Tsz Wan Shan are more willing to stay in this Shopping Centre to shop, dine and do grocery shopping. Even patronage to the fresh market has been boosted, which has brought us increased revenue.”



**Mr Choi Kit**  
**Owner, Ching Hing Lung Fish Stall**  
 Operating at the Tsz Wan Shan Shopping  
 Centre Fresh Market since 1997



**Mr Choi Kin Yung**  
**Shop Operator, Po Man Dispensary**  
 Operating at the Po Tat Shopping Centre  
 since 2002

“Shops like ours usually would accept cash only. Banking service in the shopping centre is therefore particularly crucial. The Link has introduced many automatic teller machines to the Po Tat Shopping Centre in the past year, bringing much greater convenience to residents nearby. Customers are now attracted to come more often and the overall environment has become much more dynamic.”

“We took the opportunity to renovate our shop in parallel with the current enhancement of the Lung Cheung Mall. The shopfront has now been given a much trendier outlook and we have even renamed our shop to match with the new style, so as to attract more customers and upgrade hand in hand with the shopping centre. All our colleagues are very proud of our new look.”



**Mr Kwok Chun Hung**  
**Owner, S135**  
 Operating at the Lung Cheung Mall  
 since 2001

Management Discussion and Analysis

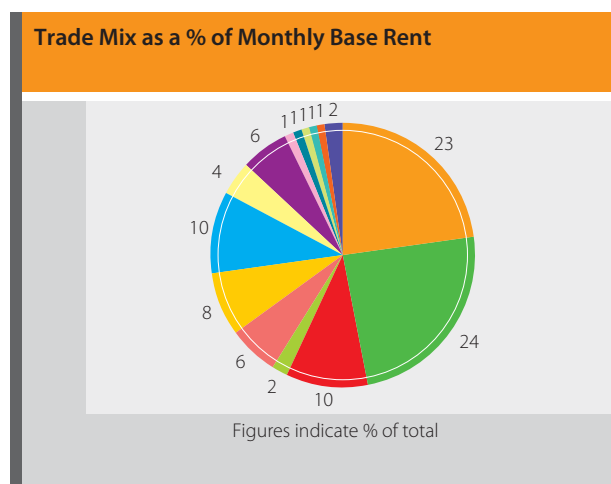
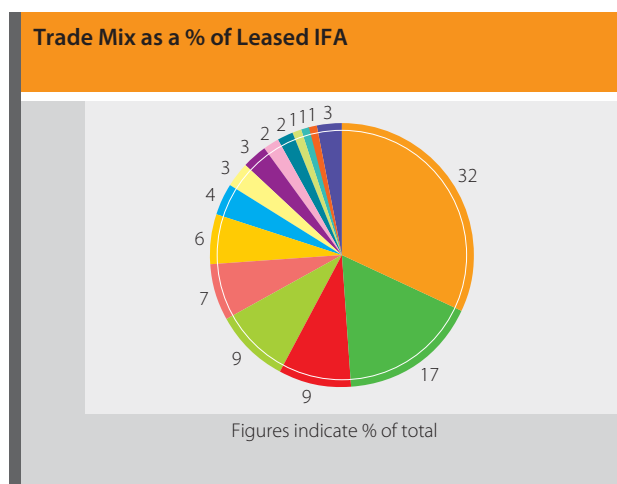
## Portfolio Summary

### Portfolio Overview

Our 10 largest properties generated around 23% of gross revenue

Retail and Carpark Operations	Rental income from Retail Operations HK\$'M	Gross receipts from Carpark Operations HK\$'M	Total Revenue HK\$'M	Total Revenue (%)	Cumulative % of Total Revenue (%)
<b>Top 10 Properties</b>					
Lok Fu	143.9	12.9	156.8	4.0	4.0
Tin Chung (Chung Fu Shopping Centre)	98.5	7.3	105.8	2.7	6.7
Sau Mau Ping	96.2	5.4	101.6	2.6	9.3
Tsz Lok (Tsz Wan Shan Shopping Centre)	88.5	12.6	101.1	2.5	11.8
Sheung Tak	72.4	14.8	87.2	2.2	14.0
Kai Tin	67.4	6.8	74.2	1.9	15.9
Hau Tak II	60.1	11.4	71.5	1.8	17.7
Lung Cheung	64.7	6.5	71.2	1.8	19.5
Tin Chak	62.4	2.5	64.9	1.6	21.1
Choi Ming	57.7	5.8	63.5	1.6	22.7
11-40	1,119.3	229.7	1,349.0	34.1	56.8
41-100	982.4	318.1	1,300.5	32.9	89.7
101-180	159.5	247.3	406.8	10.3	100.0
<b>Total</b>	<b>3,073.0</b>	<b>881.1</b>	<b>3,954.1</b>	<b>100.0</b>	<b>100.0</b>

### Retail Overview – Diverse Tenancy Base

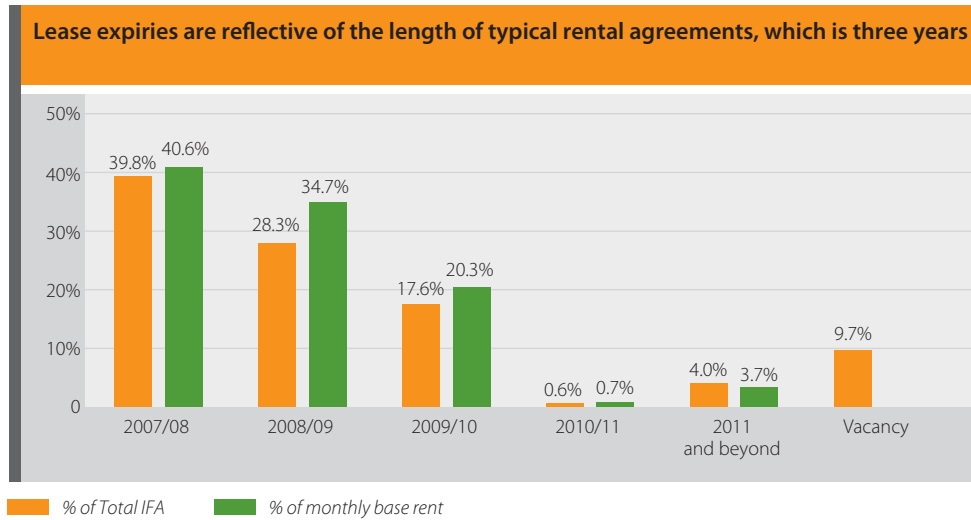


- Food & Beverage
- Supermarket & Foodstuff
- Services
- Education/Welfare
- Electrical & Household Products
- Personal Care, Medicine, Valuable Goods, Optical, Books & Stationery
- Market
- Clothing, Footwear & Allied Products
- Single Operator Market
- Department Store
- HD Offices and Ancillary
- Leisure & Entertainment
- Cooked Food Stalls
- Single Operator Shopping Centre
- Others

Management Discussion and Analysis

## Portfolio Summary

### Lease Expiry Profile



### Tenant and Lease Profile

Our 10 largest tenants (in terms of monthly base rent) of the Retail Facilities account for 33% of the total monthly base rent.

### Top 10 Tenants of the Retail Facilities

Tenant		Trade Type
The Dairy Farm Co. Ltd.		Supermarket, health and beauty, convenience store
A. S. Watson Group (HK) Ltd.		Supermarket, personal care, wine cellar
McDonald's Restaurants (HK) Ltd.		Food & beverage operator
Café de Coral Holdings Ltd.		Food & beverage operator
Maxim's Caterers Ltd.		Food & beverage operator
Goldrise Investment Ltd.		Single operator market
Wang On Majorluck Ltd.		Single operator market
China Resources Enterprise, Ltd.		Supermarket, personal care
AEON Stores (Hong Kong) Co., Limited		Department store, supermarket and others
Fairwood Fast Food Ltd.		Food & beverage operator

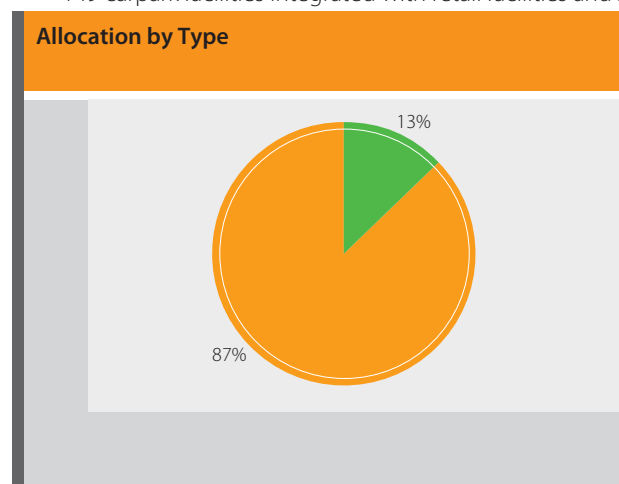
Management Discussion and Analysis

## Portfolio Summary

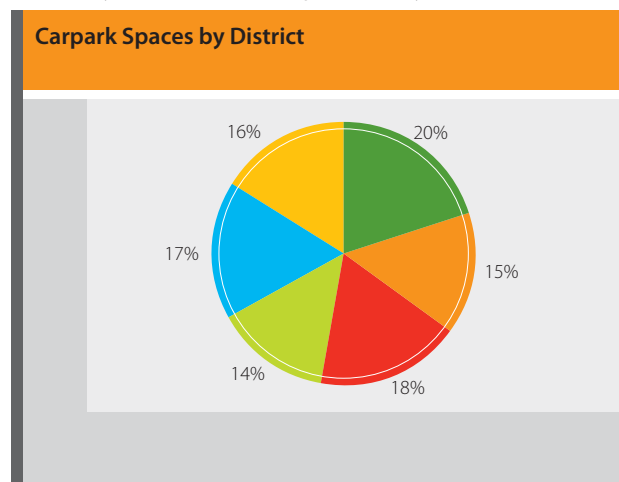
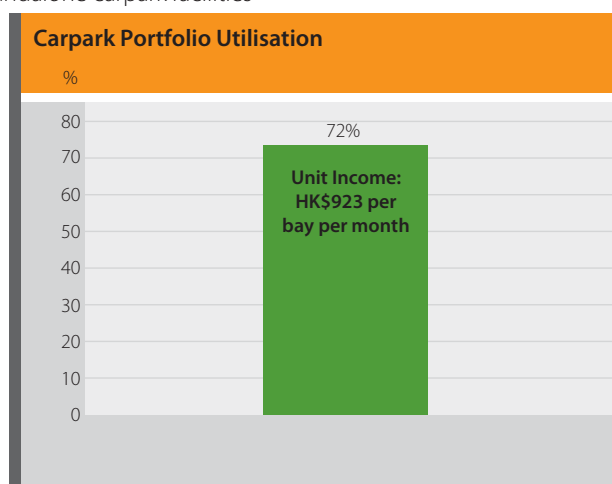
	IFA (sq.m)	% of leasable IFA	% of leased IFA	Number of tenancies	% of total monthly base rent
Top 10 Tenants	212,164	21.1	23.4	466	32.6
Other Tenants	694,961	69.2	76.6	11,169	67.4
Leased Tenants	907,125	90.3	100.0	11,635	100.0
Vacancy	97,818	9.7			
Subtotal	1,004,943	100.0			
Self Use Offices	10,335				
Overall	1,015,278				

### Carpark Portfolio Overview

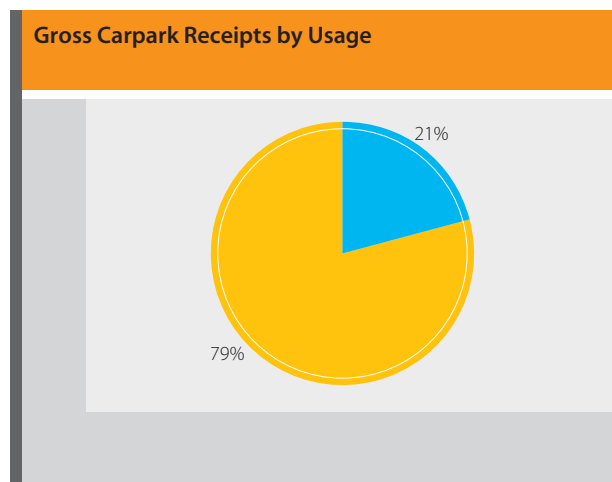
- Largest carpark portfolio held by a single owner in Hong Kong
- Approximately 80,000 carpark spaces, consisting approximately 13% of Hong Kong's total carpark inventory
- 149 carpark facilities integrated with retail facilities and 29 standalone carpark facilities



Hourly Designated Monthly



New Territories East  
 Kowloon East, Hong Kong Island  
 Tseung Kwan O  
 Kowloon Central  
 Wong Tai Sin, Kwai Tsing & Tsuen Wan & Island  
 Yuen Long & Tuen Mun



Hourly Designated Monthly



## Corporate Citizenship



- Mr Victor So (left), Chief Executive Officer, receives the "Devoted Sponsorship and Promotion Award" from the Social Welfare Department as a recognition for The Link's continuous efforts in building a better society.

Our shopping centres are community hubs, places where families gather and neighbours come together. In many ways, our centres are an extension of people's homes. As a vital part of the neighbourhoods we serve, we are committed to being a good corporate citizen. In this respect, we have undertaken a series of activities to serve the community.

### Enlivening Our Neighbourhoods

Our asset enhancement work, a key business initiative encompassing enhancements in trade-mix, customer service, promotional activities and hardware facilities, has not only rejuvenated our properties but also created more job opportunities for our communities.

The success of the asset enhancement projects can be evidenced from the surveys conducted during the year whereby the majority of the interviewees believed that the work has benefited nearby residents by bringing greater convenience and also contributed to the neighbourhood's economic vibrancy and ambience.



- Labour Department's job fair at the Fu Tung Shopping Centre, supported by The Link, provided hundreds of employment opportunities to job seekers on Lantau Island.



- The Link offered rent-free venues to "Territory-wide Blood Pressure Check Campaign", in which thousands of participants received free blood pressure check-up.

### Providing Platforms for Stronger Community

Apart from providing enjoyable environments for shopping and leisure, our portfolio serves as a platform for us to give back to the communities we operate in. In recognition for our efforts in this area, we were presented with the "Devoted Sponsorship and Promotion Award" by the Social Welfare Department.

The Manager grants regular rent-free access to our promotion venues to community groups, thereby facilitating them to host many activities with worthwhile causes. These events cover a wide range of causes from promoting community well-being by raising funds for the needy, to enriching cultural life and increasing health and environmental awareness.

We are also committed to making necessary welfare services available in the neighbourhood by designating a portion of our retail space for non-profit making organisations which are charged at concessionary rent. Approximately 8.4% or 85,400 square metres of our total lettable internal floor area comprises of welfare letting at concessionary rents.

## Corporate Citizenship

### Supporting Charitable Causes

We have actively participated in community events and organised various promotional events in partnership with social service groups throughout the year. During the year, we have co-organised charitable events with "Helping Hand", "Operation Santa Claus" and "Hong Kong Society for the Protection of Children" as part of our festive promotion programme.

### Working for a Greener Future

We understand the importance of environmental protection and the call for a greener community. In order to do so, we strive to contribute to a greener future by embracing more environment-friendly business measures in our operations and also supporting environmental causes. For instance, a wide variety of energy saving initiatives are adopted at our properties and whenever possible and appropriate, recycled materials are used in our improvement works.

For two consecutive years, we teamed up with Friends of the Earth in campaigns aiming to encourage and enable people to recycle used metal mooncake boxes and used polystyrene foam materials. We also organised an "Old Clothes Collection Programme" with the Salvation Army to collect warm clothes for the needy in winter.

### Volunteering for a Caring Society

Our staff volunteer team extends our care to the needy in the community by visiting them during festive periods and bringing them festive joy with songs, games and seasonal gifts.

### Wage Protection



The Link is committed and has been given a commendation certificate for our full support to the "Wage Protection Movement" launched by the Government.



■ The Link's staff volunteer team visits an elderly home during Chinese New Year.



■ "Old Clothes Collection Programme" is part of The Link's contribution to the environment and community.



■ Proceeds from the "Haunted Castle", part of our Halloween promotion at the Tsz Wan Shan Shopping Centre, were donated to the Hong Kong Society for the Protection of Children.



■ Thousands of cleaning and security staff working in The Link's properties benefit from The Link's commitment under the Government's "Wage Protection Movement".

# Corporate Governance Report

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. Set out below is a summary of the key components of the corporate governance policies that have been adopted by the Manager and The Link REIT.

## Authorisation Structure

The Link REIT is a collective investment scheme in the form of a unit trust authorised by the SFC under section 104 of the SFO and regulated by the provisions of the Code on Real Estate Investment Trusts issued by the SFC (the "REIT Code").

HSBC Institutional Trust Services (Asia) Limited, the Trustee, is a registered trust company and is qualified to act as a trustee for collective investment schemes under the SFO and the REIT Code. The Manager is licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management.

## Roles of the Trustee and the Manager

As The Link REIT has adopted an internalised management structure, the Trustee is the owner of all the shares of the Manager which are held in trust for the benefit of unitholders. The Trustee and the Manager are functionally independent of each other. The Trustee is responsible under the Trust Deed for the safe custody of the assets of The Link REIT on behalf of unitholders. The Manager's role under the Trust Deed is to manage The Link REIT in accordance with the Trust Deed and in particular, to ensure that The Link REIT's assets are professionally managed in the sole interests of the unitholders.

## Board of Directors of the Manager and its Roles

### The Board

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of nine Directors and a maximum of 14 Directors. At present, the Board comprises 14 members, nine of whom are Independent Non-Executive Directors, three Non-Executive Directors and two Executive Directors.

Independent Non-Executive Directors and Mr John HO Chi On, the Non-Executive Director are appointed for an initial term of three years and one-third of them are subject to retirement at each annual general meeting of the Manager. Independent Non-Executive Directors are eligible for re-appointment up to a maximum period in office of six years. There is no maximum term for other Directors. Two of the Non-Executive Directors, Mr LIEW Mun Leong and Mr PUA Seck Guan, who were appointed pursuant to the Co-operation Agreement and its supplemental agreement signed between the Manager and CapitaLand Limited on 27 August 2004 and 26 October 2005, respectively and Mr Victor SO Hing Woh, the Chief Executive Officer and Mr CHEW Fook Aun, the Chief Financial Officer are not subject to retirement by rotation.

There is no service contract which is not determinable within one year without payment of compensation (other than statutory compensation) in respect of any Director proposed for re-election at the forthcoming annual general meeting of the Manager.

## Corporate Governance Report

The composition of the Board is determined on the following principles:

- the Chairman of the Board is an Independent Non-Executive Director;
- the Board should comprise Directors with a broad range of commercial experience including expertise in funds management and the property industry and skills which can contribute to a more effective and efficient Board deliberation process; and
- at least one half of the Board should comprise Independent Non-Executive Directors.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

### Roles and functions of the Board

The Board principally oversees the management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. The Board function is largely separate from, and independent of, the executive management function. The Board leads and guides the Manager's corporate strategy and direction. It exercises the general powers within the limits defined by the Articles of Association of the Manager, with a view to ensuring that management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board also reviews major financial decisions and the performance of the Manager.

The Board also acknowledges its responsibility for preparing the financial statements of The Link REIT.

The roles of the key members of the Board are as follows:

- Chairman – an Independent Non-Executive Director, responsible for the overall leadership of the Board and the Manager generally and shall not have any executive role.
- Executive Directors – responsible for the day-to-day operations of the Manager and for supervising the Manager's management team to ensure that The Link REIT operates in accordance with its stated strategies, policies and regulations.
- Independent Non-Executive Directors / Non-Executive Directors – responsible for governing the Manager through the Board.

The positions of Chairman and Chief Executive Officer are held by two separate individuals, namely, Mr Nicholas Robert SALLNOW-SMITH and Mr Victor SO Hing Woh, respectively, in order to maintain an effective segregation of duties.

### Matters specifically reserved to the Board

Certain matters are specifically reserved to the full Board for deliberations, including but not limiting to items such as:

- i) approval of interim and final dividends, annual report and financial statements and circulars to unitholders;
- ii) recommending to unitholders on any changes to the Memorandum and Articles of Association of the Manager or to the Trust Deed;

## Corporate Governance Report

- iii) approval of sale and acquisition of properties;
- iv) approval of appointment and removal of the Chief Executive Officer, other Executive Directors and the Company Secretary or any other directors as recommended by the Nomination Committee;
- v) approval of any matter which would have a material effect on The Link REIT's financial position, liabilities, future strategy or reputation; and
- vi) approval of the powers and authority delegated to the various Board Committees.

### Appointment and Removal of Directors

Directors may be nominated for appointment and/or removal by :

- i) the Board of Directors following a recommendation made by the Nomination Committee; or
- ii) any unitholder in accordance with the terms of the Trust Deed.

Upon receipt of a valid request from unitholders pursuant to the terms of the Trust Deed, the Manager shall convene a meeting of unitholders for the purpose of seeking the approval of unitholders for any proposed appointment, re-appointment or removal of Directors by way of ordinary resolution. The quorum for such general meeting of unitholders to consider the appointment, re-appointment or removal of a Director as approved or recommended by the Nomination Committee is two or more unitholders present in person or by proxy registered as holding not less than 10% of the units for the time being issued and outstanding, whilst the quorum where such appointment, re-appointment or removal has not been approved or recommended by the Nomination Committee is two or more unitholders present in person or by proxy registered as holding not less than 25% of the units for the time being issued and outstanding. Subject to any legal obligation of the Manager to the contrary, unitholders have the right to remove an incumbent Director in accordance with the terms of the Trust Deed. A Director may also be removed from office if served with a notice to that effect signed by all the other Directors. An outgoing Director shall abstain from voting in respect of a resolution proposed at a Board meeting in respect of the appointment of his successor or his re-appointment.

### Independence of Directors

The Manager has received an annual confirmation of independence from each of the Independent Non-Executive Directors during the year and has assessed their independence. The Board concluded that all the Independent Non-Executive Directors are independent and meet with the criteria set forth in the corporate governance policy of The Link REIT.

### Information to the Board

Regular reports are presented to all Directors to ensure that they are well informed of the business developments and progress of The Link REIT. In order to ensure effective and efficient Board or Committee meetings, procedures are in place to ensure that adequate advance notices are given to all members concerned so as to allow maximum participation in the meetings. Prior to the meetings, sufficient information and materials are also provided to members. When considered necessary, Board members can obtain independent advice from external professional parties at the expense of The Link REIT.



## Corporate Governance Report

A total of nine full Board meetings were held during the year ended 31 March 2007 and the attendance record of the individual directors are as follows:

BOARD	2006 AGM of The Link REIT	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	1	9	2
<b>Chairman (Independent Non-Executive Director)</b>			
Nicholas Robert SALLNOW-SMITH <sup>(1)</sup>	n/a	n/a	2/2
Paul CHENG Ming Fun <sup>(2)</sup>	1/1	9/9	n/a
<b>Executive Directors</b>			
Victor SO Hing Woh	1/1	9/9	2/2
CHEW Fook Aun <sup>(3)</sup>	n/a	1/1	2/2
<b>Non-Executive Directors</b>			
John HO Chi On <sup>(4)</sup>	1/1	5/5	1/2
LIEW Mun Leong	1/1	3/9	1/2
PUA Seck Guan	1/1	9/9	1/2
<b>Independent Non-Executive Directors</b>			
Michael Ian ARNOLD	0/1	7/9	1/2
Leslie CHAO Tse Hou	0/1	7/9	2/2
Anthony CHOW Wing Kin <sup>(5)</sup>	1/1	8/8	1/2
Patrick FUNG Yuk Bun	1/1	9/9	2/2
Stanley KO Kam Chuen	1/1	8/9	2/2
Harry LEE Nai Shee	1/1	8/9	1/2
Patrick SUN	1/1	9/9	2/2
Allan ZEMAN	1/1	8/9	2/2

# Meetings held in the financial year to date

- (1) Mr Nicholas Robert SALLNOW-SMITH joined the Board on 1 April 2007
- (2) Mr Paul CHENG Ming Fun retired from the Board with effect from 1 April 2007
- (3) Mr CHEW Fook Aun joined the Board on 1 February 2007
- (4) Mr John HO Chi On joined the Board on 27 July 2006
- (5) Mr Anthony CHOW Wing Kin joined the Board on 22 May 2006

## Board Committees

Subject to the matters specially reserved to the Board, the Board has established various Board Committees to assist it in the discharging of its responsibilities. Details of these Committees are set out below:

### Audit Committee

The Audit Committee has three members who are Independent Non-Executive Directors. Under its terms of reference, the Audit Committee reviews the completeness, accuracy, clarity and fairness of The Link REIT's financial statements and considers the scope, approach and nature of internal and external audit reviews. It is also responsible to the Board for ensuring the quality and integrity of internal controls and the management of risk. It also recommends the appointment of external auditors, reviews their reports and guides management to take appropriate actions to remedy faults or deficiencies identified. The Audit Committee is also responsible for reviewing and monitoring connected party transactions. The Audit Committee is required to meet at least four times a year and to report back to the Board on its decisions and progress on a regular basis as determined by the Committee and approved by the Board.

## Corporate Governance Report

During the year under review, the Audit Committee has performed the following tasks:

- i) considered and reviewed the annual and interim financial results of The Link REIT in conjunction with the external auditors;
- ii) reviewed the quarterly compliance reports and the risk assessment reports to consider the internal control, risk management and compliance matters relating to The Link REIT;
- iii) reviewed the connected party transactions being conducted and confirmed that such transactions were entered into in accordance with the REIT Code;
- iv) reviewed the internal audit reports as presented by the internal auditors and approved the internal audit plan for the coming financial year; and
- v) reviewed and assessed the independence and performance of the external auditors and their related fees.

The attendance record of the Audit Committee is as follows:

AUDIT COMMITTEE	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	4	1
<b>Members</b>		
Patrick FUNG Yuk Bun ( <i>Chairman</i> )	4/4	1/1
Harry LEE Nai Shee	4/4	1/1
Allan ZEMAN	1/4	1/1
<b>In attendance</b>		
Chief Executive Officer	4/4	1/1
Chief Financial Officer	1/1	1/1
Internal Auditor	4/4	1/1
External Auditors <sup>(1)</sup>	3/3	1/1
Director of Finance <sup>(2)</sup>	3/3	n/a

# Meetings held in the financial year to date

(1) Commencing from the Audit Committee meeting held on 27 March 2007, the external auditors will be invited to attend all future Audit Committee meetings.

(2) Mr Thomas PANG Pui Yin (Director of Finance) resigned on 14 February 2007.

## Finance and Investment Committee

The Finance and Investment Committee comprises eight members with four Independent Non-Executive Directors, two Non-Executive Directors and two Executive Directors. On 1 April 2007, Mr Nicholas Robert SALLNOW-SMITH, Chairman of the Manager and an Independent Non-Executive Director was also appointed as a member of the Committee. Under its terms of reference, the Finance and Investment Committee is responsible for evaluating and making recommendations on proposed acquisitions and/or disposals of assets, reviewing budgets and making recommendations to the Board on all key items of

## Corporate Governance Report

expenditure and reviewing the quarterly financial performance, forecasts and annual financial plan of The Link REIT. It also reviews and recommends changes to financial authorities, policies or procedures in areas such as accounting, tax, treasury, dividend payout, investment appraisal, management and statutory reporting. The Finance and Investment Committee is required to meet at least four times a year and to report back to the Board on its decisions and progress on a regular basis as determined by the Committee and approved by the Board.

During the year under review, the Finance and Investment Committee has performed the following tasks:

- i) reviewed and recommended the budget for the financial year for the Board's approval;
- ii) reviewed and provided advice on the refinancing plans and structure;
- iii) reviewed and considered the feasibilities of respective asset enhancement projects;
- iv) reviewed and considered the treasury and cash management policies and procedures of The Link REIT;
- v) reviewed and considered proposals from the Manager regarding information and technology systems and carpark management information and automation system; and
- vi) reviewed and endorsed the revised delegation of financial authority to designated staff for the Board's approval.

The attendance record of the Finance and Investment Committee is as follows:

FINANCE AND INVESTMENT COMMITTEE	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	8	1
<b>Members</b>		
Patrick SUN ( <i>Chairman</i> )	8/8	1/1
Michael Ian ARNOLD	8/8	0/1
Leslie CHAO Tse Hou	6/8	1/1
CHEW Fook Aun <sup>(1)</sup>	3/3	1/1
John HO Chi On <sup>(2)</sup>	4/4	1/1
LIEW Mun Leong	1/8	0/1
Thomas PANG Pui Yin <sup>(3)</sup>	5/5	n/a
Nicholas Robert SALLNOW-SMITH <sup>(4)</sup>	n/a	1/1
Victor SO Hing Woh	8/8	1/1

# Meetings held in the financial year to date

(1) Mr CHEW Fook Aun was appointed as a member of the Finance and Investment Committee with effect from 1 February 2007

(2) Mr John HO Chi On was appointed as a member of the Finance and Investment Committee with effect from 21 November 2006

(3) Mr Thomas PANG Pui Yin ceased to be a member of the Finance and Investment Committee with effect from 1 February 2007

(4) Mr Nicholas Robert SALLNOW-SMITH was appointed as a member of the Finance and Investment Committee with effect from 1 April 2007

## Corporate Governance Report

### Human Resources and Compensation Committee

The Human Resources and Compensation Committee has six members with three Independent Non-Executive Directors, two Non-Executive Directors and one Executive Director. Under its terms of reference, the Human Resources and Compensation Committee reviews and recommends the policies on remuneration, terms and conditions of employment of all staff and Directors other than the members of the Committee, whose terms and conditions of employment and remuneration are considered by the Board. It also recommends the manpower deployment plan including the succession plan for management and the Board. The Committee is required to meet at least twice a year and to report back to the Board on its decisions and progress on a regular basis as determined by the Committee and approved by the Board.

During the year under review, the Human Resources and Compensation Committee has performed the following tasks:

- i) reviewed the organisation structure, manpower plan for 2007/2008 and other related issues for the Board's approval;
- ii) reviewed Directors' remuneration and bonus payment for the employees of the Manager; and
- iii) proposed a long term incentive scheme for the Board's endorsement for unitholders' approval.

The attendance record of the Human Resources and Compensation Committee is as follows:

HUMAN RESOURCES AND COMPENSATION COMMITTEE	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	7	2
<b>Members</b>		
Michael Ian ARNOLD ( <i>Chairman</i> )	7/7	2/2
John HO Chi On <sup>(1)</sup>	2/2	2/2
Stanley KO Kam Chuen	7/7	2/2
LIEW Mun Leong	1/7	1/2
Victor SO Hing Woh	7/7	0/2
Patrick SUN	6/7	1/2

# Meetings held in the financial year to date

(1) Mr John HO Chi On was appointed as a member of the Human Resources and Compensation Committee with effect from 4 October 2006

### Nomination Committee

The Nomination Committee comprises five members with four Independent Non-Executive Directors and the remaining member being the Chief Executive Officer. On 1 April 2007, Mr Nicholas Robert SALLNOW-SMITH, Chairman of the Manager was appointed as Chairman of the Committee to replace Mr Paul CHENG Ming Fun who retired with effect from 1 April 2007. Under its terms of reference, the Committee is responsible for reviewing the structure, size and composition of the Board and its Committees on an ongoing basis and for nominating, and providing recommendations on, the appointment, re-appointment and removal of Directors. If a member of the Nomination Committee is subject to re-appointment or removal, then such Director will abstain from participating in such discussions. The Committee is required to meet at least twice a year and to report back to the Board on its decisions and progress on a regular basis as determined by the Committee and approved by the Board.

## Corporate Governance Report

During the year under review, the Nomination Committee has performed the following tasks:

- i) reviewed and considered the proposed appointment of new Directors for approval by the Board; and
- ii) provided recommendations on persons for re-appointment as Directors to the Board for re-election by unitholders.

The attendance record of the Nomination Committee is as follows:

NOMINATION COMMITTEE	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	2	1
<b>Members</b>		
Nicholas Robert SALLNOW-SMITH <sup>(1)</sup> ( <i>Chairman</i> )	n/a	1/1
Paul CHENG Ming Fun <sup>(2)</sup> ( <i>Ex-Chairman</i> )	2/2	n/a
Michael Ian ARNOLD	1/2	1/1
Anthony CHOW Wing Kin <sup>(3)</sup>	2/2	1/1
Harry LEE Nai Shee	2/2	1/1
Victor SO Hing Woh	2/2	1/1

# Meetings held in the financial year to date

(1) Mr Nicholas Robert SALLNOW-SMITH was appointed as the Chairman of the Nomination Committee with effect from 1 April 2007

(2) Mr Paul CHENG Ming Fun retired as the Chairman of the Nomination Committee with effect from 1 April 2007

(3) Mr Anthony CHOW Wing Kin was appointed as a member of the Nomination Committee with effect from 22 May 2006

## Disclosures Committee

The Disclosures Committee comprises five members with two Independent Non-Executive Directors, one Non-Executive Director, the Chief Executive Officer and the Chief Financial Officer. On 1 April 2007, Mr Nicholas Robert SALLNOW-SMITH, Chairman of the Manager was appointed as Chairman of the Committee to replace Mr Paul CHENG Ming Fun who retired with effect from 1 April 2007. Under its terms of reference, the Disclosures Committee is responsible for reviewing information for disclosure to unitholders such as annual reports, semi-annual reports and circulars and the dissemination of information to the public such as press releases containing financial information and public announcements and ensuring their accuracy, clarity, completeness and currency. It is also responsible for reviewing periodic and current reports, proxy statements and statutory filings with regulatory bodies. The Committee is required to meet at least four times a year and to report back to the Board on its decisions and progress on a regular basis as determined by the Committee and approved by the Board.

During the year under review, the Disclosures Committee has performed the following tasks:

- i) reviewed and considered the accuracy and completeness of the annual and interim reports of The Link REIT and to ensure compliance with applicable legal and regulatory requirements;
- ii) reviewed and considered the accuracy and clarity of results announcements, other public announcements and circulars to unitholders issued by the Manager on behalf of The Link REIT;



## Corporate Governance Report

- iii) reviewed and considered the amendments to the Trust Deed of The Link REIT and the Notice of Amendments to unitholders; and
- iv) reviewed and considered the continuous disclosure obligations of The Link REIT as issuer of its units under the Securities and Exchange Law of Japan and Investment Trust and Investment Corporation Law of Japan.

The attendance record of the Disclosures Committee is as follows:

DISCLOSURES COMMITTEE	Year ended 31 March 2007	Year ending 31 March 2008 <sup>#</sup>
<b>Number of meetings held</b>	4	1
<b>Members</b>		
Nicholas Robert SALLNOW-SMITH <sup>(1)</sup> ( <i>Chairman</i> )	n/a	1/1
Paul CHENG Ming Fun <sup>(2)</sup> ( <i>Ex-Chairman</i> )	4/4	n/a
CHEW Fook Aun <sup>(3)</sup>	1/1	1/1
Anthony CHOW Wing Kin <sup>(4)</sup>	4/4	1/1
Thomas PANG Pui Yin <sup>(5)</sup>	3/3	n/a
PUA Seck Guan	2/4	1/1
Victor SO Hing Woh	4/4	1/1

# Meetings held in the financial year to date

(1) Mr Nicholas Robert SALLNOW-SMITH was appointed as the Chairman of the Disclosures Committee with effect from 1 April 2007

(2) Mr Paul CHENG Ming Fun retired as the Chairman of the Disclosures Committee with effect from 1 April 2007

(3) Mr CHEW Fook Aun was appointed as a member of the Disclosures Committee with effect from 1 February 2007

(4) Mr Anthony CHOW Wing Kin was appointed as a member of the Disclosures Committee with effect from 22 May 2006

(5) Mr Thomas PANG Pui Yin ceased to be a member of the Disclosures Committee with effect from 1 February 2007

## Review of Internal Controls and Assessment of Business Risk

The Board has reviewed the internal controls and assessed the business risk of The Link REIT in general with the assistance of various Board Committees. The Board has considered the financial performance of The Link REIT against an approved budget. It has accepted the periodical risk review reports and the compliance reports examined and endorsed by the Audit Committee.

The Board is committed to implementing effective risk management and internal control processes to identify and manage risks that may adversely affect successful operations of The Link REIT.

During the year, a high level review of risks inherent in the Group's core business processes and the key controls established to manage those risks was conducted. In addition, major financial, property and legal risks were reviewed by the Audit Committee periodically. An internal audit team has conducted reviews of internal controls covering the property leasing and management processes and the financial systems of the Group. Internal audit reports highlighting audit findings and recommendations for improvement have been reviewed by the Audit Committee.

The Board is generally satisfied as to the effectiveness and adequacy of internal controls covering the key processes and systems of the Group.

## Corporate Governance Report

### Reporting and Transparency

The Link REIT prepares its financial statements in accordance with the Hong Kong Financial Reporting Standards with a financial year end of 31 March and a financial half-year end of 30 September. In accordance with the REIT Code, the annual report and financial statements for The Link REIT will be published and sent to unitholders no later than four months following each financial year end and the interim results no later than two months following each financial half-year end.

A Disclosures Committee has been established to review and consider material disclosures made by The Link REIT for any misstatements or omissions. Procedures and policies are in place to ensure that price sensitive information will be disseminated to the market as a whole and will be kept confidential until it is publicly announced.

As required by the REIT Code, the Manager will ensure that public announcements of material information and developments with respect to The Link REIT will be made on a timely basis in order to keep unitholders apprised of the position of The Link REIT.

### Communications with Stakeholders and Unitholders

In promoting good corporate governance and transparency, The Link REIT has continuously communicated with both the stakeholders and the unitholders through the following channels:

- i) press conferences and analyst meetings are held at least twice a year at the time of announcing final and interim results. Management will be present to answer any questions that are raised;
- ii) during the Annual General Meeting held every year, the Executive Directors and the senior executives will explain strategies or directions of The Link REIT and to answer any questions that unitholders may have;
- iii) the latest developments in The Link REIT are also available from its website. Interested parties may also contact the Manager through email or the general investor hotline; and
- iv) the Manager will also participate in various investors' conferences or roadshows to promote The Link REIT as well as to foster relationships with potential investors.

Since 1 April 2006, the Manager has participated in the following investors' conferences:

Month	Event	Organiser	Venue
April 2006	Real Estate Investment Asia Summit 2006	Lexis Nexis	Hong Kong
October 2006	Citigroup Greater China Conference	Citigroup	Macau
May 2007	Asian and Australian Property Conference	Deutsche Bank	Hong Kong

## Corporate Governance Report

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.

The important dates for unitholders in 2007 are set out on page 3 of this Annual Report.

### General Meetings

The Link REIT will in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year. The Trustee and the Manager may at any time convene a meeting of unitholders. The Manager will also convene a meeting if requested in writing by not less than two unitholders registered as together holding not less than 10% of the issued and outstanding units. Not less than 21 days' notice of every general meeting will be given to unitholders and the notice shall specify the place, day and hour of the meeting and the proposed resolutions for consideration at such meeting. Two or more unitholders present in person or by proxy registered as holding together not less than 10% of the units for the time being in issue and outstanding shall form a quorum for the transaction of business, except for the purpose of passing a special resolution. The quorum for passing a special resolution shall be two or more unitholders present in person or by proxy registered as holding together not less than 25% of the units in issue and outstanding.

Unitholders shall be prohibited from voting their own units at, or being counted in the quorum for, a meeting at which they have a material interest in the business to be conducted and that interest is different from the interests of other unitholders.

Pursuant to the Trust Deed, the procedure for unitholders to convene and put forward proposals at general meetings is that two registered unitholders together holding not less than 10% of the units shall have a right to call for a general meeting to be convened and propose resolutions for consideration by serving a written request to the Manager (for the attention of the Company Secretary).

At any meeting of unitholders, a resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.

The last unitholders' meeting of The Link REIT was the 2006 Annual General Meeting which was held on 23 August 2006 at InterContinental Hong Kong, 18 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong. The items discussed at the meeting and the percentage of votes cast in favour of the resolutions relating to those items are set out below:

- i) noting of the audited financial statements of The Link REIT together with the auditors' report for the financial period from 6 September 2005 to 31 March 2006 (no voting required);
- ii) noting of the appointment of auditors of The Link REIT and the fixing of their remuneration (no voting required);
- iii) re-appointment of Mr Leslie CHAO Tse Hou (92.01%), Mr Anthony CHOW Wing Kin (92.01%), Dr Patrick FUNG Yuk Bun (92.01%), Mr John HO Chi On (99.99%), Mr Stanley KO Kam Chuen (92.01%) as Directors of the Manager; and
- iv) re-election of Mr Michael Ian ARNOLD as a Director of the Manager (99.99%).

## Corporate Governance Report

All resolutions put to unitholders at the meeting were passed. The results of the voting by poll were published on The Link REIT's website, the website of the Hong Kong Stock Exchange and also in local newspapers.

### Matters to be Decided by Unitholders by Special Resolution

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of unitholders by way of special resolution. Such matters include:

- i) disposal of any real estate properties forming part of the assets of The Link REIT within two years of acquisition of such properties;
- ii) disposal by the Trustee of all or any of the Manager's shares;
- iii) any increase in the maximum percentage rate or change to the structure of the Trustee's fees;
- iv) any modifications of the Trust Deed, save in certain circumstances specified in the Trust Deed; and
- v) termination or merger of The Link REIT.

Under certain circumstances, unitholders may by special resolution remove the Trustee and/or the Manager.

### Issues of Further Units Post-listing

Further issues of units of The Link REIT will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of units be first offered on a pro rata pre-emptive basis to existing unitholders except that units may be issued

- i) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% of the number of units in issue at the end of the previous financial year;
- ii) as consideration for the acquisition of additional real estate; and
- iii) free of pre-emption rights in other circumstances provided that the approval of unitholders by way of an ordinary resolution is obtained.

The Manager and The Link REIT will also observe the restrictions in the REIT Code which prevent issues of new units to connected persons unless specifically approved by unitholders.

The Link REIT has not issued any new units during the year under review.



## Corporate Governance Report

### Purchase, Sale or Redemption of The Link REIT's Listed Units

Neither The Manager nor any of The Link REIT's subsidiaries had purchased, sold or redeemed any of The Link REIT's listed units during the year.

The Manager has agreed not to repurchase any unit of The Link REIT unless permitted to do so by the relevant codes and guidelines issued by the SFC from time to time.

### Interests in and Dealings in Securities of The Link REIT by the Directors and Senior Executives of the Manager

To monitor and supervise any dealings in the securities of The Link REIT by the Directors and senior executives of the Manager and their respective associates, the Manager has adopted a code governing dealings in the securities of The Link REIT by Directors and senior executives of the Manager which contains rules on dealings by the Directors and senior executives of the Manager, and their respective associated parties, equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Pursuant to this code, Directors and senior executives of the Manager wishing to deal in the securities of The Link REIT must first have regard to provisions analogous to those set out in Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct. In addition, there are occasions where Directors and senior executives of the Manager cannot deal in the securities of The Link REIT even though the requirements of the SFO, if it applied, would not be contravened.

Directors or senior executives of the Manager who are aware of or privy to:

- i) any negotiations or agreements related to intended acquisitions or disposals which are significant transactions; or
- ii) any price-sensitive information,

must refrain from dealing in the securities of The Link REIT as soon as they become aware of them or privy to them until proper disclosure of the information, in accordance with the REIT Code and any applicable Listing Rules, is made. Directors or senior executives of the Manager who are privy to relevant negotiations or agreements or any price-sensitive information should caution those Directors and senior executives of the Manager who are not so privy that there may be unpublished price-sensitive information and that they must not deal in The Link REIT's securities for a similar period.

During the period commencing one month immediately preceding the earlier of the date of the Board meeting for the approval of The Link REIT's results for any period or the deadline for The Link REIT to publish an announcement of its results for any period as required under the REIT Code and ending on the date of the results announcement, a Director and senior executive must not deal in the securities of The Link REIT unless the circumstances are exceptional and a written acknowledgement and approval has been obtained according to the procedures set out in the code adopted.

## Corporate Governance Report

The Trust Deed of The Link REIT was amended in 2006 to adopt the disclosure of interests regime and the relevant provisions of Part XV of the SFO. Accordingly, the relevant provisions of Part XV of the SFO shall be deemed to apply to The Link REIT as if The Link REIT is a company with its shares listed on the Hong Kong Stock Exchange. Accordingly, any person who is interested (or has a short position of) in 5% or more of the units of The Link REIT in issue will have a notifiable interest and a duty of disclosure in respect of any acquisition of, cessation of or changes in such interest or short position. Pursuant to the Third Schedule to the Trust Deed, the Manager shall keep a register for this purpose and the register is available for inspection by unitholders during business hours upon reasonable notice to the Manager.

As at 31 March 2007, the interests as set out in the register are as follows:

Directors' Interests	Number of Units <sup>(1)</sup>	Percentage
Dr Patrick FUNG Yuk Bun	100,000 <sup>(2)</sup>	0.00
5% or more interests	Number of Units <sup>(1)</sup>	Percentage
The Children's Investment Master Fund	392,279,500 <sup>(3)</sup>	18.35
The Children's Investment Fund Management (UK) LLP	392,279,500 <sup>(3)</sup>	18.35
Deutsche Bank Aktiengesellschaft	128,466,705	6.01
Deutsche Bank Aktiengesellschaft	5,494,980 <sup>(4)</sup>	0.26
Franklin Mutual Advisers, LLC	107,447,950	5.03
Mr Timothy R BARAKETT	106,884,770 <sup>(5)</sup>	5.00
Atticus Management LLC	106,884,770 <sup>(5)</sup>	5.00
Atticus Capital LP	106,884,770 <sup>(5)</sup>	5.00

(1) The interests in units disclosed in this section represent long positions in units of The Link REIT unless otherwise stated.

(2) The interest was held by Wing Hang Bank Limited, a corporation controlled by Dr Patrick FUNG Yuk Bun, an Independent Non-Executive Director of the Manager.

(3) According to the register maintained by the Manager, The Children's Investment Fund Management (UK) LLP is the investment manager of The Children's Investment Master Fund and is accordingly deemed to be interested in the 392,279,500 units of The Link REIT owned by The Children's Investment Master Fund.

(4) This is a short position in units of The Link REIT.

(5) According to the register maintained by the Manager, Atticus Capital LP is controlled by Atticus Management LLC, which is in turn controlled by Mr Timothy R BARAKETT. Atticus Management LLC and Mr Timothy R BARAKETT are accordingly deemed to be interested in the 106,884,770 units of The Link REIT held by Atticus Capital LP.

(6) Deutsche Bank Aktiengesellschaft gave notice on 4 June 2007 that it had an interest in 142,483,705 units of The Link REIT and a short position of 21,424,480 units of The Link REIT on 29 May 2007, representing 6.67% and 1.00% respectively of the units in issue on that date.

The Directors have confirmed that they have complied with the required standard set out in the code adopted for dealings in the securities of The Link REIT.

So far as the Manager is aware, none of the Directors of the Manager were interested in units or held any short position in units of The Link REIT save and except that Dr Patrick FUNG Yuk Bun, an Independent Non-Executive Director of the Manager, is deemed interested in 100,000 units as at 31 March 2007 by virtue of his association with Wing Hang Bank Limited as disclosed above.

## Corporate Governance Report

So far as the Manager is aware, none of the management staff, whose biographies are disclosed in this Annual Report, held any units in The Link REIT as at 31 March 2007.

### Holding of Connected Persons in Units of The Link REIT

Upon making reasonable enquiry and according to information available to the Manager, the following persons, being connected persons (as defined under the REIT Code) of The Link REIT, held units of The Link REIT as at 31 March 2007:

Name	Number of Units	Percentage of Holdings
The Children's Investment Master Fund <sup>(1)</sup>	392,279,500	18.35%
CapitaLand Limited <sup>(2)</sup>	68,155,500	3.19%
HSBC Group <sup>(3)</sup>	6,300,600	0.29%
Wing Hang Bank Limited <sup>(4)</sup>	100,000	0.00%

#### Notes:

- (1) The Children's Investment Master Fund is a connected person as it is a significant holder (as defined under the REIT Code). Mr John HO Chi On, a Non-Executive Director of the Manager is also a Director of The Children's Investment Fund Management (Asia) Limited. According to information available to the Manager, The Children's Investment Master Fund's unitholding as at 31 March 2007 remains unchanged as compared with the position as at 31 March 2006.
- (2) CapitaLand Limited is a connected person as Mr LIEW Mun Leong is a common Director of CapitaLand Limited, (the "Strategic Partner"), and the Manager. Mr LIEW Mun Leong and Mr PUA Seck Guan were appointed Non-Executive Directors of the Manager pursuant to the Co-operation Agreement and the Supplemental Agreement signed between the Manager and the Strategic Partner on 27 August 2004 and 26 October 2005, respectively. According to information available to the Manager, CapitaLand Limited has disposed 22,718,500 units of The Link REIT during the year under review and hence its holding was reduced to 68,155,500 units as at 31 March 2007.
- (3) The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries are connected persons as HSBC Institutional Trust Services (Asia) Limited, an indirect subsidiary of The Hongkong and Shanghai Banking Corporation Limited, is the Trustee. According to information available to the Manager, HSBC Group's unitholding was 6,300,600 units as at 31 March 2007, an increase of 3,587,600 units as compared with 31 March 2006.
- (4) Wing Hang Bank Limited is a connected person as Dr Patrick FUNG Yuk Bun, Chairman of Wing Hang Bank Limited, is also a Director of the Manager. According to information available to the Manager, its unitholding as at 31 March 2007 remains unchanged as compared with the position as at 31 March 2006.

### Directors' Interests in Contracts

No contracts of significance in relation to the Group's business to which the Manager was a party and in which a Director of the Manager had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Conflict of Interest

The Manager has instituted stringent internal procedures to monitor and deal with conflict of interest issues. In particular:

- i) Directors are required to report and update changes of their other directorships and positions held in other organisations periodically. A register of such directorships and positions is also maintained;
- ii) Directors in general cannot vote on business in which they have an interest and cannot be counted in the quorum;

## Corporate Governance Report

- iii) unitholders cannot vote on business in which they have a material interest which is different from the interests of other unitholders and cannot be counted in the quorum;
- iv) the Manager is a dedicated manager to The Link REIT and does not manage any other real estate investment trusts; and
- v) all connected party transactions will be managed in accordance with the procedures set out in the REIT Code, the compliance manual, the Memorandum and Articles of Association of the Manager and other relevant policies and guidelines issued and adopted by The Link REIT.

### Major Customers and Suppliers

The percentages of the five largest customers combined and the five largest suppliers combined are less than 30% of the Group's total turnover and purchases, respectively.

### Unitholders Information

As at 31 March 2007, an analysis of the unitholders of The Link REIT is as follows:

Range of Units Held	Number of Holders	Number of Units	Percentage
0-1,000	12,652	9,460,500	0.44%
1,001-5,000	17,258	37,065,000	1.74%
5,001-10,000	738	5,163,000	0.24%
10,001-100,000	232	5,392,000	0.25%
100,001 or over	9	2,080,373,500	97.33%
<b>Total</b>	<b>30,889</b>	<b>2,137,454,000</b>	<b>100.00%</b>

### Compliance

During the year ended 31 March 2007, the Manager and The Link REIT has complied with the provisions of the REIT Code published by the SFC, the relevant provisions of the SFO, the relevant sections of the Listing Rules, the Trust Deed and 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 Board has reviewed and accepted the quarterly compliance reports which were examined and endorsed by the Audit Committee.

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.

### Public Float

As far as the Manager is aware, more than 25% of the issued and outstanding units of The Link REIT were held in public hands as at 31 March 2007.



## Connected Party Transactions

Chapter 8 of the REIT Code governs transactions between a real estate investment trust and its connected persons and such transactions will constitute connected party transactions for the purpose of the REIT Code.

Waivers from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain transactions entered into by The Link REIT with its connected persons (the "Waivers") have been granted by the SFC upon listing of The Link REIT.

Set out below is information in respect of connected party transactions entered into by The Link REIT during the financial year ended 31 March 2007 –

### Connected Party Transactions – Income

The following table sets forth information on connected party transactions from which The Link REIT derived its income during the year.

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Income Derived HK\$'M	Rental Deposit Received as at 31 March 2007 HK\$'M
HSBC Group <sup>(1)</sup>	Trustee's associate	Tenancies of property of The Link REIT <sup>(2)</sup>	13.3 <sup>(3)</sup>	0.4
The Hongkong and Shanghai Banking Corporation Limited	Trustee's associate	Interest Income	52.8	N/A

(1) HSBC Group means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries.

(2) For shops and ATMs installed at various locations.

(3) Amount excluding deposits received.

## Connected Party Transactions

### Connected Party Transactions – Expenses

The following table sets forth information on connected party transactions in respect of which The Link REIT incurred expenses during the year.

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Expenses Incurred HK\$'M
The Link Management Limited	The Manager	Management Fee <sup>(1)</sup>	159.3
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee Fee <sup>(2)</sup>	2.9
CB Richard Ellis Limited	Principal Valuer	Valuation Fee	3.5
CapitaLand Limited	Strategic Partner	Strategic Partner Service Fee	1.3
HSBC Group <sup>(3)</sup>	Trustee's associate	Loan Interest & Charges	322.5
Boyden Management Consulting Asia Limited/ Boyden China Limited	Associates of a Director of the Manager <sup>(4)</sup>	HR Consultant	0.6

(1) The Manager, as an internal management company of The Link REIT, recovers its expenses from The Link REIT on a cost recovery principle.

(2) The Trustee is entitled to charge an annual fee at a rate of 0.008% per annum of the latest property value as determined in the latest annual valuation report of the Principal Valuer, subject to a minimum of HK\$150,000 per month.

(3) HSBC Group means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries.

(4) Mr Stanley KO Kam Chuen, an Independent Non-Executive Director of the Manager, is also a common director of each of Boyden Management Consulting Asia Limited and Boyden China Limited

## Connected Party Transactions

### Lease Transactions with Connected Persons

The Link REIT has during the year entered into tenancy contracts with HSBC Group for leases of retail shops and space for the installation of ATMs at various properties of The Link REIT.

### Connected Party Transactions – Lease Transactions Under Which the Annual Rent Exceeds HK\$1 Million

Name of Connected Person (Tenant)	Relationship with The Link REIT	Nature of the Transaction	Material Terms	Annual Income <sup>(1)</sup> HK\$'M
The Hongkong and Shanghai Banking Corporation Limited	Trustee's associate	Tenancy for shop No. T036-T038 at Lok Fu Shopping Centre	Term of 2 years and expires on 31/8/2007	2.2
Hang Seng Bank Limited	Trustee's associate	Tenancy for shop No. S31D at Lok Fu Shopping Centre	Term of 8 months and expires on 30/9/2007	1.2

(1) The annual income stated herein refers to the rental income that would have been received for a 12-month period or until expiry if shorter than 12 months in accordance with the tenancy agreement.

### Connected Party Transactions with Relevant Banking Groups in the Ordinary Course of Business for Banking Services

The Link REIT and its subsidiaries have engaged The Hongkong and Shanghai Banking Corporation Limited, the indirect holding company of the Trustee, to provide in the ordinary course of business, banking and financial services, namely, bank deposit, MPF and medical benefits for staff, during the year under review.

The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited were the lenders to The Link Finance Limited, an indirect and wholly owned subsidiary of The Link REIT, pursuant to a loan facility arranged for the acquisition of the property portfolio from the Hong Kong Housing Authority upon listing (the "Bridging Loan"). The Bridging Loan was fully repaid upon maturity in November 2006.

### Corporate Finance Transactions with HSBC Group

Financial Advisory Services – The Hongkong and Shanghai Banking Corporation Limited provided financial advisory services to The Link REIT in relation to the refinancing of the Bridging Loan.

Issuance of Guaranteed Notes – The Hongkong and Shanghai Banking Corporation Limited was the lead manager and book-runner for a HK\$1,400 million guaranteed notes issued by The Link Finance (Cayman) 2006 Limited, an indirect and wholly owned subsidiary of The Link REIT, in August 2006.

## Connected Party Transactions

Syndicated Loan – The Hongkong and Shanghai Banking Corporation Limited was one of the mandated lead arrangers and is one of the lenders of a HK\$5 billion syndicated loan facility made available to The Link Finance Limited. The facility comprised both a term loan and a revolving credit line and was partially drawn down in October 2006. The outstanding balance due to The Hongkong and Shanghai Banking Corporation Limited in connection to this syndicated loan stood at HK\$598,000,000 as at 31 March 2007.

There was no transaction entered into between The Link REIT and Wing Hang Bank Limited or associates of its group which are also connected persons being members of the relevant banking group as defined in the Waivers granted.

Name of Connected Person	Relationship with The Link REIT	Nature of Transaction	Date of the Transaction	Fee Charged HK\$'M
The Hongkong and Shanghai Banking Corporation Limited	Trustee's associate	Financial advisory services	3-8/2006*	Nil
		Lead manager and book-runner for issuance of guaranteed note	4/8/2006	3.3
		Lead arranger and lender of syndicated loan	4/8/2006	Nil

\* A continuing transaction that started in March 2006 and lasted until the completion of the re-financing of the Bridging Loan in or about August 2006.

### Confirmation by the Manager and the Trustee in respect of Corporate Finance Transactions with HSBC Group

Each of the Manager and the Trustee confirms in respect of corporate finance transactions disclosure above that (i) each transaction is carried out at arm's length on normal commercial terms; (ii) the Trustee is not involved in the decision to enter into any such transaction (including the selection of the financial adviser or underwriter of the transaction), subject only to its duties of oversight under the REIT Code and the Trust Deed; and (iii) the general conditions applicable to the Waivers have been complied with.

### Agreed-upon Procedures Performed by the Auditors in Relation to Certain Connected Party Transactions

Pursuant to the Waivers from strict compliance with the approval and disclosure requirements under Chapter 8 of the REIT Code, the Manager has engaged the auditors of The Link REIT to perform certain fact finding procedures in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants in respect of the connected party transactions on the leasing of properties and corporate finance transactions during the year under review. The auditors have performed these procedures and reported their factual findings to the Audit Committee of the Manager.



## Connected Party Transactions

### Confirmation by the Audit Committee

The Audit Committee confirms that it has reviewed the terms of all relevant connected party transactions and that it is satisfied that such transactions have been entered into:

- (a) at arm's length and on normal commercial terms;
- (b) in the ordinary and usual course of business of The Link REIT;
- (c) are fair and reasonable; and
- (d) in the interests of the unitholders as a whole.

### Confirmation by the Manager

The Manager (including all Independent Non-Executive Directors) confirms that:

- (a) based on the information provided, and representations made, by the Trustee, it is satisfied with the internal controls and compliance procedures of the Trustee, which demonstrate that the Trustee's operations are run independently of other banking and financial functions or operations of HSBC Group;
- (b) the basis of the cap amount in relation to the corporate finance advisory transactions set out in Waivers is fair and reasonable in light of The Link REIT's operations and unit holding structure, including the objectives and strategies of The Link REIT, the size, geographical and tenancy mix of its property portfolio and its management structure;
- (c) the scope and terms of the Waivers applied for are fair and reasonable, and in the best interest of the unitholders; and
- (d) the Manager is not bound to enter into corporate finance transactions with HSBC Group despite the Waivers granted.

### Continue with the Waivers Granted Without Unitholders' Approval

The Audit Committee has reviewed the terms of the Waivers and is satisfied that (on the basis of the terms of the Waivers and the internal controls and procedures in place) it is fair and reasonable that the Waivers be continued without unitholders' approval.

The full Board (including Independent Non-Executive Directors) also considers that it is fair and reasonable and in the best interest of the unitholders to continue with the Waivers granted without unitholders' approval.

## Progress Report on the Title Transfer of the Properties

Pursuant to the waiver conditions in respect 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 of The Link REIT. The results announcement of The Link REIT for the financial year ended 31 March 2007 published on 8 June 2007 also contained a progress report in this regard.

### I. Properties with both legal and beneficial title held by the scheme as at 8 June 2007

1.	Butterfly Shopping Centre
2.	Cheung Fat Shopping Centre
3.	Retail and Carpark within Cheung On Estate
4.	Cheung Wah Shopping Centre
5.	Retail and Carpark within Ching Wah Court
6.	Carpark within Ching Wang Court
7.	Retail and Carpark within Choi Ha Estate
8.	Choi Ming Shopping Centre
9.	Choi Yuen Shopping Centre
10.	Carpark within Chuk Yuen (North) Estate
11.	Chung Fu Shopping Centre
12.	Chung On Shopping Centre
13.	Fu Cheong Shopping Centre
14.	Fu Heng Shopping Centre
15.	Fu Shin Shopping Centre
16.	Fu Tai Shopping Centre
17.	Carpark within Fung Lai Court
18.	Fung Tak Shopping Centre
19.	Retail and Carpark within Fung Wah Estate
20.	Hau Tak (II) Shopping Centre
21.	Heng On Commercial Centre
22.	Hin Keng Shopping Centre
23.	Hing Tin Commercial Centre
24.	Hing Wah Shopping Centre
25.	Hiu Lai Shopping Centre
26.	Ho Man Tin Plaza
27.	Hoi Fu Shopping Centre
28.	Carpark within Hong Keung Court
29.	Retail and Carpark within Hong Pak Court
30.	Retail and Carpark within Hong Shui Court
31.	Retail and Carpark within Hong Yat Court
32.	Carpark within Ka Tin Court
33.	Carpark within Kam On Court
34.	Kam Tai Shopping Centre
35.	Kam Ying Court Shopping Centre
36.	Kin Sang Shopping Centre
37.	Carpark within King Lai Court
38.	King Lam Shopping Centre

39.	Retail and Carpark within Ko Chun Court
40.	Kwai Hing Shopping Centre
41.	Carpark within Kwai Hong Court
42.	Kwong Tin Shopping Centre
43.	Kwong Yuen Shopping Centre
44.	Lei Cheng Uk Shopping Centre
45.	Lei Tung Commercial Centre
46.	Leung King Shopping Centre
47.	Retail and Carpark within Lok Nga Court
48.	Long Ping Commercial Centre
49.	Carpark within Lower Wong Tai Sin (I) Estate
50.	Retail and Carpark within Mei Chung Court
51.	Carpark within Ming Nga Court
52.	Retail and Carpark within Nam Cheong Estate
53.	Carpark within Ning Fung Court
54.	Oi Man Shopping Centre
55.	Oi Tung Shopping Centre
56.	On Yam Shopping Centre
57.	Carpark within Pang Ching Court
58.	Po Hei Court Commercial Centre
59.	Po Lam Shopping Centre
60.	Retail and Carpark within Po Nga Court
61.	Carpark within Po Pui Court
62.	Carpark within San Wai Court
63.	Sau Mau Ping Shopping Centre
64.	Carpark within Sau Mau Ping (I) Estate
65.	Retail and Carpark within Sau Mau Ping (III) Estate
66.	Shan King Commercial Centre
67.	Sheung Tak Shopping Centre
68.	Siu Hei Commercial Centre
69.	Siu Lun Shopping Centre
70.	Retail and Carpark within Siu On Court
71.	Sui Wo Court Commercial Centre
72.	Retail and Carpark within Tai Ping Estate
73.	Tai Wo Shopping Centre
74.	Tak Tin Shopping Centre
75.	Carpark within Tin King Estate
76.	Tin Chak Shopping Centre

## Progress Report on the Title Transfer of the Properties

77.	Tin Ma Court Commercial Centre
78.	Tin Ping Shopping Centre
79.	Tin Shing Shopping Centre
80.	Retail and carpark within Tin Wang Court
81.	Carpark within Tin Yau Court
82.	Tin Yiu Shopping Centre
83.	Retail and Carpark within Tong Ming Court
84.	Tsing Yi Commercial Complex
85.	Tsui Lam Shopping Centre
86.	Tsui Ping North Shopping Circuit
87.	Retail and Carpark within Tsui Wan Estate
88.	Tsz Ching Shopping Centre (I) & (II)
89.	Retail and Carpark within Tsz Oi Court
90.	Retail and Carpark within Tung Hei Court
91.	Retail and Carpark within Tung Tau Estate
92.	Lung Cheung Mall
93.	Wah Kwai Shopping Centre
94.	Carpark within Wah Lai Estate

95.	Wah Ming Shopping Centre
96.	Wan Tau Tong Shopping Centre
97.	Carpark within Wang Fuk Court
98.	Wo Che Commercial Centre
99.	Retail and carpark within Wo Ming Court
100.	Retail and Carpark within Yan Ming Court
101.	Retail and Carpark within Yan Shing Court
102.	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)
103.	Carpark within Yee Kok Court
104.	Carpark within Yee Nga Court
105.	Yin Lai Court Shopping Centre
106.	Retail and Carpark within Ying Fuk Court
107.	Carpark within Ying Ming Court
108.	Yiu On Shopping Centre
109.	Yu Chui Shopping Centre
110.	Carpark within Yue On Court
111.	Yung Shing Shopping Centre

## Progress Report on the Title Transfer of the Properties

### II. Properties with beneficial title held by the scheme as at 8 June 2007

112.	Retail and Carpark within Ap Lei Chau Estate
113.	Cheung Hang Shopping Centre
114.	Cheung Hong Commercial Centre
115.	Retail and Carpark within Cheung Wang Court
116.	Retail and Carpark within Choi Fai Estate
117.	Choi Wan Commercial Complex
118.	Chuk Yuen Shopping Centre
119.	Chun Shek Shopping Centre
120.	Fortune Shopping Centre
121.	Fu Tung Shopping Centre
122.	Hing Man Commercial Centre
123.	Hing Tung Shopping Centre
124.	Retail and Carpark within Hung Hom Estate
125.	Ka Fuk Shopping Centre
126.	Kai Tin Shopping Centre
127.	Kai Yip Commercial Centre
128.	Carpark within Kin Ming Estate
129.	Retail and Carpark within Ko Yee Estate
130.	Kwai Fong Shopping Centre
131.	Kwai Shing East Shopping Centre
132.	Kwong Fuk Commercial Centre
133.	Lai Kok Shopping Centre
134.	Carpark within Lai On Estate
135.	Lee On Shopping Centre
136.	Lek Yuen Commercial Complex
137.	Lok Fu Shopping Centre
138.	Lok Wah Commercial Centre
139.	Retail and Carpark within Lok Wah (South) Estate
140.	Wong Tai Sin Shopping Centre
141.	Lung Hang Commercial Centre
142.	Stanley Plaza
143.	Mei Lam Commercial Centre
144.	Ming Tak Shopping Centre
145.	On Ting Commercial Complex
146.	Ping Tin Shopping Centre

147.	Po Tat Shopping Centre
148.	Po Tin Shopping Centre
149.	Sam Shing Commercial Centre
150.	Sha Kok Commercial Centre
151.	Shek Lei Shopping Centre Phase I
152.	Shek Lei Shopping Centre Phase II
153.	Shek Wai Kok Commercial Centre
154.	Shek Yam Shopping Centre
155.	Shun Lee Commercial Centre
156.	Shun On Commercial Centre
157.	Retail and Carpark within Shun Tin Estate
158.	Siu Sai Wan Shopping Centre
159.	Sun Chui Shopping Centre
160.	Sun Tin Wai Commercial Centre
161.	Tai Hing Commercial Centre
162.	Tai Wo Hau Commercial Centre
163.	Tai Yuen Commercial Centre
164.	Tin Shui Shopping Centre
165.	Tin Tsz Shopping Centre
166.	Retail and Carpark within Tin Wah Estate
167.	Tin Wan Shopping Centre
168.	Retail and Carpark within Tin Yat Estate
169.	Carpark within Tin Yuet Estate
170.	Carpark within Tsui Ping South Estate
171.	Tsz Lok (Tsz Wan Shan Shopping Centre)
172.	Carpark within Tsz Man Estate
173.	Un Chau Shopping Centre
174.	Carpark within Upper Ngau Tau Kok Estate
175.	Wah Sum Shopping Centre
176.	Wan Tsui Commercial Complex
177.	Wang Tau Hom (Wang Fai Centre)
178.	Yat Tung Shopping Centre
179.	Yau Oi Commercial Centre
180.	Yiu Tung Shopping Centre

## Trustee's Report

We hereby confirm that, in our opinion, the Manager of The Link Real Estate Investment Trust has, in all material respects, managed The Link Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 6 September 2005, as amended 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 and the Fourth Supplemental Deed dated 21 November 2006, for the financial year ended 31 March 2007.

**HSBC Institutional Trust Services (Asia) Limited**  
**as the Trustee of The Link Real Estate Investment Trust**

Hong Kong, 8 June 2007



# Independent Auditor's Report



羅兵咸永道會計師事務所

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE LINK REAL ESTATE INVESTMENT TRUST

*(A Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

We have audited the consolidated financial statements of The Link Real Estate Investment Trust ("The Link REIT") and its subsidiaries (together, the "Group") set out on pages 80 to 112, which comprise the consolidated balance sheet as at 31 March 2007, the consolidated income statement, the consolidated statement of changes in equity and net assets attributable to unitholders, the consolidated statement of cash flow and the statement of distributions for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Manager's responsibility for the financial statements

The Manager of The Link REIT is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and is responsible for ensuring that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 6 September 2005, as amended 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 and the Fourth Supplemental Deed dated 21 November 2006 (the "Trust Deed"), and the relevant disclosure requirements set out in Appendix C of the Code on Real Estate Investment Trusts established by the Securities and Futures Commission of Hong Kong (the "REIT Code"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to the unitholders, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

# Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements of the Group give a true and fair view of the disposition of the assets and liabilities as at 31 March 2007 and of the Group's results and cash flows for the financial year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the REIT Code.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 8 June 2007

# Consolidated Income Statement

For the year ended 31 March 2007

	Note	Year ended 31 March 2007 HK\$'M	Period from 6 September 2005 to 31 March 2006 (Operational since 25 November 2005, the listing date) HK\$'M
Revenues	5	3,954	1,354
Property operating expenses	7	(1,593)	(541)
Net property income		2,361	813
Interest income		60	5
General and administrative expenses		(88)	(42)
Change in fair values of investment properties		3,514	1,949
Operating profit	8	5,847	2,725
Finance costs on interest bearing liabilities	9	(578)	(201)
Profit before taxation and transactions with unitholders		5,269	2,524
Taxation	11	(915)	(443)
Profit for the year/period, before transactions with unitholders	12	4,354	2,081
Distributions paid to unitholders			
2006 final distribution		(467)	–
2007 interim distribution		(702)	–
		3,185	2,081
Represented by:			
Change in net assets attributable to unitholders		3,074	2,081
Amount arising from the cash flow hedging reserve movement	21	111	–
		3,185	2,081

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

Notes:

- (i) Total Distributable Income is determined in the Statement of Distributions. The final distribution declared in respect of this financial year as set out in the Statement of Distributions will be paid out to unitholders on or about 22 August 2007.
- (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 12 to the consolidated financial statements.

## Statement of Distributions

For the year ended 31 March 2007

	Year ended 31 March 2007 HK\$'M	Period from 6 September 2005 to 31 March 2006 (Operational since 25 November 2005, the listing date) HK\$'M
Profit for the year/period, before transactions with unitholders	4,354	2,081
Adjustments:		
Change in fair values of investment properties	(3,514)	(1,949)
Deferred taxation on change in fair values of investment properties	614	341
Other non-cash income	(13)	(6)
Total Distributable Income	1,441	467
Interim distribution, paid	702	–
Final distribution, to be paid to the unitholders	739	467
Total distributions for the year/period	1,441	467
As a percentage of Total Distributable Income	100%	100%
Units in issue	2,137,454,000	2,137,454,000
Distributions per unit to unitholders:		
Interim distribution per unit, paid	HK32.81 cents	–
Final distribution per unit, to be paid to the unitholders	HK34.62 cents	HK21.81 cents
Distribution per unit for the year/period	HK67.43 cents	HK21.81 cents

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

Notes:

- (i) Pursuant to the Trust Deed, The Link REIT is required to ensure that the total amount distributed to unitholders as distributions for each financial year/period shall be no less than 90% of "Total Distributable Income", plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the distribution for the year ended 31 March 2007. The interim distribution was paid to unitholders on 21 December 2006. The final distribution will be paid to unitholders on or about 22 August 2007.
- (ii) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after tax attributable to unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the income statement for the relevant year/period.

# Consolidated Balance Sheet

As at 31 March 2007

	Note	2007 HK\$'M	2006 HK\$'M
<b>Non-current assets</b>			
Goodwill		3,988	3,988
Investment properties	13	39,557	35,772
Property, plant and equipment	14	52	32
		<b>43,597</b>	39,792
<b>Current assets</b>			
Accounts and other receivables	15	92	122
Deposits and prepayments		18	10
Short term bank deposits	16	1,475	453
Cash and cash equivalents	16	53	314
		<b>1,638</b>	899
<b>Total assets</b>			
		<b>45,235</b>	40,691
<b>Current liabilities</b>			
Accounts payable, receipts in advance and accruals	17	738	332
Security deposits		318	288
Interest bearing liabilities	18	–	12,169
		<b>1,056</b>	12,789
<b>Net current assets/(liabilities)</b>			
		<b>582</b>	(11,890)
<b>Total assets less current liabilities</b>			
		<b>44,179</b>	27,902
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>			
Interest bearing liabilities	18	12,177	–
Deferred tax liabilities	19	5,102	4,187
Other non-current liabilities	20	111	–
		<b>17,390</b>	4,187
<b>Total liabilities, excluding net assets attributable to unitholders</b>			
		<b>18,446</b>	16,976
<b>Net assets attributable to unitholders</b>			
		<b>26,789</b>	23,715
Units in issue	23	<b>2,137,454,000</b>	2,137,454,000
Net asset value per unit		<b>HK\$12.53</b>	HK\$11.09

The above consolidated balance sheet should be read with the accompanying notes to these consolidated financial statements.

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

**Nicholas Robert SALLNOW-SMITH**  
Chairman  
8 June 2007

**Victor SO Hing Woh**  
Chief Executive Officer  
8 June 2007



# Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders

For the year ended 31 March 2007

	Note	Total equity HK\$'M	Net assets attributable to unitholders HK\$'M	Total HK\$'M
Proceeds from issuance of units to unitholders upon initial public offering		–	21,634	21,634
Profit for the period ended 31 March 2006, before transactions with unitholders		–	2,081	2,081
Change in net assets attributable to unitholders for the period ended 31 March 2006		–	2,081	2,081
Equity/net asset value attributable to unitholders at 31 March 2006		–	23,715	23,715
Equity/net asset value attributable to unitholders at 1 April 2006		–	<b>23,715</b>	<b>23,715</b>
Profit for the year ended 31 March 2007, before transactions with unitholders		–	<b>4,354</b>	<b>4,354</b>
Distributions paid to unitholders				
2006 final distribution		–	(467)	(467)
2007 interim distribution		–	(702)	(702)
Change in fair values of cash flow hedges	21	(111)	–	(111)
Amount arising from cash flow hedging reserve movement	21	111	(111)	–
Change in net assets attributable to unitholders for the year ended 31 March 2007		–	<b>3,074</b>	<b>3,074</b>
Equity/net asset value attributable to unitholders at 31 March 2007		–	<b>26,789</b>	<b>26,789</b>

The above consolidated statement of changes in equity and net assets attributable to unitholders should be read with the accompanying notes to these consolidated financial statements.

# Consolidated Statement of Cash Flow

For the year ended 31 March 2007

	Note	Year ended 31 March 2007 HK\$'M	Period from 6 September 2005 to 31 March 2006 (Operational since 25 November 2005, the listing date) HK\$'M
<b>Operating activities</b>			
<b>Net cash generated from operating activities</b>	22	<b>2,756</b>	938
<b>Investing activities</b>			
Acquisition of retail and carpark business		-	(33,798)
Additions to investment properties	13	(271)	(21)
Additions to property, plant and equipment	14	(29)	(9)
Interest income received		50	3
Increase in time deposits with original maturity over three months		(1,022)	(453)
<b>Net cash used in investing activities</b>		<b>(1,272)</b>	(34,278)
<b>Financing activities</b>			
Proceeds from issuance of new units		-	21,634
Proceeds from interest bearing liabilities, net of transaction costs		12,173	12,169
Repayment of interest bearing liabilities		(12,169)	-
Interest expenses paid on interest bearing liabilities		(580)	(149)
Distributions paid to unitholders		(1,169)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,745)</b>	33,654
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(261)</b>	314
Cash and cash equivalents at beginning of the year/period		314	-
<b>Cash and cash equivalents at end of the year/period</b>		<b>53</b>	314

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

# Notes to the Consolidated Financial Statements

## 1 Corporate information

The Link Real Estate Investment Trust (the “Trust” or “The Link REIT”) is constituted by a trust deed (“Trust Deed”) entered into on 6 September 2005 (as amended by the First Supplement Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005, the Third Supplemental Deed dated 16 January 2006 and the Fourth Supplemental Deed dated 21 November 2006) and is an authorised unit trust under section 104 of the Securities and Futures Ordinance.

The principal activity of The Link REIT and its subsidiaries (the “Group”) is investment in retail and carpark operations (“RC Operations”) in Hong Kong. The address of the registered office of the Manager and the Trustee, HSBC Institutional Trust Services (Asia) Limited, is 18th Floor, 8 Queen’s Road Central, Hong Kong, and 1 Queen’s Road Central, Hong Kong, respectively.

## 2 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 (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and derivative financial instruments, which are stated at fair values as explained in the significant accounting policies set out in note 3.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

For the year ended 31 March 2007, the Group has adopted all the new standards, amendments to standards and interpretations that are currently in issue and effective for the Group’s accounting periods beginning on or after 1 April 2006. However, the adoption of these new standards does not have any significant effect on the accounting policies or results and financial position of the Group.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of The Link REIT.

## Notes to the Consolidated Financial Statements

### 2 Basis of preparation (continued)

The following new standards, amendments to standards and interpretations which have been published but are not yet effective, have not been early adopted in these financial statements. These are mandatory for the Group's accounting periods beginning on or after 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

The Manager does not expect the adoption of the above to have significant impact to the consolidated financial statements of the Group.

### 3 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below:

#### (a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of The Link REIT and all its subsidiaries as at 31 March 2007 and the results for the financial year then ended.

Subsidiaries are those entities in which The Link REIT, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

#### (b) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Consistent with the Group's internal financial reporting, business segment is determined as the primary segmental reporting format. Segment assets consist primarily of tangible assets and receivables and segment liabilities mainly comprise operating liabilities. No geographical segment information has been prepared as all the properties are located within Hong Kong for the current financial year.

## Notes to the Consolidated Financial Statements

**3 Summary of significant accounting policies (continued)****(c) Investment properties**

A property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as an investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

An investment property is measured initially at its cost, including related transaction costs.

After initial recognition, an investment property is carried at fair value, being the amount for which the asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. The carrying value of the investment property is reviewed every six months and is independently valued by external valuers at least annually.

Changes in fair values of the investment properties are recognised in the income statement.

Subsequent expenditure is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial year in which they are incurred.

**(d) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost less accumulated impairment losses over the shorter of the estimated useful lives or their lease terms (if applicable), as follows:

Leasehold improvements	2 to 5 years
Equipment	3 to 5 years
Motor vehicles	5 years

The asset's residual value and useful life are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



## Notes to the Consolidated Financial Statements

**3 Summary of significant accounting policies (continued)****(e) Accounts and other receivables**

Accounts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**(g) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on business combinations is stated as a separate asset. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The excess of the cost over the fair value of net assets acquired by the Group arises as a result of the recognition of deferred taxation based on the difference between the tax cost base and the fair value of net assets acquired.

**(h) Unitholders' funds as a financial liability**

In accordance with the Trust Deed, The Link REIT is required to distribute to unitholders not less than 90% of the Group's Distributable Income for each financial year. The Trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the Trust to pay to its unitholders cash 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. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Disclosure and Presentation. It is shown on the balance sheet as the net assets attributable to unitholders. Distributions to unitholders are recognised in the income statement as part of finance costs.

## Notes to the Consolidated Financial Statements

### 3 Summary of significant accounting policies (continued)

#### (i) Accounts payable and provisions

(i) *Accounts payable*

Accounts payable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) *Provisions*

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### (j) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Details of recognition of operating lease rental income are set out in note 3(n) (i) below.

#### (k) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

#### (l) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the interest bearing liabilities using the effective interest method.

## Notes to the Consolidated Financial Statements

### 3 Summary of significant accounting policies (continued)

#### (m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (n) Revenue recognition

(i) *Rental income from retail properties*

Operating lease rental income is recognised on a straight-line basis over the terms of lease agreements or according to the terms of the lease agreements in respect of contingent rental income (representing income over and above base rent) such as turnover rent. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

(ii) *Gross receipts from carparks*

Gross receipts from carparks are recognised as revenue on an accrual basis.

(iii) *Service fees and charges*

Service fees and charges such as air-conditioning income arising from the provision of services are recognised when such services are rendered.

(iv) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

#### (o) Expenditure

Expenditure, including property related outgoings and other expenses, are recognised on an accrual basis.

#### (p) Employee benefits

Employee benefits such as wages, salaries and bonuses are recognised as an expense when the employee has rendered the service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. Contributions to the Mandatory Provident Fund for employees are expensed as incurred.

## Notes to the Consolidated Financial Statements

### 3 Summary of significant accounting policies (continued)

#### (q) Derivative financial instruments and hedging activities

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group uses interest rate swaps to hedge its exposure against changes in interest rates. Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges is deferred in a hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in hedging reserve are transferred to the income statement in the periods when the hedged item affects earnings. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in hedging reserve are transferred from hedging reserve and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in hedging reserve and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the income statement.

#### (r) Financial risk factors

The Group's activities expose it to a variety of financial risks: price risk, credit risk, interest rate risk, liquidity risk and insurable risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (i) Price risk

The Group is exposed to property price and market rental risk because investment properties are carried at fair value. Any change in fair values is recognised in the income statement.

## Notes to the Consolidated Financial Statements

### 3 Summary of significant accounting policies (continued)

#### (r) Financial risk factors (continued)

(ii) *Credit risk*

The Group has no significant concentrations of credit risk. The carrying amount of accounts receivable included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Manager is of the opinion that credit risk of rental receivables are fully covered by the security deposits from corresponding tenants.

(iii) *Interest rate risk*

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The Group has put in place interest rate swap arrangements to minimise the variability in cash flows attributable to changes in interest rates. This involves fixing the portion of interest payable on its underlying debt liabilities via financial derivatives.

(iv) *Liquidity risk*

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations. In addition, the Group also monitors and observes the REIT Code concerning the leverage limits.

(v) *Insurable risks*

Insurance policies of the Group are reviewed regularly by independent insurance advisors and include mainly property damage all risks, business interruption and public liability insurance.

### 4 Critical accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

## Notes to the Consolidated Financial Statements

**4 Critical accounting estimates and judgements (continued)**

The fair value of each investment property is individually determined at each balance sheet date by independent valuers based on a market value assessment, on an existing use basis. The valuers have relied on the discounted cash flow analysis and the capitalisation of income approach as their primary methods, supported by the direct comparison method. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cashflow profile. The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

In estimating the fair value of its financial instruments, the Group uses valuation techniques such as dealer quotes and discounted cash flows. The Group also makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying amounts of accounts and other receivables, deposits and prepayments, security deposits, accounts payable, receipts in advance and accruals are assumed to approximate their fair values. The fair value is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group.

**5 Revenues**

Revenues recognised during the year/period comprise:

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Rental income from retail properties	<b>2,832</b>	968
Gross rental receipts from carparks	<b>881</b>	305
	<b>3,713</b>	1,273
Other revenues		
Air-conditioning service fees	<b>236</b>	80
Other property related income	<b>5</b>	1
	<b>241</b>	81
Total revenues	<b>3,954</b>	1,354

Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover amounting to HK\$32 million (Period ended 31 March 2006: HK\$9 million) have been included in the rental income.



## Notes to the Consolidated Financial Statements

## 6 Segment information

	Retail properties HK\$'M	Carparks HK\$'M	Head office HK\$'M	Total HK\$'M
<b>For the year ended 31 March 2007</b>				
Revenues	3,073	881	–	3,954
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				(578)
Profit before taxation and transactions with unitholders				5,269
Taxation				(915)
Profit for the year, before transactions with unitholders				4,354
Capital expenditure	239	32	29	300
Depreciation	–	–	9	9
<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				53
				45,235
Segment liabilities	830	112	114	1,056
Interest bearing liabilities				12,177
Deferred tax liabilities				5,102
Other non-current liabilities				111
				18,446
Net assets attributable to unitholders				26,789

## Notes to the Consolidated Financial Statements

## 6 Segment information (continued)

	Retail properties HK\$'M	Carparks HK\$'M	Head office HK\$'M	Total HK\$'M
<b>For the period ended 31 March 2006</b>				
Revenues	1,049	305	–	1,354
Segment results	660	153	(42)	771
Change in fair values of investment properties	1,821	128	–	1,949
Interest income				5
Finance costs on interest bearing liabilities				(201)
Profit before taxation and transactions with unitholders				2,524
Taxation				(443)
Profit for the period, before transactions with unitholders				2,081
Capital expenditure	20	1	9	30
Depreciation	–	–	3	3
<b>As at 31 March 2006</b>				
Segment assets	29,114	6,726	96	35,936
Goodwill				3,988
Short term bank deposits				453
Cash and cash equivalents				314
				40,691
Segment liabilities	509	19	92	620
Interest bearing liabilities				12,169
Deferred tax liabilities				4,187
				16,976
Net assets attributable to unitholders				23,715

## Notes to the Consolidated Financial Statements

**7 Property operating expenses**

	Year ended 31 March 2007 HK\$'M	Period ended 31 March 2006 HK\$'M
Property managers' fees, security and cleaning	581	238
Staff costs (Note 10)	101	31
Government rent and rates	113	39
Repairs and maintenance	236	83
Utilities	370	95
Promotion and marketing expenses	62	20
Other property operating expenses	130	35
	<b>1,593</b>	541

**8 Operating profit before finance costs, taxation and transactions with unitholders**

	Year ended 31 March 2007 HK\$'M	Period ended 31 March 2006 HK\$'M
Operating profit before finance costs, taxation and transactions with unitholders is stated after charging:		
Staff costs (Note 10)	136	46
Depreciation of property, plant and equipment	9	3
Write-off of leasehold improvement	–	2
Strategic Partner fee	1	1
Trustee's remuneration	3	1
Valuation fee	4	5
Auditor's remuneration		
– audit service	3	3
– non-audit service	1	–
Other legal and professional fees	6	4

## Notes to the Consolidated Financial Statements

**9 Finance costs on interest bearing liabilities**

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Interest expenses on interest bearing liabilities wholly repayable within five years (Note 18)	<b>578</b>	201

**10 Staff Costs**

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Wages and salaries	<b>133</b>	45
Contributions to Mandatory Provident Fund Scheme	<b>3</b>	1
	<b>136</b>	46

**(a) Staff costs can be further analysed as below:**

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Included under property operating expenses (Note 7)	<b>101</b>	31
Included under general and administrative expenses	<b>35</b>	15
	<b>136</b>	46

## Notes to the Consolidated Financial Statements

## 10 Staff Costs (continued)

## (b) Directors' emoluments

The remuneration of directors are set out below:

Name of Director	Fees HK\$'000	Base pay, allowance and other benefits (i) HK\$'000	Contribution to pension scheme HK\$'000	Variable remuneration related to performance HK\$'000	Total for the year ended 31 March 2007 HK\$'000	Total for the period ended 31 March 2006 HK\$'000
Mr. Nicholas Robert SALLNOW-SMITH (ii)	-	-	-	-	-	-
Mr. Paul CHENG Ming Fun (iii)	1,000	-	-	-	1,000	104
Mr. Victor SO Hing Woh	-	5,206	12	1,648	6,866	1,907 (vii)
Mr. CHEW Fook Aun (iv)	-	706	2	-	708	-
Mr. John HO Chi On	-	-	-	-	-	-
Mr. LIEW Mun Leong	-	-	-	-	-	-
Mr. PUA Seck Guan	-	-	-	-	-	-
Mr. Michael Ian ARNOLD	400	-	-	-	400	70
Mr. Leslie CHAO Tse Hou	325	-	-	-	325	70
Mr. Anthony CHOW Wing Kin (v)	301	-	-	-	301	-
Mr. Patrick FUNG Yuk Bun	400	-	-	-	400	70
Mr. Stanley KO Kam Chuen	325	-	-	-	325	70
Mr. Harry LEE Nai Shee	375	-	-	-	375	70
Mr. Patrick SUN	375	-	-	-	375	70
Mr. Allan ZEMAN	350	-	-	-	350	70
Mr. Anthony Francis NEOH (vi)	-	-	-	-	-	53
	<b>3,851</b>	<b>5,912</b>	<b>14</b>	<b>1,648</b>	<b>11,425</b>	<b>2,554</b>

Notes:

- (i) Other benefits include leave pay, insurance premium and club membership fee.
- (ii) Appointed on 1 April 2007.
- (iii) Resigned on 1 April 2007.
- (iv) Appointed on 1 February 2007.
- (v) Appointed on 22 May 2006.
- (vi) Resigned on 1 March 2006.
- (vii) Including HK\$4,000 contribution to pension scheme for the period ended 31 March 2006.

## Notes to the Consolidated Financial Statements

**10 Staff Costs (continued)****(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year/period include one director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four individuals during the year/period are as follows:

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Basic salaries, other allowances and benefits in kind	<b>7</b>	3
Discretionary bonus	<b>1</b>	–
Total	<b>8</b>	3

The emoluments of the five individuals fell within the following bands:

	<b>Year ended 31 March 2007 Number of individuals</b>	Period ended 31 March 2006 Number of individuals
Emoluments bands		
Nil – HK\$500,000	–	1
HK\$500,001 – HK\$1,000,000	–	3
HK\$1,500,001 – HK\$2,000,000	<b>2</b>	1
HK\$2,000,001 – HK\$2,500,000	<b>1</b>	–
HK\$2,500,001 – HK\$3,000,000	<b>1</b>	–
HK\$6,500,001 – HK\$7,000,000	<b>1</b>	–

**(d) Pension – defined contribution plan**

The Group operates a pension scheme – Mandatory Provident Fund. The scheme is a defined contribution plan funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity (a fund). The Group has no further payment obligations once the contributions have been paid.



## Notes to the Consolidated Financial Statements

## 11 Taxation

Current taxation has not been provided as the Group has no estimated assessable profit for the year (Period ended 31 March 2006: Nil).

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

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Current taxation	–	–
Deferred taxation	<b>915</b>	443
	<b>915</b>	443

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

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Profit before taxation	<b>5,269</b>	2,524
Expected tax calculated at the Hong Kong profits tax rate of 17.5%	<b>922</b>	442
Tax effect of non-deductible expenses	<b>3</b>	2
Tax effect of non-taxable income	<b>(10)</b>	(1)
Taxation	<b>915</b>	443

## 12 Earnings per unit based upon profit after taxation and before transactions with unitholders

	<b>Year ended 31 March 2007</b>	Period ended 31 March 2006
Profit for the year/period, before transactions with unitholders	<b>HK\$4,354 million</b>	HK\$2,081 million
Number of units outstanding at the end of the year/period	<b>2,137,454,000</b>	2,137,454,000
Earnings per unit based on profit after taxation, before transactions with unitholders, basic and diluted	<b>HK\$2.04</b>	HK\$0.97

## Notes to the Consolidated Financial Statements

**13 Investment properties****(a) Details of the movements of investment properties are as follows:**

	Retail properties HK\$'M	Carparks HK\$'M	Total HK\$M
At 6 September 2005	–	–	–
Acquisition of RC Operations	27,257	6,545	33,802
Additions	20	1	21
Change in fair values	1,821	128	1,949
At 31 March 2006	29,098	6,674	35,772
At 1 April 2006	<b>29,098</b>	<b>6,674</b>	<b>35,772</b>
Additions	<b>239</b>	<b>32</b>	<b>271</b>
Change in fair values	<b>2,914</b>	<b>600</b>	<b>3,514</b>
At 31 March 2007	<b>32,251</b>	<b>7,306</b>	<b>39,557</b>

**(b) Government leases**

The properties included as investment properties on the balance sheet comprise properties where the Group has legal title under government leases for a fixed number of years (with renewal rights in one case), and other properties where the granting of the government leases and legal title is in progress. The remaining lease periods of the government lease profile of these properties with Government Leases granted range from 36 to 50 years.

By virtue of the Property Agreement with the Hong Kong Housing Authority in respect of the acquisition of the RC Operations, the Group as the beneficial owner, is legally entitled to operate all these properties as if it was the legal owner.

**(c) Fair values**

The investment properties were revalued on a market value basis as at 31 March 2007 and 2006, by CB Richard Ellis Limited ("CBRE"), an independent firm of professional qualified valuers.

To arrive at the market valuations of the investment properties, CBRE valued each property individually at market value as of the balance sheet date, using a number of valuation methodologies, as further set out in note 4. In arriving at the market values, CBRE has assumed, inter alia, that legal titles to the properties are in place as of the property valuation date, notwithstanding that legal titles to certain of the properties have not been granted as of the balance sheet date (see note (b) above).

**(d) REIT Code restrictions**

In accordance with the REIT Code, the Group is prohibited from disposing of its properties for at least two years from the time such properties are acquired, unless unitholders have passed a special resolution consenting to the proposed disposal.

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

As at 31 March 2007, certain of the Group's investment properties, amounting to approximately HK\$4 billion (2006: Nil), were pledged to secure the Group's loan facilities.

## Notes to the Consolidated Financial Statements

## 14 Property, plant and equipment

	Leasehold improvements HK\$'M	Motor vehicles HK\$'M	Equipment HK\$'M	Total HK\$'M
At 6 September 2005	–	–	–	–
Acquisition of RC Operations	3	2	23	28
Additions	4	–	5	9
Write-off	(2)	–	–	(2)
Depreciation charge for the period	(1)	–	(2)	(3)
At 31 March 2006	4	2	26	32
At 31 March 2006				
Cost	5	2	28	35
Accumulated depreciation	(1)	–	(2)	(3)
Net book value	4	2	26	32
At 1 April 2006	<b>4</b>	<b>2</b>	<b>26</b>	<b>32</b>
Additions	<b>16</b>	<b>2</b>	<b>11</b>	<b>29</b>
Depreciation charge for the year	<b>(1)</b>	<b>(1)</b>	<b>(7)</b>	<b>(9)</b>
At 31 March 2007	<b>19</b>	<b>3</b>	<b>30</b>	<b>52</b>
At 31 March 2007				
Cost	<b>21</b>	<b>4</b>	<b>39</b>	<b>64</b>
Accumulated depreciation	<b>(2)</b>	<b>(1)</b>	<b>(9)</b>	<b>(12)</b>
Net book value	<b>19</b>	<b>3</b>	<b>30</b>	<b>52</b>

## 15 Accounts and other receivables

	2007 HK\$'M	2006 HK\$'M
Accounts receivable (Note)	<b>51</b>	66
Other receivables	<b>41</b>	56
	<b>92</b>	122

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

## Notes to the Consolidated Financial Statements

**15 Accounts and other receivables (continued)**

A majority of the Group's rental income is received in cash and there are no specific credit terms given to the tenants. The accounts receivable are generally fully covered by the rental deposits from corresponding tenants. The ageing analysis of accounts receivable is as follows:

	2007 HK\$'M	2006 HK\$'M
0 – 30 days	47	64
31 – 90 days	2	2
Over 90 days	2	–
	<b>51</b>	<b>66</b>

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 car parks are received from the car park operators in arrears.

**16 Cash and cash equivalents and short term deposits**

	2007 HK\$'M	2006 HK\$'M
Cash in hand	2	2
Cash at bank	22	9
Short term bank deposits with original maturity of less than three months	29	303
Cash and cash equivalents	<b>53</b>	314
Short term bank deposits with original maturity of more than three months	<b>1,475</b>	453
	<b>1,528</b>	<b>767</b>

Short term bank deposits at the balance sheet date mature approximately 96 days (2006: 66 days) from the end of the year/period. The effective interest rate at the balance sheet date was 4.09% (2006: 4.07%) per annum.

**17 Accounts payable, receipts in advance and accruals**

	2007 HK\$'M	2006 HK\$'M
Accounts payable	64	37
Receipts in advance	59	11
Accruals	615	284
	<b>738</b>	<b>332</b>

## Notes to the Consolidated Financial Statements

**17 Accounts payable, receipts in advance and accruals (continued)**

The ageing analysis of accounts payable is as follows:

	2007 HK\$'M	2006 HK\$'M
0 – 30 days	60	37
31 – 90 days	3	–
Over 90 days	1	–
	<b>64</b>	<b>37</b>

**18 Interest bearing liabilities**

	2007 HK\$'M	2006 HK\$'M
<b>Current</b>		
Unsecured one year bridging loan facility	–	12,169
<b>Non-current</b>		
Guaranteed notes (Note a)	3,591	–
Syndicated loan (Note b)	4,586	–
Other loan (Note c)	4,000	–
	<b>12,177</b>	<b>–</b>
	<b>12,177</b>	<b>12,169</b>

Interest bearing liabilities are repayable as follows:

	2007 HK\$'M	2006 HK\$'M
<b>Due in the first year</b>		
Unsecured one year bridging loan facility	–	12,169
<b>Due in the second year</b>		
Guaranteed notes	2,196	–
<b>Due in the third year</b>		
Guaranteed notes	1,395	–
Other loan	4,000	–
	<b>5,395</b>	<b>–</b>
<b>Due in the fifth year</b>		
Syndicated loan	4,586	–
	<b>12,177</b>	<b>12,169</b>

## Notes to the Consolidated Financial Statements

**18 Interest bearing liabilities (continued)**

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.
- (b) On 4 August 2006, the Group arranged an unsecured 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 2007.
- (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, of which the carrying value of the pledged properties as at 31 March 2007 amounted to approximately HK\$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.
- (d) The effective interest rate of the interest bearing liabilities at the balance sheet date was 4.66% (2006: 4.74%). The carrying amounts of the interest bearing liabilities approximate their fair values.

**19 Deferred tax liabilities**

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2006: 17.5%).

Analysis of net deferred tax liabilities:

	<b>2007</b>	2006
	<b>HK\$'M</b>	HK\$'M
Deferred tax assets	<b>(21)</b>	(173)
Deferred tax liabilities	<b>5,123</b>	4,360
	<b>5,102</b>	4,187



## Notes to the Consolidated Financial Statements

**19 Deferred tax liabilities (continued)**

The movements in deferred tax assets and liabilities during the year/period were as follows:

	<b>Temporary differences</b> HK\$'M	<b>Tax losses</b> HK\$'M	<b>Total</b> HK\$'M
At 6 September 2005	–	–	–
Acquisition of RC Operations	3,744	–	3,744
Recognised in the consolidated income statement:			
Increase in fair values of investment properties	341	–	341
Capital allowance claimed	275	–	275
Tax losses recognised	–	(173)	(173)
			443
At 31 March 2006	4,360	(173)	4,187
At 1 April 2006	<b>4,360</b>	<b>(173)</b>	<b>4,187</b>
Recognised in the consolidated income statement:			
Increase in fair values of investment properties	<b>614</b>	–	<b>614</b>
Capital allowance claimed	<b>149</b>	–	<b>149</b>
Tax losses utilised	–	<b>152</b>	<b>152</b>
			<b>915</b>
At 31 March 2007	<b>5,123</b>	<b>(21)</b>	<b>5,102</b>

**20 Other non-current liabilities**

	<b>2007</b> HK\$'M	2006 HK\$'M
Interest rate swaps – cash flow hedges	<b>111</b>	–

The Group uses interest rate swaps to minimise its exposure to movements in interest rates in relation to its floating rates interest bearing liabilities by swapping from floating rates to fixed rates. The full fair value of these cash flow hedges are classified as non-current items as the remaining maturities of the hedged items extend for more than 12 months.

Derivative financial instruments qualifying as cash flow hedges as at 31 March 2007 have an average maturity of 4.6 years from the balance sheet date. The notional principal amount and the average fixed interest rate of the outstanding interest rate swap contracts at 31 March 2007 were HK\$4 billion and 5.05% respectively.

## Notes to the Consolidated Financial Statements

## 21 Reserves

	Hedging reserves HK\$'M	Earnings retained for cash flow hedge adjustments HK\$'M	Total reserve HK\$'M
At 6 September 2005 and at 1 April 2006	–	–	–
Change in fair values of cash flow hedges	(111)	–	(111)
Amount arising from cash flow hedging reserve movement	–	111	111
At 31 March 2007	(111)	111	–

## 22 Notes to the cash flow statement

## Net cash generated from operating activities

	Year ended 31 March 2007 HK\$'M	Period ended 31 March 2006 HK\$'M
Profit before taxation and transactions with unitholders	5,269	2,524
Depreciation expenses	9	3
Write-off of leasehold improvements	–	2
Interest income	(60)	(5)
Finance costs on interest bearing liabilities	578	201
Change in fair values of investment properties	(3,514)	(1,949)
Decrease/(increase) in accounts and other receivables, deposits and prepayments	32	(119)
Increase in accounts payable, receipts in advance and accruals	412	252
Increase in security deposits	30	29
Net cash generated from operating activities	2,756	938

## Notes to the Consolidated Financial Statements

**23 Units in issue**

	2007	2006
Units at end of the year/period	<b>2,137,454,000</b>	2,137,454,000

Traded market value of the units as at 31 March 2007 was HK\$18.80 (2006: HK\$16.80) per unit. Based on 2,137,454,000 units in issue as at 31 March 2007 (2006: 2,137,454,000 units), market capitalisation was HK\$40,184 million (2006: HK\$35,909 million).

**24 Commitments****(a) Capital commitments**

	2007 HK\$'M	2006 HK\$'M
Improvement projects to existing investment properties		
Authorised but not contracted for	<b>752</b>	84
Contracted but not provided for	<b>422</b>	116
	<b>1,174</b>	200

**(b) Operating lease commitments**

At 31 March 2007, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable leases is as follows:

	2007 HK\$'M	2006 HK\$'M
Within one year	<b>2</b>	4
Between one and five years	-	2
	<b>2</b>	6

## Notes to the Consolidated Financial Statements

## 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 financial statements.

### (a) Nature of relationship with connected/related parties

The table set forth below summarised the names of the connected/related parties, as defined in the REIT Code/HKAS 24 "Related Party Disclosures", and nature of relationship with The Link REIT as at 31 March 2007:

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 associates (the "HSBC Group") *	Related parties of the Trustee
CapitaLand Limited (the "Strategic Partner") *	The Strategic Partner of The Link REIT and common director
CB Richard Ellis Limited (the "Principal Valuer")	The Principal Valuer of The Link REIT
The Children's Investment Master Fund	A significant unitholder of The Link REIT
The Wing Hang Bank Limited *	Common director
Boyden Management Consulting Asia Limited/ Boyden China Limited ("Boyden") *	Common director

\* These connected parties are also considered as the related parties of the Group, transactions carried out and balances with these related parties are disclosed in notes (b) and (c) below.

## Notes to the Consolidated Financial Statements

**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:

	<b>Year ended 31 March 2007 HK\$'M</b>	Period ended 31 March 2006 HK\$'M
Trustee fee paid and payable to the Trustee (ii)	<b>(3)</b>	(1)
Fee paid and payable to Strategic Partner (iii)	<b>(1)</b>	(1)
Valuation fee paid and payable to the Principal Valuer	<b>(4)</b>	(5)
Consultancy fee paid to Boyden (iv)	<b>(1)</b>	–
Transactions with the HSBC Group (v)		
Interest expense to the HSBC Group on interest bearing liabilities	<b>(323)</b>	(201)
Rental income from the HSBC Group on leasing of retail units	<b>13</b>	4
Interest income from the HSBC Group on short term deposits	<b>53</b>	5

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreement governing the transactions, in the ordinary course of business and on normal commercial terms.
- (ii) The Trustee is entitled to receive an annual trustee 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 Strategic Partner is entitled to receive a base fee equal to the costs and expenses reasonably incurred by the Strategic Partner in the performance of its duties and obligations under the Co-operation Agreement from the Listing Date until the termination of its appointment under the Co-operation Agreement. Such base amount is subject to a limit. The limit for the base amount for the financial year ended 31 March 2007 was US\$1.5 million.
- (iv) The transactions with Boyden were entered into at mutually agreed rates.
- (v) The transactions with the HSBC Group were in accordance with market rates.
- (vi) Pursuant to a mortgage loan facility, the Trustee executed a guarantee in favour of The Hong Kong Mortgage Corporation Limited ("HKMC") in relation to the obligations of the Group under a facility granted by HKMC. Details of the loan are set out in note 18(c).

## Notes to the Consolidated Financial Statements

**25 Connected party transactions and significant related party transactions and balances** (continued)**(c) Balances with related parties**

Balances with related parties are set out below:

	2007 HK\$'M	2006 HK\$'M
Interest bearing liabilities with the HSBC Group	(598)	(12,169)
Short term deposits and savings placed with the HSBC Group	497	746
Net interest receivable/(payable) to the HSBC Group	6	(50)
Strategic Partner fee payable to CapitaLand Limited (Note)	(1)	(1)

Note:

The balance is unsecured, interest-free and repayable on demand.

**26 Future minimum rental receivables**

As at 31 March 2007, the Group had future minimum rental income receivable under non-cancellable leases as follows:

	2007 HK\$'M	2006 HK\$'M
Within one year	1,807	1,517
Between one and five years	1,585	1,336
Beyond five years	20	22
	<b>3,412</b>	<b>2,875</b>

Most of the operating leases are on fixed terms and for terms of 3 years (2006: 3 years).



## Notes to the Consolidated Financial Statements

### 27 Subsidiaries

The Link REIT held the following wholly owned subsidiaries as at 31 March 2007:

Name	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital	Interest held
<i>Directly held:</i>				
The Link Holdings Limited	Cayman Islands, limited liability company/ Hong Kong	Investment holding	US\$1	100%
The Link Management Limited	Hong Kong, limited liability company/ Hong Kong	Asset management	HK\$5,000,001	100%
<i>Indirectly held:</i>				
The Link Properties Limited	Cayman Islands, limited liability company/ Hong Kong	Property holding	US\$1	100%
The Link Finance Limited	Hong Kong, limited liability company/ Hong Kong	Financing	HK\$1	100%
The Link Finance (Cayman) 2006 Limited	Cayman Islands, limited liability company/ Hong Kong	Financing	US\$1	100%

### 28 Contingent liabilities

The Link Holdings Limited, a subsidiary, and the Trustee have jointly and severally executed guarantees in favour of a bank in respect of a facility granted to a subsidiary for issuance of bank guarantees to utilities companies. The facility amounts to HK\$70 million (2006: HK\$70 million), of which HK\$52 million has been utilised as at 31 March 2007 (2006: HK\$52 million).

### 29 Comparatives

Certain comparative figures have been reclassified to conform with current year's presentation.

### 30 Approval of the financial statements

The consolidated financial statements were authorised for issue by the Manager and the Trustee on 8 June 2007.

## Performance Table

As at 31 March 2007

	Year ended 31 March 2007	Period ended 31 March 2006
Net assets attributable to unitholders as at 31 March	<b>HK\$26,789 million</b>	HK\$23,715 million
Net asset value per unit as at 31 March	<b>HK\$12.53</b>	HK\$11.09
The highest premium of the traded price to net asset value (Note a)	<b>HK\$7.47</b>	HK\$6.96
Distribution per unit	<b>HK67.43 cents</b>	HK21.81 cents
Market price as at 31 March	<b>HK\$18.80</b>	HK\$16.80
Net yield per unit (Note b)	<b>3.59%</b>	3.73%
Number of units in issue as at 31 March	<b>2,137,454,000</b>	2,137,454,000

Note:

- (a) The highest premium is calculated based on the highest traded price of HK\$20.00 (2006: HK\$18.05) on The Stock Exchange of Hong Kong Limited during the year/period. The lowest traded price during the year/period was HK\$14.50 (2006: HK\$11.10) which is higher than the net asset value as at 31 March 2007. Accordingly, no discount of the traded price to net asset value is presented.
- (b) Net yield per unit is calculated based on distribution per unit for the year ended 31 March 2007 of HK67.43 cents (Period ended 31 March 2006: HK62.68 cents (annualised)) over the last traded price as at 31 March 2007 of HK\$18.80 (2006: HK\$16.80).

## Summary and Particulars of Properties

Summary of the Group's properties held as at 31 March 2007 is as follows:

Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
Retail	795,405	–
Market	82,354	–
Cooked food stalls	14,193	–
Education/welfare	85,379	–
HD offices and ancillary	27,612	–
Self use offices	10,335	–
Carparks	–	79,485
	1,015,278	79,485

Valuation of the Group's properties as at 31 March 2007 is as follows:

	HK\$'M
Retail properties	32,251
Carparks	7,306
	39,557

Further details of the properties as at 31 March 2007 are as follows:–

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
1 Lok Fu Shopping Centre	Junction Road Wang Tau Hom Kowloon	List 2	See Footnote	Retail	33,426	–
				Market	2,632	–
				Cooked food stalls	966	–
				Education/welfare	174	–
				HD offices and ancillary	445	–
				Self use offices	825	–
				Carparks	–	793
					38,468	793
2 Chung Fu Shopping Centre	30 & 33 Tin Wah Road Tin Shui Wai Yuen Long New Territories	Medium Lease	7 January 2049	Retail	18,899	–
				Market	862	–
				Education/welfare	1,368	–
				HD offices and ancillary	13	–
				Self use offices	253	–
				Carparks	–	1,177
					21,395	1,177
3 Tsz Lok (Tsz Wan Shan Shopping Centre)	23 Yuk Wan Street Tsz Wan Shan Kowloon	List 2	See Footnote	Retail	16,386	–
				Market	2,165	–
				Education/welfare	495	–
				HD offices and ancillary	76	–
				Self use offices	378	–
				Carparks	–	940
					19,500	940

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
4	Oi Man Shopping Centre 60 Chung Hau Road Ho Man Tin Kowloon	Medium Lease	31 March 2043	Retail	14,143	–
				Market	553	–
				Cooked food stalls	528	–
				HD offices and ancillary	3,688	–
				Carparks	–	808
					18,912	808
5	Shun Lee Commercial Centre Shun Lee Tsuen Road Kwun Tong Kowloon	List 2	See Footnote	Retail	14,114	–
				Market	528	–
				Education/welfare	3,716	–
				HD offices and ancillary	530	–
				Carparks	–	731
					18,888	731
6	Leung King Shopping Centre 31 Tin King Road Tuen Mun New Territories	Medium Lease	7 February 2051	Retail	15,581	–
				Market	1,554	–
				HD offices and ancillary	1,192	–
				Carparks	–	616
7	Yat Tung Shopping Centre Chung Yan Road Tung Chung Lantau Island New Territories	List 2	See Footnote	Retail	8,344	–
				Market	1,239	–
				Education/welfare	8,276	–
				HD offices and ancillary	4	–
				Self use offices	56	–
				Carparks	–	1,900
8	Wo Che Commercial Centre Fo Tan Road Shatin New Territories	Medium Lease	22 February 2057	Retail	15,598	–
				Market	734	–
				Cooked food stalls	352	–
				HD offices and ancillary	649	–
				Carparks	–	828
9	Kai Tin Shopping Centre Tak Tin Street and Kai Tin Road Lam Tin Kowloon	List 2	See Footnote	Retail	15,820	–
				Market	1,336	–
				HD offices and ancillary	5	–
				Carparks	–	461

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
10	Choi Wan Commercial Complex Fung Shing Street Ngau Chi Wan Kowloon	List 2	See Footnote	Retail	12,593	–
				Market	1,254	–
				Cooked food stalls	344	–
				Education/welfare	76	–
				HD offices and ancillary	740	–
				Self use offices	881	–
				Carparks	–	859
				15,888	859	
11	Hau Tak (II) Shopping Centre 2 Sheung Ning Road Tseung Kwan O Sai Kung New Territories	Medium Lease	13 October 2055	Retail	11,215	–
				Market	1,702	–
				Education/welfare	1,986	–
				HD offices and ancillary	4	–
				Self use offices	633	–
				Carparks	–	623
				15,540	623	
12	Butterfly Shopping Centre Wu Chui Road Tuen Mun New Territories	Medium Lease	13 October 2055	Retail	13,026	–
				Market	1,692	–
				Cooked food stalls	552	–
				HD offices and ancillary	20	–
				Carparks	–	313
				15,290	313	
13	Sau Mau Ping Shopping Centre Sau Mau Ping Road Kwun Tong Kowloon	Medium Lease	22 February 2057	Retail	12,063	–
				Market	1,816	–
				Education/welfare	864	–
				HD offices and ancillary	2	–
				Self use offices	223	–
				Carparks	–	611
				14,968	611	
14	Lung Cheung Mall Wong Tai Sin Road Wong Tai Sin Kowloon	List 2	See Footnote	Retail	14,195	–
				HD offices and ancillary	3	–
				Carparks	–	473
				14,198	473	
15	Wong Tai Sin Shopping Centre Lung Cheung Road Wong Tai Sin Kowloon	List 2	See Footnote	Retail	12,931	–
				Market	830	–
				Cooked food stalls	360	–
				HD offices and ancillary	2	–
				Carparks	–	688
				14,123	688	

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
16	Cheung Fat Shopping Centre Nga Ying Chau Street Tsing Yi New Territories	Medium Lease	21 December 2055	Retail	12,021	–
				Market	1,703	–
				HD offices and ancillary	17	–
				Carparks	–	590
					13,741	590
17	Tai Wo Shopping Centre Tai Po Tai Wo Road Tai Po New Territories	Medium Lease	9 February 2050	Retail	12,206	–
				Market	907	–
				HD offices and ancillary	34	–
				Self use offices	345	–
				Carparks	–	454
	13,492	454				
18	Tin Chak Shopping Centre 77 Tin Shui Road Tin Shui Wai Yuen Long New Territories	Medium Lease	13 October 2055	Retail	10,645	–
				Market	1,782	–
				Education/welfare	758	–
				HD offices and ancillary	5	–
				Carparks	–	302
	13,190	302				
19	Chuk Yuen Shopping Centre Chuk Yuen Road Wong Tai Sin Kowloon	List 2	See Footnote	Retail	10,442	–
				Market	1,619	–
				Cooked food stalls	344	–
				Education/welfare	512	–
				Self use offices	12	–
				Carparks	–	1,103
	12,929	1,103				
20	Cheung Hong Commercial Centre Tsing Hong Road Tsing Yi New Territories	List 2	See Footnote	Retail	9,823	–
				Market	903	–
				Cooked food stalls	596	–
				Education/welfare	558	–
				HD offices and ancillary	756	–
				Carparks	–	709
	12,636	709				
21	Sheung Tak Shopping Centre Tong Ming Street Tseung Kwan O Sai Kung New Territories	List 2	See Footnote	Retail	10,164	–
				Market	1,212	–
				HD offices and ancillary	770	–
				Self use offices	146	–
				Carparks	–	1,280
	12,292	1,280				



## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
22	Shek Wai Kok Commercial Centre Kwai Chung New Territories	List 2	See Footnote	Retail	8,870	–
				Market	444	–
				Education/welfare	2,802	–
				HD offices and ancillary	5	–
				Self use offices	52	–
				Carparks	–	578
					12,173	578
23	Choi Yuen Shopping Centre Sheung Shui New Territories	Medium Lease	16 September 2055	Retail	11,765	–
				Market	311	–
				Self use offices	44	–
				Carparks	–	536
					12,120	536
24	Tai Yuen Commercial Centre Tai Po New Territories	List 2	See Footnote	Retail	10,154	–
				Market	660	–
				Education/welfare	772	–
				HD offices and ancillary	276	–
				Self use offices	66	–
				Carparks	–	594
					11,928	594
25	Shan King Commercial Centre Tuen Mun New Territories	Medium Lease	19 August 2054	Retail	8,440	–
				Market	756	–
				Cooked food stalls	138	–
				Education/welfare	2,107	–
				HD offices and ancillary	110	–
				Carparks	–	638
					11,551	638
26	Lek Yuen Commercial Complex Shatin New Territories	List 2	See Footnote	Retail	10,396	–
				Market	488	–
				Cooked food stalls	90	–
				Self use offices	55	–
				Carparks	–	438
					11,029	438
27	Tai Hing Commercial Centre Tuen Mun New Territories	List 2	See Footnote	Retail	7,612	–
				Market	824	–
				Cooked food stalls	338	–
				Education/welfare	1,354	–
				HD offices and ancillary	714	–
				Self use offices	39	–
				Carparks	–	672
					10,881	672

## Summary and Particulars of Properties

	Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
28	Kwai Shing East Shopping Centre	Kwai Hau Street Kwai Chung New Territories	List 2	See Footnote	Retail	9,393	–
					Market	703	–
					HD offices and ancillary	575	–
					Carparks	–	583
						10,671	583
29	Sha Kok Commercial Centre	Sha Kok Street Shatin New Territories	List 2	See Footnote	Retail	9,362	–
					Market	506	–
					Cooked food stalls	528	–
					HD offices and ancillary	19	–
					Self use offices	76	–
					Carparks	–	662
						10,491	662
30	Yu Chui Shopping Centre	2 Ngau Pei Sha Street Siu Lek Yuen Shatin New Territories	Medium Lease	17 May 2051	Retail	7,525	–
					Market	482	–
					Education/welfare	1,654	–
					HD offices and ancillary	2	–
					Self use offices	665	–
					Carparks	–	1,175
						10,328	1,175
31	Tsui Ping North Shopping Circuit	19 Tsui Ping Road Kwun Tong Kowloon	Medium Lease	23 January 2052	Retail	7,255	–
					Market	1,188	–
					Cooked food stalls	80	–
					Education/welfare	1,059	–
					HD offices and ancillary	621	–
					Carparks	–	421
						10,203	421
32	Lok Wah Commercial Centre	Chun Wah Road Kwun Tong Kowloon	List 2	See Footnote	Retail	10,038	–
					HD offices and ancillary	16	–
					Carparks	–	650
						10,054	650
33	Heng On Commercial Centre	1 Hang Kam Street Ma On Shan New Territories	Medium Lease	7 April 2048	Retail	8,751	–
					Market	1,114	–
					Education/welfare	54	–
					HD offices and ancillary	9	–
					Self use offices	59	–
					Carparks	–	585
						9,987	585
34	Ho Man Tin Plaza	1 Sheung Lok Street Homantin Kowloon	Medium Lease	19 November 2048	Retail	8,077	–
					Market	1,218	–
					HD offices and ancillary	132	–
					Self use offices	60	–
					Carparks	–	299
						9,487	299

## Summary and Particulars of Properties

	Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
35	On Ting Commercial Complex	Yau Oi Road Tuen Mun New Territories	List 2	See Footnote	Retail Market Cooked food stalls Carparks	8,185 658 600 –	– – – 546
						9,443	546
36	Yau Oi Commercial Centre	Yau Oi Road Tuen Mun New Territories	List 2	See Footnote	Retail Market Cooked food stalls HD offices and ancillary Carparks	7,556 651 540 640 –	– – – – 780
						9,387	780
37	Po Lam Shopping Centre	18 Po Lam Road North Tseung Kwan O Sai Kung New Territories	Medium Lease	18 October 2054	Retail Market HD offices and ancillary Self use offices Carparks	7,526 1,051 663 30 –	– – – – 398
						9,270	398
38	Fu Tung Shopping Centre	Tat Tung Road Tung Chung Lantau Island New Territories	List 2	See Footnote	Retail Market Education/welfare HD offices and ancillary Carparks	4,209 657 3,995 400 –	– – – – 537
						9,261	537
39	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)	80 Lei Yue Mun Road Yau Tong Kowloon	Medium Lease	2 June 2055	Retail Market HD offices and ancillary	7,434 1,729 2	– – –
						9,165	–
40	Fu Shin Shopping Centre	12 On Po Road Tai Po New Territories	Medium Lease	13 October 2055	Retail Market Cooked food stalls Education/welfare Self use offices Carparks	6,840 968 368 846 36 –	– – – – – 525
						9,058	525
41	Siu Sai Wan Shopping Centre	Siu Sai Wan Road Siu Sai Wan Hong Kong	List 2	See Footnote	Retail Market HD offices and ancillary Self use offices Carparks	7,389 1,208 356 35 –	– – – – 558
						8,988	558

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
42 Hin Keng Shopping Centre	69 Che Kung Miu Road Shatin New Territories	Medium Lease	9 February 2050	Retail	6,825	–
				Market	888	–
				Cooked food stalls	945	–
				Education/welfare	170	–
				HD offices and ancillary	18	–
				Self use offices	50	–
				Carparks	–	636
					8,896	636
43 Long Ping Commercial Centre	1 Long Ping Road Yuen Long New Territories	Medium Lease	14 March 2056	Retail	7,880	–
				Market	822	–
				HD offices and ancillary	17	–
				Self use offices	65	–
				Carparks	–	564
					8,784	564
44 Lei Tung Commercial Centre	5 Lei Tung Estate Road Ap Lei Chau Hong Kong	Medium Lease	19 December 2054	Retail	6,807	–
				Market	1,066	–
				Cooked food stalls	176	–
				HD offices and ancillary	8	–
				Self use offices	669	–
				Carparks	–	687
					8,726	687
45 Choi Ming Shopping Centre	1 Choi Ming Street Tseung Kwan O Sai Kung New Territories	Medium Lease	3 May 2051	Retail	7,091	–
				Market	1,067	–
				HD offices and ancillary	5	–
				Self use offices	540	–
				Carparks	–	765
					8,703	765
46 Stanley Plaza	23 Carmel Road Stanley Bay Hong Kong	List 2	See Footnote	Retail	7,912	–
				Education/welfare	499	–
				HD offices and ancillary	80	–
				Self use offices	124	–
				Carparks	–	426
					8,615	426
47 Tak Tin Shopping Centre	223 Pik Wan Road Lam Tin Kowloon	Medium Lease	17 March 2049	Retail	6,594	–
				Market	1,335	–
				Education/welfare	429	–
				HD offices and ancillary	5	–
				Self use offices	36	–
				Carparks	–	754
					8,399	754
48 Tsui Lam Shopping Centre	11 Tsui Lam Road Tseung Kwan O Sai Kung New Territories	Medium Lease	14 February 2056	Retail	6,975	–
				Market	1,152	–
				HD offices and ancillary	13	–
				Carparks	–	711
					8,140	711

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
49 Mei Lam Commercial Centre	Mei Tin Road Shatin New Territories	List 2	See Footnote	Retail	6,462	–
				Market	472	–
				Cooked food stalls	528	–
				HD offices and ancillary	514	–
				Carparks	–	375
					7,976	375
50 Shun On Commercial Centre	Lee On Road Kwun Tong Kowloon	List 2	See Footnote	Retail	4,275	–
				Market	9	–
				Cooked food stalls	107	–
				Education/welfare	3,094	–
				HD offices and ancillary	415	–
Carparks	–	459				
					7,900	459
51 Tin Yiu Shopping Centre	2 Tin Wu Road Tin Shui Wai Yuen Long New Territories	Medium Lease	16 September 2055	Retail	5,189	–
				Market	1,295	–
				Education/welfare	760	–
				Self use offices	600	–
				Carparks	–	480
					7,844	480
52 Shek Lei Shopping Centre Phase II	Shek Pai Street Kwai Chung New Territories	List 2	See Footnote	Retail	7,336	–
				HD offices and ancillary	467	–
				Carparks	–	179
					7,803	179
53 Oi Tung Shopping Centre	Oi Yin Street Shau Kei Wan Hong Kong	Medium Lease	16 September 2055	Retail	4,909	–
				Education/welfare	2,627	–
				Self use offices	74	–
				Carparks	–	634
					7,610	634
54 Kwong Yuen Shopping Centre	68 Siu Lek Yuen Road Shatin New Territories	Medium Lease	7 February 2051	Retail	6,622	–
				Market	894	–
				HD offices and ancillary	9	–
				Self use offices	36	–
				Carparks	–	736
					7,561	736
55 Wan Tsui Commercial Complex	Wan Tsui Road Chai Wan Hong Kong	List 2	See Footnote	Retail	5,945	–
				Market	553	–
				Cooked food stalls	272	–
				Education/welfare	692	–
				Self use offices	46	–
				Carparks	–	359
					7,508	359

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
56 Chung On Shopping Centre	632 Sai Sha Road Ma On Shan New Territories	Medium Lease	13 October 2055	Retail	6,018	–
				Market	1,031	–
				HD offices and ancillary	439	–
				Carparks	–	995
					7,488	995
57 Tin Shing Shopping Centre	3 Tin Ching Street Tin Shui Wai Yuen Long New Territories	Medium Lease	27 November 2047	Retail	5,064	–
				Market	807	–
				Education/welfare	1,547	–
				Carparks	–	1,458
					7,418	1,458
58 Lei Cheng Uk Shopping Centre	Po On Road & Fat Tseung Street Cheung Sha Wan Kowloon	Medium Lease	23 January 2052	Retail	4,783	–
				Education/welfare	2,511	–
				Carparks	–	461
					7,294	461
59 Tai Wo Hau Commercial Centre	Tai Wo Hau Road Kwai Chung New Territories	List 2	See Footnote	Retail	5,760	–
				Market	1,113	–
				Cooked food stalls	368	–
				Self use offices	38	–
				Carparks	–	609
					7,279	609
60 Hing Wah Shopping Centre	11 Wan Tsui Road Chai Wan Hong Kong	List 2	See Footnote	Retail	4,352	–
				Market	788	–
				Education/welfare	1,522	–
				Self use offices	560	–
				Carparks	–	268
					7,222	268
61 Lai Kok Shopping Centre	Lai Chi Kok Road Sham Shui Po Kowloon	List 2	See Footnote	Retail	6,666	–
				Market	521	–
				Carparks	–	140
					7,187	140
62 Kai Yip Commercial Centre	Kai Yip Road & Wang Chiu Road Kowloon Bay Kowloon	List 2	See Footnote	Retail	6,175	–
				Market	549	–
				Cooked food stalls	352	–
				Self use offices	40	–
				Carparks	–	383
					7,116	383
63 Tin Shui Shopping Centre	Tin Shui Road Tin Shui Wai Yuen Long New Territories	List 2	See Footnote	Retail	5,354	–
				Market	846	–
				HD offices and ancillary	7	–
				Self use offices	741	–
				Carparks	–	577
					6,948	577

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
64 Po Tat Shopping Centre	Po Lam Road Kwun Tong Kowloon	List 2	See Footnote	Retail	5,953	–
				Market	861	–
				HD offices and ancillary	4	–
				Self use offices	65	–
				Carparks	–	1,083
					6,883	1,083
65 Fung Tak Shopping Centre	111 Fung Tak Road Diamond Hill Kowloon	Medium Lease	7 April 2048	Retail	5,840	–
				Market	870	–
				HD offices and ancillary	18	–
				Self use offices	38	–
				Carparks	–	487
					6,766	487
66 Shek Yam Shopping Centre	Tai Pak Tin Street Kwai Chung New Territories	List 2	See Footnote	Retail	5,413	–
				Market	777	–
				Education/welfare	486	–
				Self use offices	53	–
				Carparks	–	424
					6,729	424
67 Sam Shing Commercial Centre	Sam Shing Street Tuen Mun New Territories	List 2	See Footnote	Retail	5,456	–
				Market	265	–
				Cooked food stalls	504	–
				Education/welfare	398	–
				HD offices and ancillary	2	–
				Carparks	–	176
					6,625	176
68 Kwong Fuk Commercial Centre	Plover Cove Road Tai Po New Territories	List 2	See Footnote	Retail	5,464	–
				Market	734	–
				Cooked food stalls	352	–
				HD offices and ancillary	12	–
				Self use offices	33	–
				Carparks	–	461
					6,595	461
69 Lung Hang Commercial Centre	Fu Kin Street Shatin New Territories	List 2	See Footnote	Retail	5,437	–
				Market	639	–
				Cooked food stalls	352	–
				Self use offices	47	–
				Carparks	–	440
					6,475	440
70 Sun Chui Shopping Centre	Chui Tin Street Shatin New Territories	List 2	See Footnote	Retail	5,413	–
				Market	331	–
				Cooked food stalls	528	–
				Self use offices	91	–
				Carparks	–	620
					6,363	620



## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
71 Wah Ming Shopping Centre	21 Wah Ming Road Fanling New Territories	Medium Lease	17 March 2049	Retail	4,240	–
				Market	575	–
				Education/welfare	620	–
				HD offices and ancillary	741	–
				Self use offices	50	–
				Carparks	–	295
					6,226	295
72 Cheung Wah Shopping Centre	Cheung Wah Estate Fanling New Territories	Medium Lease	15 June 2054	Retail	5,022	–
				Market	345	–
				Cooked food stalls	368	–
				Education/welfare	430	–
				HD offices and ancillary	1	–
				Self use offices	50	–
				Carparks	–	353
					6,216	353
73 Yiu Tung Shopping Centre	Yiu Hing Road Shau Kei Wan Hong Kong	List 2	See Footnote	Retail	2,406	–
				Market	487	–
				Education/welfare	2,552	–
				HD offices and ancillary	706	–
				Self use offices	49	–
				Carparks	–	685
					6,200	685
74 Fu Cheong Shopping Centre	19 Sai Chuen Road Sham Shui Po Kowloon	Medium Lease	16 September 2055	Retail	6,148	–
				HD offices and ancillary	2	–
				Carparks	–	547
					6,150	547
75 Sui Wo Court Commercial Centre	13 Sui Wo Road Sui Wo Court Shatin New Territories	Medium Lease	30 June 2047	Retail	3,486	–
				Market	120	–
				Education/welfare	2,092	–
				HD offices and ancillary	196	–
				Self use offices	18	–
				Carparks	–	980
					5,912	980
76 Po Tin Shopping Centre	Ming Kum Road Tuen Mun New Territories	List 2	See Footnote	Retail	2,408	–
				Market	670	–
				Education/welfare	2,111	–
				HD offices and ancillary	705	–
				Carparks	–	62
77 Fu Tai Shopping Centre	9 Tuen Kwai Road Tuen Mun New Territories	Medium Lease	11 March 2051	Retail	5,219	–
				Market	606	–
				Carparks	–	635
					5,825	635

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
78	Retail and Carpark within Shun Tin Estate Shun On Road Kwun Tong Kowloon	List 2	See Footnote	Retail	3,777	–
				Market	397	–
				Cooked food stalls	376	–
				Education/welfare	615	–
				HD offices and ancillary	651	–
				Carparks	–	581
					5,816	581
79	Chun Shek Shopping Centre Fung Shek Street Shatin New Territories	List 2	See Footnote	Retail	5,268	–
				Market	435	–
				Self use offices	47	–
				Carparks	–	583
					5,750	583
80	Cheung Hang Shopping Centre Tsing Yi Road West Tsing Yi New Territories	List 2	See Footnote	Retail	4,452	–
				Market	667	–
				Education/welfare	159	–
				HD offices and ancillary	337	–
				Self use offices	85	–
				Carparks	–	327
					5,700	327
81	Kwong Tin Shopping Centre Pik Wan Road Lam Tin Kowloon	Medium Lease	13 October 2055	Retail	3,408	–
				Market	466	–
				Education/welfare	1,213	–
				HD offices and ancillary	422	–
				Self use offices	40	–
				Carparks	–	53
					5,549	53
82	Tin Ping Shopping Centre 48 Tin Ping Road Sheung Shui New Territories	Medium Lease	9 February 2050	Retail	4,877	–
				Market	423	–
				Education/welfare	143	–
				HD offices and ancillary	10	–
				Self use offices	55	–
				Carparks	–	471
					5,508	471
83	Yung Shing Shopping Centre Fai Ming Road Fanling New Territories	Medium Lease	15 July 2049	Retail	2,943	–
				Market	486	–
				Education/welfare	1,621	–
				HD offices and ancillary	372	–
				Self use offices	51	–
				Carparks	–	283
					5,473	283

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
84 Kwai Fong Shopping Centre	Hing Fong Road Kwai Chung New Territories	List 2	See Footnote	Retail	4,659	–
				Market	738	–
				Self use offices	53	–
				Carparks	–	483
					5,450	483
85 King Lam Shopping Centre	38 Po Lam Road North Tseung Kwan O Sai Kung New Territories	Medium Lease	7 February 2051	Retail	4,042	–
				Market	690	–
				HD offices and ancillary	607	–
				Self use offices	38	–
				Carparks	–	418
	5,377	418				
86 Ka Fuk Shopping Centre	Chi Fuk Circuit Fanling New Territories	List 2	See Footnote	Retail	4,252	–
				Market	577	–
				Education/welfare	135	–
				HD offices and ancillary	290	–
				Self use offices	27	–
Carparks	–	312				
	5,281	312				
87 Fu Heng Shopping Centre	6 Chung Nga Road Tai Po New Territories	Medium Lease	9 February 2050	Retail	4,345	–
				Market	830	–
				HD offices and ancillary	2	–
				Self use offices	21	–
				Carparks	–	517
	5,198	517				
88 Sun Tin Wai Commercial Centre	Sha Tin Tau Road Shatin New Territories	List 2	See Footnote	Retail	4,123	–
				Market	625	–
				Cooked food stalls	352	–
				HD offices and ancillary	11	–
				Self use offices	30	–
Carparks	–	320				
	5,141	320				
89 Yiu On Shopping Centre	2 Hang Hong Street Ma On Shan New Territories	Medium Lease	17 March 2049	Retail	4,125	–
				Market	785	–
				HD offices and ancillary	6	–
				Self use offices	40	–
				Carparks	–	547
	4,956	547				
90 Lee On Shopping Centre	Sai Sha Road Ma On Shan New Territories	List 2	See Footnote	Retail	3,399	–
				Market	676	–
				HD offices and ancillary	524	–
				Self use offices	32	–
				Carparks	–	390
	4,631	390				

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
91 Hing Tung Shopping Centre	Yiu Hing Road Shau Kei Wan Hong Kong	List 2	See Footnote	Retail	3,990	–
				Market	521	–
				Carparks	–	420
					4,511	420
92 Retail and Carpark within Ap Lei Chau Estate	Ap Lei Chau Bridge Road Ap Lei Chau Hong Kong	List 2	See Footnote	Retail	3,264	–
				Market	377	–
				Cooked food stalls	293	–
				HD offices and ancillary	560	–
				Carparks	–	325
					4,494	325
93 Wan Tau Tong Shopping Centre	10 Hiu Wan Road Tai Po New Territories	Medium Lease	7 April 2048	Retail	3,802	–
				Market	593	–
				HD offices and ancillary	9	–
				Self use offices	65	–
				Carparks	–	438
					4,469	438
94 Un Chau Shopping Centre	Cheung Sha Wan Road Cheung Sha Wan Kowloon	List 2	See Footnote	Retail	4,391	–
				HD offices and ancillary	2	–
				Carparks	–	213
					4,393	213
95 Kam Tai Shopping Centre	31 Ning Tai Road Ma On Shan New Territories	Medium Lease	28 June 2048	Retail	2,427	–
				Education/welfare	1,828	–
				HD offices and ancillary	2	–
				Self use offices	37	–
				Carparks	–	758
					4,294	758
96 Tsing Yi Commercial Complex	10 Fung Shue Wo Road Tsing Yi New Territories	Medium Lease	7 February 2051	Retail	2,996	–
				Market	467	–
				Cooked food stalls	360	–
				HD offices and ancillary	9	–
				Self use offices	407	–
				Carparks	–	344
					4,239	344
97 Tin Ma Court Commercial Centre	55 Chuk Yuen Road Wang Tau Hom Kowloon	Medium Lease	30 June 2047	Retail	2,237	–
				Market	353	–
				Education/welfare	1,222	–
				HD offices and ancillary	196	–
				Carparks	–	585
					4,008	585

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
98 Wah Kwai Shopping Centre	3 Wah Kwai Road Aberdeen Hong Kong	Medium Lease	7 April 2048	Retail	2,925	–
				Market	411	–
				HD offices and ancillary	553	–
				Self use offices	92	–
				Carparks	–	413
					3,981	413
99 On Yam Shopping Centre	7 On Chuk Street Kwai Chung New Territories	Medium Lease	13 October 2055	Retail	3,246	–
				Market	546	–
				HD offices and ancillary	2	–
				Carparks	–	347
100 Shek Lei Shopping Centre Phase I	Shek Li Street Kwai Chung New Territories	List 2	See Footnote	Retail	1,477	–
				Market	1,327	–
				Education/welfare	821	–
				Self use offices	40	–
				Carparks	–	459
					3,665	459
101 Ming Tak Shopping Centre	Chiu Shun Road Tseung Kwan O Sai Kung New Territories	List 2	See Footnote	Retail	3,587	–
				Education/welfare	31	–
				HD offices and ancillary	2	–
				Carparks	–	383
102 Kin Sang Shopping Centre	3 Leung Wan Street Tuen Mun New Territories	Medium Lease	7 April 2048	Retail	3,218	–
				Market	385	–
				HD offices and ancillary	6	–
				Carparks	–	273
103 Tin Tsz Shopping Centre	Tin Tsz Road & Tin Fuk Road Tin Shui Wai Yuen Long New Territories	List 2	See Footnote	Retail	3,027	–
				HD offices and ancillary	547	–
				Self use offices	34	–
				Carparks	–	289
104 Retail and Carpark within Tung Tau Estate	183 Tung Tau Tsuen Road Wang Tau Hom Kowloon	Medium Lease	23 January 2052	Retail	2,595	–
				Market	603	–
				Cooked food stalls	389	–
				Carparks	–	493

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
105 Kam Ying Court Shopping Centre	9 Kam Ying Road Ma On Shan New Territories	Medium Lease	30 June 2047	Retail	1,466	–
				Market	401	–
				Education/welfare	1,220	–
				HD offices and ancillary	357	–
				Carparks	–	492
					3,444	492
106 Hoi Fu Shopping Centre	2 Hoi Ting Road Tai Kok Tsui Kowloon	Medium Lease	15 July 2049	Retail	2,649	–
				Market	645	–
				HD offices and ancillary	2	–
				Self use offices	6	–
				Carparks	–	225
					3,302	225
107 Tin Wan Shopping Centre	Tin Wan Street Aberdeen Hong Kong	List 2	See Footnote	Retail	2,939	–
				HD offices and ancillary	357	–
				Carparks	–	417
					3,296	417
108 Hiu Lai Shopping Centre	21 Hiu Kwong Street Kwun Tong Kowloon	Medium Lease	30 June 2047	Retail	1,932	–
				Education/welfare	1,181	–
				HD offices and ancillary	172	–
				Carparks	–	637
					3,285	637
109 Hing Man Commercial Centre	Chai Wan Road Chai Wan Hong Kong	List 2	See Footnote	Retail	2,361	–
				Market	238	–
				Education/welfare	36	–
				HD offices and ancillary	365	–
				Self use offices	36	–
				Carparks	–	226
					3,036	226
110 Siu Lun Shopping Centre	3 Siu Hing Lane Tuen Mun New Territories	Medium Lease	30 June 2047	Retail	993	–
				Education/welfare	1,628	–
				HD offices and ancillary	364	–
				Carparks	–	463
					2,985	463
111 Hing Tin Commercial Centre	8 Lin Tak Road Lam Tin Kowloon	Medium Lease	7 February 2051	Retail	1,978	–
				Market	402	–
				Cooked food stalls	352	–
				Carparks	–	387

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
112 Wah Sum Shopping Centre	Yat Ming Road Fanling New Territories	List 2	See Footnote	Retail	2,207	–
				HD offices and ancillary	273	–
				Carparks	–	356
					<hr/> 2,480	<hr/> 356
113 Kwai Hing Shopping Centre	2 Wo Kwai Lane Kwai Chung New Territories	Medium Lease	23 January 2052	Retail	1,927	–
				Market	429	–
				Carparks	–	277
					<hr/> 2,356	<hr/> 277
114 Wang Tau Hom (Wang Fai Centre)	Wang Tau Hom North Road Wang Tau Hom Kowloon	List 2	See Footnote	Retail	1,520	–
				Market	800	–
				Self use offices	13	–
				Carparks	–	290
					<hr/> 2,333	<hr/> 290
115 Fortune Shopping Centre	Po On Road & Fat Tsueng Street Cheung Sha Wan Kowloon	List 2	See Footnote	Retail	2,252	–
				Carparks	–	153
					<hr/> 2,252	<hr/> 153
116 Siu Hei Commercial Centre	201 Wu Chui Road Tuen Mun New Territories	Medium Lease	30 June 2047	Retail	570	–
				Market	279	–
				Education/welfare	1,327	–
				Carparks	–	560
					<hr/> 2,176	<hr/> 560
117 Ping Tin Shopping Centre	On Tin Street Lam Tin Kowloon	List 2	See Footnote	Retail	2,032	–
				Carparks	–	406
					<hr/> 2,032	<hr/> 406
118 Retail and Carpark within Choi Ha Estate	18 Choi Ha Road Kowloon Bay Kowloon	Medium Lease	9 February 2050	Retail	348	–
				Education/welfare	1,396	–
				HD offices and ancillary	249	–
				Carparks	–	205
					<hr/> 1,993	<hr/> 205
119 Retail and Carpark within Tong Ming Court	15 Tong Ming Street Tseung Kwan O Sai Kung New Territories	Medium Lease	30 June 2047	Retail	201	–
				Education/welfare	1,776	–
				Carparks	–	291
					<hr/> 1,977	<hr/> 291



## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
120	Tsz Ching Shopping Centre (I) & (II)	Medium Lease	27 February 2057	Retail Carparks	1,679	–
					–	882
					1,679	882
121	Retail and Carpark within Hong Pak Court	Medium Lease	30 June 2047	Education/welfare Carparks	1,668	–
					–	549
					1,668	549
122	Retail and Carpark within Siu On Court	Medium Lease	30 June 2047	Education/welfare Carparks	1,587	–
					–	273
					1,587	273
123	Retail and Carpark within Lok Wah (South) Estate	List 2	See Footnote	Retail	373	–
				Market	655	–
				Cooked food stalls	495	–
				HD offices and ancillary	1	–
				Carparks	–	226
					1,524	226
124	Yin Lai Court Shopping Centre	Medium Lease	30 June 2047	Retail	981	–
				HD offices and ancillary	532	–
				Carparks	–	150
					1,513	150
125	Retail and Carpark within Po Nga Court	Medium Lease	30 June 2047	Education/welfare Carparks	1,296	–
					–	246
					1,296	246
126	Po Hei Court Commercial Centre	Medium Lease	30 June 2047	Retail	1,271	–
					–	–
					1,271	–
127	Retail and Carpark within Tsui Wan Estate	Medium Lease	17 March 2049	Retail	791	–
				HD offices and ancillary	471	–
				Carparks	–	182
					1,262	182
128	Retail and Carpark within Tsz Oi Court	Medium Lease	6 May 2049	Education/welfare Carparks	1,236	–
					–	199
					1,236	199

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces	
129	Retail and Carpark within Lok Nga Court	Chun Wah Road Kwun Tong Kowloon	Medium Lease	30 June 2047	Education/welfare	1,172	–
					Carparks	–	265
					1,172	265	
130	Retail and Carpark within Ching Wah Court	22 Tsing Chin Street Tsing Yi New Territories	Medium Lease	30 June 2047	Retail	80	–
					Education/welfare	767	–
					HD offices and ancillary	255	–
					Carparks	–	348
					1,102	348	
131	Retail and Carpark within Yan Shing Court	15 Wah Ming Road Fanling New Territories	Medium Lease	30 June 2047	Retail	95	–
					Education/welfare	772	–
					HD offices and ancillary	230	–
					Carparks	–	252
					1,097	252	
132	Retail and Carpark within Cheung Wang Estate	Liu To Road Tsing Yi New Territories	List 2	See Footnote	Retail	1,067	–
					HD offices and ancillary	4	–
					Carparks	–	333
					1,071	333	
133	Retail and Carpark within Tin Wang Court	51 Chuk Yuen Road Wang Tau Hom Kowloon	Medium Lease	30 June 2047	Education/welfare	740	–
					HD offices and ancillary	290	–
					Carparks	–	79
					1,030	79	
134	Retail and Carpark within Fung Wah Estate	4 & 6 Fung Ha Road Chai Wan Hong Kong	Medium Lease	9 February 2050	Retail	834	–
					HD offices and ancillary	78	–
					Carparks	–	161
					912	161	
135	Retail and Carpark within Tin Yat Estate	Tin Sau Road Tin Shui Wai Yuen Long New Territories	List 2	See Footnote	Education/welfare	816	–
					Carparks	–	446
					816	446	
136	Retail and Carpark within Nam Cheong Estate	3 Cheong San Lane Sham Shui Po Kowloon	Medium Lease	16 August 2055	Retail	753	–
					Carparks	–	156
					753	156	
137	Retail and Carpark within Wo Ming Court	Sheung Ning Road Tseung Kwan O Sai Kung New Territories	Medium Lease	27 November 2047	Education/welfare	682	–
					Carparks	–	379
					682	379	

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
138 Retail and Carpark within Ko Chun Court	23 Ko Chiu Road Yau Tong Kowloon	Medium Lease	30 June 2047	Retail	151	–
				Education/welfare	530	–
				Carparks	–	323
					681	323
139 Retail and Carpark within Hong Yat Court	1 Tak Tin Street Lam Tin Kowloon	Medium Lease	4 February 2051	Education/welfare	654	–
				Carparks	–	355
					654	355
140 Retail and Carpark within Yan Ming Court	100 Po Lam Road North Tseung Kwan O Sai Kung New Territories	Medium Lease	30 June 2047	Retail	100	–
				Education/welfare	552	–
				Carparks	–	262
					652	262
141 Retail and Carpark within Tung Hei Court	38 Yiu Hing Road Shau Kei Wan Hong Kong	Medium Lease	30 June 2047	Education/welfare	589	–
				Carparks	–	146
					589	146
142 Carpark within Tsui Ping South Estate	Tsui Ping Road Kwun Tong Kowloon	List 2	See Footnote	HD offices and ancillary	490	–
				Carparks	–	229
					490	229
143 Retail and Carpark within Hung Hom Estate	Hung Hom Road & Dyer Avenue Hung Hom Kowloon	List 2	See Footnote	Retail	371	–
				Carparks	–	45
					371	45
144 Retail and Carpark within Cheung On Estate	1 Tam Kon Shan Road Tsing Yi New Territories	Medium Lease	7 April 2048	Retail	363	–
				Carparks	–	484
					363	484
145 Retail and Carpark within Tai Ping Estate	8 Po Ping Road Sheung Shui New Territories	Medium Lease	23 January 2052	Retail	326	–
				Carparks	–	101
					326	101
146 Retail and Carpark within Tin Wah Estate	Tin Wah Road Tin Shui Wai Yuen Long New Territories	List 2	See Footnote	Retail	145	–
				Carparks	–	287
					145	287

## Summary and Particulars of Properties

	Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
147	Retail and Carpark within Sau Mau Ping (III) Estate	Sau Ming Road Kwun Tong Kowloon	Medium Lease	22 February 2057	Retail Carparks	140 –	– 205
						140	205
148	Carpark within Yue On Court	3 Yue On Court Road Aberdeen Hong Kong	Medium Lease	31 January 2057	HD offices and ancillary Carparks	123 –	– 296
						123	296
149	Retail and Carpark within Mei Chung Court	25 Mei Tin Road Shatin New Territories	Medium Lease	30 June 2047	Retail Carparks	100 –	– 385
						100	385
150	Retail and Carpark within Choi Fai Estate	Ngau Chi Wan Kowloon	List 2	See Footnote	Retail Carparks	97 –	– 93
						97	93
151	Retail and Carpark within Ying Fuk Court	17 Wing Chuk Street Wong Tai Sin Kowloon	Medium Lease	6 May 2049	Retail Carparks	73 –	– 163
						73	163
152	Retail and Carpark within Ko Yee Estate	Ko Chiu Road Lam Tin Kowloon	List 2	See Footnote	Retail Carparks	45 –	– 38
						45	38
153	Retail and Carpark within Hong Shui Court	133 Pik Wan Road Lam Tin Kowloon	Medium Lease	13 May 2048	Retail Carparks	32 –	– 102
						32	102
154	Carpark within Hong Keung Court	23 Heng Lam Street Wong Tai Sin Kowloon	Medium Lease	7 January 2049	Self use offices Carparks	4 –	– 93
						4	93
155	Carpark within Kin Ming Estate	Tiu Keng Leng Tseung Kwan O Sai Kung New Territories	List 2	See Footnote	Carparks	–	763
156	Carpark within Tin Yuet Estate	Tin Yuet Road Tin Shui Wai Yuen Long New Territories	List 2	See Footnote	Carparks	–	560

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
157 Carpark within Wah Lai Estate	Lai King Hill Road Lai Chi Kok Kowloon	Medium Lease	24 May 2051	Carparks	–	411
158 Carpark within Wang Fuk Court	3821 Tai Po Road Tai Po New Territories	Medium Lease	30 June 2047	Carparks	–	408
159 Carpark within Sau Mau Ping (I) Estate	Sau Mau Ping Road Kwun Tong Kowloon	Medium Lease	22 February 2057	Carparks	–	395
160 Carpark within Tin King Estate	Tin King Road Tuen Mun New Territories	Medium Lease	17 March 2049	Carparks	–	380
161 Carpark within Tsz Man Estate	55 Tsz Wan Shan Road List 2 Tsz Wan Shan Kowloon		See Footnote	Carparks	–	364
162 Carpark within Ka Tin Court	8 Hin Keng Road Tai Wai New Territories	Medium Lease	30 June 2047	Carparks	–	348
163 Carpark within Ming Nga Court	7-9 On Po Lane Tai Po New Territories	Medium Lease	30 June 2047	Carparks	–	345
164 Carpark within Ning Fung Court	99 Lei Muk Road Kwai Chung New Territories	Medium Lease	14 October 2049	Carparks	–	299
165 Carpark within Po Pui Court	Tsui Ping Road Kwun Tong Kowloon	Medium Lease	30 June 2047	Carparks	–	277
166 Carpark within Ying Ming Court	Po Lam North Road Tseung Kwan O Sai Kung New Territories	Medium Lease	30 June 2047	Carparks	–	274
167 Carpark within Yee Kok Court	329-343 Cheung Sha Wan Road Cheung Sha Wan Kowloon	Medium Lease	30 June 2047	Carparks	–	240
168 Carpark within Kam On Court	20 Hang Kam Street Ma On Shan New Territories	Medium Lease	30 June 2047	Carparks	–	238
169 Carpark within Upper Ngau Tau Kok Estate	Ngau Tau Kok Road Ngau Tau Kok Kowloon	List 2	See Footnote	Carparks	–	228

## Summary and Particulars of Properties

Centre	Location	Lease term	Lease expiry	Type	Approximate internal floor area (square metres)	Approximate No. of carpark spaces
170 Carpark within Tin Yau Court	Tin Shui Road Tin Shui Wai Yuen Long New Territories	Medium Lease	30 June 2047	Carparks	–	192
171 Carpark within San Wai Court	23 Tin King Road Tuen Mun New Territories	Medium Lease	30 June 2047	Carparks	–	185
172 Carpark within Lai On Estate	Lai Chi Kok Road Sham Shui Po Kowloon	List 2	See Footnote	Carparks	–	181
173 Carpark within Ching Wang Court	1 Nga Ying Chau Road Tsing Yi New Territories	Medium Lease	19 April 2049	Carparks	–	179
174 Carpark within Yee Nga Court	15 On Po Road Tai Po New Territories	Medium Lease	30 June 2047	Carparks	–	159
175 Carpark within King Lai Court	38 Fung Shing Street Ngau Chi Wan Kowloon	Medium Lease	30 June 2047	Carparks	–	158
176 Carpark within Fung Lai Court	8 Fung Lai Road Diamond Hill Kowloon	Medium Lease	30 June 2047	Carparks	–	134
177 Carpark within Kwai Hong Court	150 Tai Wo Hau Road Kwai Chung New Territories	Medium Lease	30 June 2047	Carparks	–	88
178 Carpark within Lower Wong Tai Sin (I) Estate	3 Tai Shing Street Wong Tai Sin Kowloon	Medium Lease	7 February 2051	Carparks	–	70
179 Carpark within Pang Ching Court	6 Chui Chuk Street Wong Tai Sin Kowloon	Medium Lease	30 June 2047	Carparks	–	67
180 Carpark within Chuk Yuen (North) Estate	8 Wing Chuk Street Wong Tai Sin Kowloon	Medium Lease	17 March 2049	Carparks	–	61
<b>Total Portfolio:</b>					<b>1,015,278</b>	<b>79,485</b>

Footnote:

Properties classified as List 2 are those where Government Lease and/or Deed of Mutual Covenant is pending.

## Valuation Report

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地產代理（公司）牌照號碼  
Estate Agent's Licence No: C-004065

28 May 2007

The Board of Directors  
The Link Management Limited  
(for itself as manager of The Link Real Estate  
Investment Trust ("The Link REIT") and  
for and on behalf of The Link REIT)  
18/F, 8 Queen's Road Central  
HONG KONG

Trustee  
HSBC Institutional Trust Services (Asia) Limited  
Level 30  
HSBC Main Building  
1 Queen's Road Central  
HONG KONG

Dear Sirs

### THE LINK REIT – Annual Valuation as at 31 March 2007

#### *Instructions*

We refer to your instructions requesting valuation advice in respect of The Link REIT portfolio. We have specifically been instructed to provide our opinion of the Market Value (as defined below) of the remaining leasehold interest in the properties within the portfolio as at 31 March 2007 subject to all existing and proposed leases/tenancy agreements and occupancy arrangements.

We have prepared comprehensive formal valuation reports in accordance with the requirements of the Letter of Instruction; the SFC REIT Code and the Hong Kong Institute of Surveyors ("HKIS") Valuation Standards on Properties and the following international definition of Market Value, namely:



## Valuation Report



*"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".*

Market Value is also defined on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

- i. a willing, but not anxious, buyer and seller;
- ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- iii. that the property will be reasonably exposed to the market;
- iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued;
- v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
- vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors ("RICS") and the HKIS.

### **Reliance on This Letter**

For the purposes of the annual portfolio valuation as at 31 March 2007, we have prepared this letter which summarises our reports and outlines key factors which we have considered in arriving at our opinion of value. This letter alone does not contain the comprehensive data and support information included in our reports. For further information to that contained herein, reference should be made to the reports, copies of which are held by the Manager of The Link REIT.

CB Richard Ellis has provided the Trustee with a comprehensive valuation report for each of the Properties. The valuations and market information are not guarantees or predictions and must be read in conjunction with the following:

- Each Report is approximately 50 to 60 pages in length and the conclusions as to the estimated values are based upon the factual information set forth in the respective Reports. Whilst CB Richard Ellis has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by The Link Management Limited ("LML") (primarily copies of leases and financial information with respect to the Properties as well as various reports by independent consultants engaged by LML) or the government of Hong Kong (primarily statistical information relating to market conditions and demographics). The Reports contain detailed information which may be required by investors in order to fully understand the complexity of the methodology and the many variables involved.

## Valuation Report



- The methodologies used by CB Richard Ellis in valuing the Properties, namely Discounted Cash Flow Analysis, Capitalisation Approach and Direct Comparison are based upon estimates of future results and are not predictions. These valuation methodologies are briefly summarised in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for each Property are summarised in Valuation Rationale section of this letter.
- The Reports were undertaken based upon information available as at 31 March 2007. CB Richard Ellis accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

### *Summary – The Link REIT Portfolio*

The Link REIT portfolio comprises a diverse range of previously publicly owned retail and car parking facilities within Hong Kong. These properties were originally developed by the Hong Kong Housing Authority ("HKHA") to service the needs of the estates and local catchments across Hong Kong Island, Kowloon and the New Territories. The tenancy mix within these publicly owned facilities is predominantly locally based and includes supermarkets, large Chinese restaurants, fast-food operators and local convenience and service based outlets.

In total, the portfolio includes 180 properties containing a combined Internal Floor Area ("IFA") of circa 1,000,000 square metres and providing circa 80,000 car parking spaces. The variety of property types within the portfolio is extensive, ranging from smaller car parking facilities and retail shops to substantial district shopping centres offering higher order comparison based retailing.

### *Valuation Rationale*

In order to assess the market value of the diverse range of properties included in The Link REIT portfolio, we have considered a broad cross-section of recent retail and carpark sales evidence throughout Hong Kong. The local evidence considered provides an indication of market demand for these investments and helps to establish appropriate market parameters on which our assessment of value has been based. We have additionally had regard to recent market activity involving REIT purchasers in international markets in order to establish the fundamental investment criteria utilised by REIT vehicles.

Having regard to the return driven focus of REIT vehicles, the valuation methodology adopted in assessing the market value of the underlying property assets needs to reflect both the investment criteria and reporting requirements of REIT vehicles. As such, we have relied upon discounted cashflow analysis and a capitalisation approach as our primary valuation methods, supported by the direct comparison method. Although retail investments in Hong Kong are typically valued using a direct

## Valuation Report



comparison approach, this method of valuation has inherent limitations in quantitatively reflecting various property specific characteristics including:

- Quality of existing tenant covenants;
- Lease expiry profile;
- Vacancy rate and leasing potential;
- Passing rents in comparison to market;
- Redevelopment potential;
- Potential for turnover and rental growth.

All of these factors are particularly important to REIT vehicles as they directly impact on the cash flow and growth potential associated with the property (and hence the return to investors in the REIT). In relation to the direct comparison approach, these dynamic factors must all be reflected in a single variable, namely the value rate per square metre.

In contrast, both discounted cash flow analysis and the capitalisation approach can accurately reflect these property specific items by utilising individual assumptions which have been verified by market evidence. The ability to adopt specific assumptions to reflect the tenancy and cash flow profile in both these valuation methods is considered to be particularly relevant for REIT based purchasers where delivering returns to investors is of paramount importance.

The discounted cash flow methodology utilises a Target IRR to determine an assessment over a 10 year investment horizon, and the capitalisation approach is based on the net income profile of the property. Our adopted value falls within the range of these two assessments and reflects an indicated IRR.

A brief summary of each of these valuation methods is provided in the following pages.

### Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental 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, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

The cash flow analysis, which comprises annual income streams, is based upon the following assumptions:

- We have estimated that inflation will grow at rates between 2.50% and 3.10% per annum during next 10 years, reflecting an average growth rate over the forecast cash flow period of 2.72% per annum.
- Rental growth patterns for each individual tenancies and carpark operations reflect the rent review provisions of each lease, including staggered rental increase where applicable. We have assumed that upon expiry of the tenancies and carpark operations, typically new three-year leases will be granted on the basis of a market rent with no annual increases.

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- Other income such as advertising and promotions, casual and sundry income have been forecast to increase annually in accordance with income growth.
- We have forecast total outgoings and outgoings recoveries to increase in accordance with inflation, and in addition, we have deducted rates and government rent, both of which increase annually in accordance with the income growth forecast adopted within our calculations.
- An annual vacancy and bad debts allowance has been provided over various properties within the portfolio. These allowances have been calculated as a proportion of gross income (excluding car parking income) and have been deducted throughout the term of the cash flow. These allowances range reflect the anticipated long term trading position and the likely ongoing level of vacancy within each property.
- An allowance for owner's non-recoverable expenditure calculated initially at 1.0% of gross retail income and forecast to increase in line with inflation is deducted throughout the cash flow.
- Immediate capital expenditure as forecast by the management has been deducted during the first year of the cashflow, together with the ongoing forecast capital expenditure.
- A letting up allowance calculated as three months gross rent together with an incentive allowance of 0.5 month gross rent has been provided on expiry of existing leases. An assumed renewal probability of between 80% and 85% has been included within our letting up calculations for existing leases. A letting up allowance of 12 months gross rent has been provisioned over existing vacancies.
- The property is assumed sold at the end of year 10 at a price based upon the forecast year 11 income, and on the terminal capitalisation rate for the remaining property lease term. Our selected terminal capitalisation rate, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cashflow profile and the overall physical condition of the building in 10 year's time. The adopted terminal capitalisation rate additionally has regard to the duration of the remaining tenure of the property at the end of the cash flow period.
- Acquisition costs and disposal costs have been deducted, equating to 4% and 0.875% respectively.
- The analysis proceeds on a before tax basis, and whilst we have not qualified any potential taxation benefits associated with the properties, we are of the view that these are issues which a prospective purchaser would reflect in its consideration.
- The analysis is based on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.
- We have discounted the income at each year of the cashflow on a midpoint basis which assumes an income of six months in arrears and six months in advance.

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We have investigated the current market requirements for an investment return over a 10-year period from retail and car parking properties. We hold regular discussions with investors active in the market, both as purchasers and owners of shopping centres. From this evidence, we conclude that market expectations for the portfolio are currently in the order of 8.25% to 9.25%, which we have applied within our calculations.

We note that the prevailing Hong Kong 10-year Exchange Fund Notes ("EFN") as at 31 March 2007 is 4.20%, indicating a risk premium of between 4.05% and 5.05%. Based on our analysis of comparable sales within the international REIT market, this slightly higher premium reflects the nature of the portfolio and the inherent investment risks associated with the South-East Asia region and the current status of the prevailing bond rate and capital market in Hong Kong.

### Capitalisation Approach

We have also utilised a capitalisation approach in which the net income on a fully leased basis has been estimated having regard to the current passing rental income and potential future income from existing vacancies. Other income relating to advertising and promotion, casual leasing, sundry items and car parking revenue has additionally been incorporated within our calculations. From this figure, we have deducted outgoings expenditure, rates, government rent, management fees and an ongoing vacancy allowance to reflect possible future vacancies and bad debts. We have additionally incorporated an ongoing other non-recoverable expenditure allowance within our calculations.

The adopted fully leased net income is capitalised over the remaining tenure of the property from the valuation date at appropriate investment yields in order to produce a core capital value. We have applied individual yield to the retail and carpark components of the property to reflect the perceived higher levels of risk associated with the carpark operations. The yields adopted within our calculations generally range from 4.75% to 8.25% for the retail components and from 7.75% to 8.5% for the carpark components. The adopted yields reflect the nature, location and tenancy profile of the various properties together with current market investment criteria, as evidenced by the market evidence considered. Thereafter, appropriate capital adjustments relating to letting up costs associated with existing vacancies, rental reversion adjustments and capital expenditure requirements have been included.

### Direct Comparison Approach

As a supporting method of valuation, we have utilised a direct comparison approach to ensure that the overall value rates (per square metre of IFA and per car parking space) indicated by our DCF and capitalisation approach calculations are within market parameters in the context of the sales evidence considered.

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## Schedule of Values

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
1.	Lok Fu Shopping Centre Kowloon North	38,468.1	793	94.56M	4.94%	1,945.7M	8.25%	1,858.0M	1,901.9M	4.97%	7.94%
	Brief Description:	The property comprises a 4-storey with basement level retail building (Centre No. 1), an adjoining 4-storey carpark building (Carpark No. 1), a 6-storey with basement level retail building (Centre No. 2) and a 2-storey carpark building (Carpark No. 2). The property was completed in two phases in 1983 and 1991 respectively. 793 car parking spaces are provided on the basement floor of Centre No. 1, the basement floor to ground floor of Centre No. 2, and within the carpark buildings. Access to the carparks is via the Junction Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
2.	Chung Fu Shopping Centre Tin Shui Wai	21,395.3	1,177	72.32M	5.91%	1,212.5M	8.50%	1,204.2M	1,208.4M	5.99%	8.45%
	Brief Description:	The property comprises a 9-storey retail building (Phase 1) and a 3-storey retail building (Phase 2) linked by a footbridge on the first floor. In addition, the property also includes a kindergarten and a nursery respectively located on the ground and first floors of the ancillary facilities block of Tin Chung Court. Phase 1 and Phase 2 were completed in 1999 and 2000 respectively. 1,177 car parking spaces are provided from the third floor to eighth floor within Phase 1 of the property and two covered on-street car parking areas located at the northern fringe and south-eastern fringe of the site respectively. Access to the carpark is via Tin Shui Road/ Tin Wing Road entrance.									
	Title Details:	The property is within Section A of Tin Shui Wai Town Lot No. 18 and also comprise 2,021/363,535 shares within The Remaining Portion of Tin Shui Wai Town Lot No. 18 held under Government Lease for a term of 50 years commencing from 8 January 1999.									
3.	Sau Mau Ping Shopping Centre Kowloon East	14,967.5	611	74.23M	5.88%	1,236.0M	8.75%	1,168.5M	1,202.3M	6.17%	8.35%
	Brief Description:	The property comprises a 4-storey retail/carpark building and an 8-storey ancillary facilities building. The property was completed in 2002. 611 car parking spaces are provided on the first and second floor of the retail building and the ground to third floor of the ancillary facilities building. Access to the carpark is via the Sau Fung Street entrance.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6453 held under Government Lease for a term of 50 years commencing from 23 February 2007. (As at the date of valuation, title details are in the process of being transferred.)									
4.	Tsz Lok (Tsz Wan Shan Shopping Centre) Kowloon North	19,500.0	940	56.75M	5.46%	1,186.3M	8.50%	1,156.3M	1,171.3M	4.85%	8.33%
	Brief Description:	The property comprises an 8-storey retail building and an adjoining 4-storey carpark building, a 4-storey carpark building (Carpark Phase 1), a 3-storey carpark building (Carpark Phase 2) and a 3-storey carpark building with ancillary facilities (Carpark Phase 3). The property was completed in 1997. 940 car parking spaces are provided on the second floor of the 8-storey retail building, within Carpark Phase 1, Carpark Phase 2 and Carpark Phase 3. Access to the various carparks is via the Yuk Wah Street, Sheung Fung Street and Wan Wah Street entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Initial Yield	Indicated IRR	
5.	Sheung Tak Shopping Centre Tseung Kwan O	12,292.0	1,280	59.51M	5.86%	1,029.0M	8.50%	1,014.0M	1,021.5M	5.83%	8.40%
	Brief Description:	The property comprises a 4-storey retail building, three 4-storey carpark buildings and a single storey carpark building. The property was completed in 1998. 1,280 car parking spaces are provided within the four carpark buildings and various "open" car parking spaces are located opposite Sheung Mei House. Access to the carpark is via the Tong Ming Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
6.	Kai Tin Shopping Centre Kowloon East	17,161.3	461	51.45M	5.88%	955.9M	8.50%	958.1M	957.0M	5.38%	8.52%
	Brief Description:	The property comprises a 5-storey retail building with a 3-storey extension and two carpark buildings of 6 storeys and 2-storeys respectively. The property was completed in 1999 and the extension was completed in 2003. 461 car parking spaces are provided within the carpark building including some "open" car parking spaces located on the roof level. Access to the 6-storey carpark building is from Kai Tin Road, and access to the 2-storey carpark building is from On Tin Road.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
7.	Yat Tung Shopping Centre Tung Chung	17,918.9	1,900	29.73M	6.29%	684.7M	8.50%	733.4M	709.1M	4.19%	8.95%
	Brief Description:	The property comprises a 3-storey retail building and a 4-storey retail building (together as Yat Tung Shopping Centre) and two 6-storey carpark buildings (Carpark No. 1 and Carpark No. 2). The property was built in phases from 2001 to 2003. The property also includes another carpark building which is currently not in use. 1,900 car parking spaces are provided on the ground to fifth floor of the carpark buildings. Access to the carpark is via the Chung Yan Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
8.	Lung Cheung Mall Kowloon North	14,198.0	473	43.43M	4.96%	900.3M	8.25%	865.2M	882.8M	4.92%	7.98%
	Brief Description:	The property comprises a 4-storey with basement level retail building and an adjoining 4-storey carpark building. The property was completed in 2001. 473 car parking spaces are provided on the third floor of the retail building and within the carpark building. Access to the carpark is via the Wong Tai Sin Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									



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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
9.	Hau Tak (II) Shopping Centre Tseung Kwan O	15,540.2	623	52.74M	6.05%	848.0M	8.75%	782.5M	815.3M	6.47%	8.18%
	Brief Description:	The property comprises a 3-storey retail building (East Wing), a 4-storey retail building (West Wing), a 4-storey carpark building adjoining the East Wing, a 5-storey carpark building adjoining the West Wing, open car parks and associated areas. The property was completed in 1993. 623 car parking spaces are provided within the two carpark buildings and various "open" car parking areas are located along the roads within the estate. Access to the carpark is via Sheung Ning Road (West Wing) and Pui Shing Road (East Wing).									
	Title Details:	The property comprises 49,962/324,918 shares is within Tseung Kwan O Town Lot No. 99 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
10.	Tin Chak Shopping Centre Tin Shui Wai	13,190.2	302	44.01M	6.28%	733.9M	8.75%	710.3M	722.1M	6.10%	8.52%
	Brief Description:	The property comprises a 4-storey retail building and an adjacent 4-storey carpark building. The property was completed in 2001. There are a total of 302 car parking spaces from the ground to the third floor of the carpark building within the estate. Access to the carpark is via the Tin Shui Road entrance.									
	Title Details:	The property comprises 38,810/272,897 within Tin Shui Wai Town Lot No. 37 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
11.	Wong Tai Sin Shopping Centre Kowloon North	14,123.3	688	35.91M	5.64%	666.4M	8.25%	655.4M	660.9M	5.43%	8.15%
	Brief Description:	The property comprises a 3-storey retail building with 1 basement level, an adjoining 5-storey carpark building, a single storey carpark building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Lung Lok House and Lung On House. The property was built in phases from 1982 to 1983. 688 car parking spaces are provided on the basement floor of the retail building and within the two carpark buildings. The total car parking spaces also includes various "open" car parking areas located at the northern side of Lung Tai House. Access to the carparks is via the Ching Tak Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
12.	Choi Ming Shopping Centre Tseung Kwan O	8,703.1	765	43.75M	6.14%	684.5M	8.50%	688.3M	686.4M	6.37%	8.54%
	Brief Description:	The property comprises a 4-storey with basement level retail building (Choi Ming Shopping Centre), the ground floor of a 6-storey retail/carpark building (Choi Ming Shopping Centre extension), and an 8-storey carpark building. Choi Ming Shopping Centre was completed in 2001 and the extension in 2003. 765 car parking spaces are provided on the basement to the ground floor of Choi Ming Shopping Centre, within the 8-storey carpark building and various "open" car parking spaces located across the carpark building. The car parking spaces located within the extension building do not form part of the property. Access to the carpark is via Choi Ming Street entrance.									
	Title Details:	The property comprises 44,614/346,996 shares within Tseung Kwan O Town Lot No. 82 held under Government Lease for a term of 50 years commencing from 4 May 2001.									
13.	Yau Mei & Ko Cheung (Lei Yue Mun Plaza) Kowloon East	9,165.1	0	39.83M	5.75%	735.3M	8.50%	727.6M	731.5M	5.44%	8.43%
	Brief Description:	The property comprises a 4-storey retail building. It was completed in 2001.									
	Title Details:	The property comprises 19,357/392,161 shares within New Kowloon Inland Lot No. 6459 held under Government Lease for a term of 50 years commencing from 3 June 2005.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
14.	Tai Wo Shopping Centre Tai Po	13,492.1	454	33.91M	5.89%	598.9M	8.25%	609.4M	604.2M	5.61%	8.36%
	Brief Description:	The property comprises a 3-storey with basement level retail building (Phase 1) and a 2-storey with basement level retail building (Phase 2) linked by a footbridge across the KCR East Rail Tai Wo Station. In addition, the property also includes various shop units located within the residential blocks of Oi Wo House and On Wo House. The property was completed in 1989. 454 car parking spaces are provided within the basement level of Phase 1 and the basement level and ground floor of Phase 2 of the property. Access to the Phase 1 and Phase 2 carparks is via the Kai Wo Road and Po Nga Road entrances respectively.									
	Title Details:	The property comprises 40,117/414,930 shares within Tai Po Town Lot No. 176 held under Government Lease for a term of 50 years commencing from 10 February 2000.									
15.	Leung King Shopping Centre Tuen Mun	18,327.4	616	44.77M	7.08%	641.6M	9.00%	630.1M	635.9M	7.04%	8.87%
	Brief Description:	The property comprises a 4-storey retail building and an adjoining 5-storey carpark building. It was completed in 1988. 616 car parking spaces are provided within the carpark building and various "open" car parking spaces along the road within the estate. Access to the carpark is via the Tin King Road entrance.									
	Title Details:	The property comprises 54,922/426,295 within Tuen Mun Town Lot No. 458 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
16.	Butterfly Shopping Centre Tuen Mun	15,290.1	313	39.71M	7.05%	604.8M	9.00%	587.0M	595.9M	6.66%	8.79%
	Brief Description:	The property comprises a 3-storey retail building with market, a 4-storey carpark building, various cooked food stalls, open car park, open loading/unloading bay, and associated areas. In addition, the property also includes various shop units located within the residential blocks of Tip Ling House and Tip Sum House. The property was completed in 1983. 313 car parking spaces are provided within the carpark building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Tip King Road entrance.									
	Title Details:	The property comprises 38,316/248,783 within Tuen Mun Town Lot No. 473 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
17.	Tin Yiu Shopping Centre Tin Shui Wai	7,844.0	480	32.83M	6.69%	519.3M	8.75%	511.7M	515.5M	6.37%	8.65%
	Brief Description:	The property comprises a 4-storey retail/carpark building which was completed in 1992, open car parks and associated area. 480 car parking spaces are provided within the two basement levels of the building and 3 "open" car parking areas along the roads within the estate. Access to the carpark is via the Tin Wu Road entrance.									
	Title Details:	The property comprises 31,581/574,611 within Tin Shui Wai Lot No. 38 held under Government Lease for a term of 50 years commencing from 17 September 2005.									
18.	Cheung Fat Shopping Centre Tsing Yi	13,741.0	590	36.14M	7.39%	532.1M	9.00%	520.2M	526.2M	6.87%	8.84%
	Brief Description:	The property comprises a 6-storey with basement level retail building which was completed in 1989. 590 car parking spaces are provided on the basement level to second floor of the property. Access to the carpark is via the Tam Kon Shan Road entrance.									
	Title Details:	The property comprises 49,331/171,904 within Tsing Yi Town Lot No. 172 held under Government Lease for a term of 50 years commencing from 22 December 2005.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
19.	Stanley Plaza Hong Kong South	8,615.3	426	31.62M	5.72%	549.6M	8.25%	555.7M	552.7M	5.72%	8.32%
	Brief Description:	The property comprises a 6-storey retail/carpark building (Stanley Plaza), 3-storey retail building (Murray House) and a 2-storey carpark building. The property also includes 2 shop units located within the residential blocks of Leung Ma House. The property was built in phases, from 1999 to 2000. The total of 426 car parking spaces are provided on the second to fourth floor of the retail/carpark building and on the lower ground, second to lower ground first floor of the carpark building. The total car parking spaces also include various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Cape Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
20.	Wo Che Commercial Centre Shatin	17,332.8	828	30.95M	7.16%	495.6M	9.00%	482.4M	489.0M	6.33%	8.81%
	Brief Description:	The property comprises a 4-storey retail/carpark building, 4 carparks under the podium of residential blocks, 3 isolated cooked food stalls and various retail shops on the ground floor of Foo Wo House and Tai Wo House. The property was completed in 1977. 828 car parking spaces are provided within the carpark building, the 4 carparks under the podium of residential blocks, and the open car parking area within the estate. Access to the carpark is via the Tak Hau Street entrance.									
	Title Details:	The property is within Sha Tin Town Lot No. 549 held under Government Lease for a term of 50 years commencing from 23 February 2007. (As at the date of valuation, title details are in the process of being transferred)									
21.	Chuk Yuen Shopping Centre Kowloon North	12,928.7	1,103	34.35M	7.58%	533.7M	9.25%	523.5M	528.6M	6.50%	9.11%
	Brief Description:	The property comprises a 5-storey retail building, a 4-storey carpark building and various cooked food stalls. In addition, the property also includes various premises within the residential block of Sau Yuen House. The property was completed in 1984. 1,103 car parking spaces are provided on the ground floor within the retail building and within the 4-storey carpark building. Access to the carpark is via the Wong Tai Sin Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
22.	Po Tat Shopping Centre Kowloon East	6,883.2	1,083	24.63M	6.41%	449.5M	8.75%	442.4M	446.0M	5.52%	8.64%
	Brief Description:	The property comprises a 6-storey retail and car park building and two 3-storey carpark buildings. The property was completed in 2002. 1,083 car parking spaces are provided on the ground to first floor and third to sixth floor of the retail building, as well as within the carpark buildings. Access to the carpark is via the Po Lam Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
23.	Siu Sai Wan Shopping Centre Hong Kong East	8,988.3	558	28.63M	6.64%	443.9M	8.75%	449.0M	446.5M	6.41%	8.83%
	Brief Description:	The property comprises a 5-storey retail building, a 6-storey carpark building and another 2-storey carpark building. The property was completed in 1989. 558 car parking spaces are provided within the two carpark buildings and various "open" car parking spaces located at the roads within the estate. Access to the carparks is via the Siu Sai Wan Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
24.	Oi Man Shopping Centre Kowloon Central	18,911.7	808	23.23M	7.34%	421.3M	9.00%	427.0M	424.2M	5.48%	9.10%
	Brief Description:	The property comprises a 3-storey retail building with an adjoining 3-storey car park building, a 3-storey car park building, a single storey wet market building, open car parks and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Chiu Man House, Hong Man House and Chung Man House. The property was completed in 1975. 808 car parking spaces are provided within the two car park buildings. Access to the car parks is via the Chung Hau Street entrance.									
	Title Details:	The property comprises 54,395/204,983 shares within Kowloon Inland Lot No. 9826 held under Conditions of Grant No. 10562 for a term of 75 years commencing from 1 April 1968.									
25.	Ho Man Tin Plaza Kowloon Central	9,487.0	299	24.18M	5.81%	426.1M	8.25%	435.4M	430.8M	5.61%	8.40%
	Brief Description:	The property comprises a 4-storey retail building and an adjoining 3-storey carpark building and associated areas which were completed in 2000. 299 car parking spaces are provided within the carpark building. Access to the carpark is via the Sheung Lok Street entrance.									
	Title Details:	The property comprises 3,411/57,202 shares within Section A of Kowloon Inland Lot No. 11119 and 20,327/214,270 shares within The Remaining Portion of Kowloon Inland Lot No. 11119 held under Government Lease for a term of 50 years commencing from 20 November 1998.									
26.	Tin Shing Shopping Centre Tin Shui Wai	7,418.0	1,458	33.12M	6.66%	471.9M	8.75%	462.8M	467.4M	7.09%	8.61%
	Brief Description:	The property comprises an 8-storey retail building, a kindergarten and play area and a nursery of Tin Shing Court. The property was completed in 2000. 1,458 car parking spaces are provided from the second to seventh floor within the carpark building. Access to the carpark is via the Tin Yiu Road entrance.									
	Title Details:	The property is within Section A of Tin Shui Wai Town Lot No. 17 and comprises 1,480/357,800 shares within The Remaining Portion of Tin Shui Wai Town Lot No. 17 held under Government Lease for a term of 50 years commencing from 28 November 1997.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
27.	Tak Tin Shopping Centre Kowloon East	8,399.2	754	28.19M	6.88%	412.5M	8.75%	398.4M	405.5M	6.95%	8.50%
	Brief Description:	The property comprises a 4-storey retail building, a 7-storey carpark building (Carpark No. 1), a 6-storey carpark building (Carpark No. 2) and a 2-storey carpark podium (Carpark No. 3) located within the residential block of Tak Hong House. In addition, the property also includes various shop units located within the residential block of Tak King House. The property was completed in 1991. 754 car parking spaces are provided on the ground to fifth floor of Carpark No.1, the ground to third floor of Carpark No. 2, and the ground floor of Carpark No. 3. The property also includes various "open" car parking spaces provided within three car parking areas and along the roads within the estate. Access to the car parks is via the Pik Wan Road entrance.									
	Title Details:	The property comprises 25,782/308,756 shares within New Kowloon Inland Lot No. 6326 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
28.	Choi Yuen Shopping Centre Fanling/ Sheung Shui	12,120.0	536	26.14M	7.16%	395.1M	8.75%	407.5M	401.3M	6.51%	8.97%
	Brief Description:	The property comprises a 5-storey with basement level retail building, open car parks and associated areas. In addition, the property also includes various shop units located within the residential blocks of Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House. The property was completed in 1982. 536 car parking spaces are provided from lower ground first floor to second floor within the retail building. In addition, various "open" car parking spaces area located along the roads within the estate. Access to the carpark is via the Choi Yuen Road entrance.									
	Title Details:	The property comprises 34,746/286,392 within Fanling Sheung Shui Town Lot No. 230 held under Government Lease for a term of 50 years commencing from 17 September 2005.									
29.	Tin Shui Shopping Centre Tin Shui Wai	6,948.1	577	24.59M	6.83%	388.4M	8.75%	388.1M	388.3M	6.33%	8.74%
	Brief Description:	The property comprises a 2-storey retail building and an adjoining 4-storey retail/carpark building which was completed in 1992. 577 car parking spaces are provided within the retail/carpark building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Tin Shui Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
30.	Oi Tung Shopping Centre Hong Kong East	7,610.0	634	21.81M	6.26%	363.4M	8.50%	364.4M	363.9M	5.99%	8.52%
	Brief Description:	The property comprises a 3-storey retail building and a 6-storey carpark building located within the residential block of Oi Sin House. The property was completed in 2000. 634 car parking spaces are provided within the carpark podium. Access to the carpark is via the Aldrich Bay Road entrance.									
	Title Details:	The property comprises 34,910/194,191 shares within Shau Kei Wan Inland Lot No. 849 held under Government Lease for a term of 50 years commencing from 17 September 2005.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
31.	Sha Kok Commercial Centre Shatin	10,490.5	662	23.34M	7.83%	332.7M	9.25%	329.5M	331.1M	7.05%	9.18%
	Brief Description:	The property comprises a 4-storey retail building and three isolated cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Osprey House and Sand Martin House. The property was completed in 1980. 662 car parking spaces are provided from the ground floor to first floor within the retail building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Sha Kok Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
32.	Shun Lee Commercial Centre Kowloon East	18,887.9	731	23.91M	7.81%	355.7M	9.25%	358.6M	357.2M	6.70%	9.30%
	Brief Description:	The property comprises a 3-storey retail building (Shopping Complex I), a 3-storey retail building (Shopping Complex II), two 3-storey carpark buildings and a single storey carpark building. In addition, the property also includes various shops units located within the residential blocks of Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House. The property was completed in 1978. 731 car parking spaces are provided within the three carpark buildings and various "open" car parking spaces located along the roads within the estate. Access to the carparks is via the Lee On Road and Shun King Street entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
33.	Kwong Yuen Shopping Centre Shatin	7,561.0	736	25.02M	7.45%	345.9M	9.00%	345.7M	345.8M	7.23%	9.00%
	Brief Description:	The property comprises five 2-storey retail buildings (Commercial Block Nos. 1 to 5), a 5-storey carpark building with a wet market on Floor 5 (Carpark No. 1), a 6-storey carpark building (Carpark No. 2.) and open car parks. The property was completed in 1991. 736 car parking spaces are provided from first floor to fourth floor within Carpark No. 1 and within Carpark No. 2. Access to the carpark is via the Siu Lek Yuen Road entrance.									
	Title Details:	The property comprises 29,929/279,026 within Sha Tin Town Lot No. 506 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
34.	Chung On Shopping Centre Ma On Shan	7,488.3	995	25.00M	7.56%	342.7M	9.00%	347.6M	345.2M	7.24%	9.10%
	Brief Description:	The property comprises a 5-storey retail and carpark building which was completed in 1996, open car parks and associated areas. 995 car parking spaces are provided on the second floor to fourth floor of the building and various "open" car parking spaces along the road within the estate. Access to the carpark is via the Hang Hong Street entrance.									
	Title Details:	The property comprises 41,385/223,386 within Sha Tin Town Lot No. 544 held under Government Lease for a term of 50 years commencing from 14 October 2005.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
35.	Heng On Commercial Centre Ma On Shan	9,987.0	585	27.35M	7.45%	368.1M	9.00%	371.1M	369.6M	7.40%	9.06%
	Brief Description:	The property comprises a 5-storey retail and carpark building which was completed in 1987 together with associated areas and lorry parking spaces along the estate road. 585 car parking spaces are provided on the ground floor and first floor of the building as well as various "open" car parking spaces which are located along the roads within the estate. Access to the carpark is via the Hang Kam Street entrance.									
	Title Details:	The property is within Sha Tin Town Lot No. 500 held under Government Lease for a term of 50 years commencing from 8 April 1998.									
36.	Fu Tung Shopping Centre Tung Chung	9,261.0	537	24.21M	6.55%	351.2M	8.75%	339.6M	345.4M	7.01%	8.51%
	Brief Description:	The property comprises a 4-storey retail building and a 3-storey carpark building. The property was completed in 1997. 537 car parking spaces are provided on the ground to second floors of the carpark building. Access to the carpark is via the Tat Tung Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
37.	Choi Wan Commercial Complex Kowloon North	15,887.7	859	25.33M	7.39%	378.7M	9.00%	371.6M	375.2M	6.75%	8.87%
	Brief Description:	The property comprises a 5-storey retail building (Commercial Complex 1), a 7-storey retail building (Commercial Complex 2), a 5-storey carpark building, a 2-storey market building (Phase II Market), various shops within Fei Fung House and various cooked food stalls. The property was completed in 1980. 859 car parking spaces are provided from lower ground first floor to first floor within Commercial Complex 1, from third floor to sixth floor within Commercial Complex 2 and within the carpark building. Access to the carpark is via the Choi Fung Path and Ngan Ho Path entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
38.	Po Lam Shopping Centre Tseung Kwan O	9,270.3	398	22.28M	7.60%	328.1M	9.25%	323.3M	325.7M	6.84%	9.14%
	Brief Description:	The property comprises a 3-storey retail building (Po Lam Shopping Centre), a 2-storey retail building (Market Building) and a 3-storey carpark building. In addition, the property also includes various shop units located within the residential block of Po Kan House. The property was completed in 1989. 398 car parking spaces are provided on the carpark building and three "open" car parking areas located within the estate. Access to the carpark is via the Po Lam Road North entrance.									
	Title Details:	The property comprises 25,495/341,494 shares within Tseung Kwan O Town Lot No. 88 held under Government Lease for a term of 50 years commencing from 19 October 2004.									



## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
39.	Shan King Commercial Centre Tuen Mun	11,550.6	638	18.10M	8.03%	284.5M	9.25%	288.5M	286.5M	6.32%	9.35%
	Brief Description:	The property comprises a 5-storey retail building, a 4-storey carpark building and various cooked food stalls near King Yip House and King Lok House. The property was completed in 1983. 638 car parking spaces are provided on the first to fifth floor of the retail building and on the ground to second floor of the carpark building. Access to the carpark is mainly via the Ming Kum Road/ Shek Pei Tau Road entrance.									
	Title Details:	The property comprises 41,369/477,867 within Tuen Mun Town Lot No. 469 held under Government Lease for a term of 50 years commencing from 20 August 2004.									
40.	Fu Shin Shopping Centre Tai Po	9,058.4	525	20.42M	7.39%	301.9M	9.00%	294.5M	298.2M	6.85%	8.83%
	Brief Description:	The property comprises a 6-storey retail building and various cooked food stalls. It was completed in 1986. 525 car parking spaces are provided within the retail building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the On Po Lane entrance.									
	Title Details:	The property comprises 33,761/330,620 shares within Tai Po Town Lot No. 189 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
41.	Tsui Ping North Shopping Circuit Kowloon East	10,203.1	421	18.48M	7.35%	298.6M	9.00%	300.7M	299.7M	6.17%	9.05%
	Brief Description:	The property comprises a 2-storey retail podium located within various interlinked residential blocks and a 4-storey carpark building, open car parks and portions of integrated HA accommodation. The property was completed in 1990. 421 car parking spaces are provided on the ground floor of the retail podium and the carpark building. The total car parking spaces also include various "open" car parking spaces located along the roads within the estate. Access to the carpark is via the Tsui Ping Road entrance.									
	Title Details:	The property comprises 31,542/345,220 shares within Kwun Tong Inland Lot No. 754 held under Government Lease for a term of 50 years commencing from 24 January 2002.									
42.	Fung Tak Shopping Centre Kowloon North	6,766.0	487	19.04M	7.19%	284.8M	9.00%	279.2M	282.0M	6.75%	8.86%
	Brief Description:	The property comprises a 5-storey retail building and an adjoining 6-storey carpark building. The property was completed in 1991. 487 car parking spaces are provided on the ground and first floor within the retail building and within the carpark building. Access to the carparks is via the Fung Tak Road entrance.									
	Title Details:	The property is within Sections A and C of New Kowloon Inland Lot No. 6318 and comprises 1,070/202,138 shares within The Remaining Portion of New Kowloon Inland Lot No. 6318 held under Government Lease for a term of 50 years commencing from 8 April 1998.									
43.	Hin Keng Shopping Centre Shatin	8,895.5	636	22.25M	7.81%	291.7M	9.25%	288.9M	290.3M	7.66%	9.18%
	Brief Description:	The property comprises a 6-storey retail building (Wing A), a 3-storey retail building (Wing B), open car parks, and three isolated cooked food stalls. The property was completed in 1987. 636 car parking spaces are provided from the third floor to fifth floor within Wing A of the property. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Che Kung Miu Road entrance.									
	Title Details:	The property comprises 37,320/396,392 within Sha Tin Town Lot No. 503 held under Government Lease for a term of 50 years commencing from 10 February 2000.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
44.	Yau Oi Commercial Centre Tuen Mun	9,386.6	780	21.35M	8.07%	283.8M	9.25%	280.5M	282.2M	7.57%	9.16%
	Brief Description:	The property comprises a 3-storey retail building (Restaurant Block), an adjoining single storey retail podium, a 5-storey carpark building with market, another 3-storey carpark building with market, another 3-storey carpark building, and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Oi Yung House. The property was completed in 1980. 780 car parking spaces are provided within the first floor to fourth floor of the 5-storey carpark building and within the 3-storey carpark building. Access to the carpark is via the Yau Oi Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
45.	Fu Tai Shopping Centre Tuen Mun	5,825.0	635	19.45M	6.50%	317.2M	8.75%	312.3M	314.8M	6.18%	8.64%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 6-storey building. The property was completed in 2000. 635 car parking spaces are provided within the carpark building. Access to the carpark is via the Tuen Kwai Road entrance.									
	Title Details:	The property comprise 38,769/382,833 shares within Tuen Mun Town Lot No. 418 held under Government Lease for a term of 50 years commencing from 12 March 2001.									
46.	Lei Tung Commercial Centre Hong Kong South	8,725.5	687	15.59M	7.61%	256.3M	9.25%	251.1M	253.7M	6.15%	9.10%
	Brief Description:	The property comprises a 5-storey retail building (Phase 1), and a 4-storey with 3 basement levels retail/carpark building (Phase 2), which are linked by 2 footbridges across the Lei Tung Estate Bus Terminus. In addition, the property also includes a 2-storey carpark building (Carpark No. 1) and a 3-storey carpark building (Carpark No. 2). The property was completed in 1988. 687 car parking spaces are provided on the three basement levels of Phase 2, and on the ground to first floor of both Carpark No. 1 and Carpark No. 2. Access to the carparks is via the Lei Tung Estate Road entrance.									
	Title Details:	The property comprises 45,424/451,716 shares within Ap Lei Chau Inland Lot No. 133 held under Government Lease for a term of 50 years commencing from 20 December 2004.									
47.	Kwai Shing East Shopping Centre Tsuen Wan/ Kwai Chung	10,671.2	583	10.49M	6.90%	243.6M	8.75%	244.3M	244.0M	4.30%	8.77%
	Brief Description:	The property comprises a 5-storey retail building (Shopping Centre), a stand-alone single storey retail building, a single storey carpark podium under Shing Ka House and a carpark storey on the fourth floor of the Regional Maintenance Office. The property was completed in 1999. 583 car parking spaces are provided on the second floor to fourth floor within the Shopping Centre, on the fourth floor of the Regional Maintenance Office and within the carpark under Shing Ka House. Access to the carpark is via the Kwai Shing Circuit/ Kwai Hau Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
48.	Lung Hang Commercial Centre Shatin	6,474.7	440	18.25M	7.39%	273.4M	9.00%	270.9M	272.2M	6.70%	8.93%
	Brief Description:	The property comprises a 3-storey retail building with basement level connected with a single storey wet market building, a separate single storey carpark building and three cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Wing Sam House. The property was completed in 1983. 440 car parking spaces are provided on the lower ground first floor of the retail building and within the separate carpark building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark within the retail building is via the Tin Sam Street entrance while the latter is accessible via the Fu Kin Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
49.	Fu Heng Shopping Centre Tai Po	5,198.3	517	19.89M	7.45%	258.6M	9.00%	258.4M	258.5M	7.69%	8.99%
	Brief Description:	The property comprises a 3-storey with basement level retail building and a stand-alone 2-storey carpark building. The property was completed in 1990. 517 car parking spaces are provided within the basement level and the ground floor of the retail building and the stand-alone carpark building. In addition, various "open" car parking spaces are located along roads within the estate. Access to the carpark within the retail building is via the Ting Lai Road entrance, and that to the carpark building is via the Chung Nga Road entrance.									
	Title Details:	The property comprises 22,900/358,013 shares within Tai Po Town Lot No. 178 held under Government Lease for a term of 50 years commencing from 10 February 2000.									
50.	Cheung Hong Commercial Centre Tsing Yi	12,636.3	709	20.10M	7.67%	290.0M	9.25%	282.2M	286.1M	7.02%	9.06%
	Brief Description:	The property comprises a 5-storey retail building (Commercial Centre No. 1) in Phase I, a 4-storey retail building (Commercial Centre No. 2), an adjoining 2-storey retail building linked by a footbridge on the third floor, and a 3-storey car park building in Phase II. In addition, the property also includes various isolated cooked food stalls and various shop units located within the residential blocks of Hong Kwai House, Hong Tai House, Hong Fu House, Hong Shun House and Hong Mei House, and various wet market stalls located within the residential block of Hong Wo House. The property was completed in 1980. 709 car parking spaces are provided on the lower ground first floor within Commercial Centre No. 1, within the 3-storey car park building, and on the ground floor of the 2-storey retail building. Access is via the Chung Mei Road and Ching Hong Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
51.	Yu Chui Shopping Centre Shatin	10,327.6	1,175	11.09M	6.68%	247.0M	8.75%	247.9M	247.5M	4.48%	8.77%
	Brief Description:	The property comprises a 7-storey retail building and a free-standing 4-storey ancillary facilities building. The property was completed in 2001. 1,175 car parking spaces are provided from the third floor to sixth floor within the retail building and from ground floor to fourth floor within the ancillary facilities building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Chui Yan Street entrance.									
	Title Details:	The property comprises 48,967/361,200 within Sha Tin Town Lot No. 462 held under Government Lease for a term of 50 years commencing from 18 May 2001.									
52.	Tai Wo Hau Commercial Centre Tsuen Wan/ Kwai Chung	7,278.6	609	15.64M	7.90%	234.8M	9.25%	237.2M	236.0M	6.63%	9.32%
	Brief Description:	The property comprises a 4-storey retail building (Commercial Centre 1), a single storey retail building (Commercial Centre 2), a 4-storey carpark building, a single storey carpark under Tai Wo Hau Indoor Recreation Centre, and a 2-storey carpark under Tai Wo Hau Community Centre. In addition, the property also includes various shop units located within the residential blocks of Fu Pik House, Fu Tak House and Fu On House. The property was built in phases, from 1984 to 1993. 609 car parking spaces are provided on the ground floor within Commercial Centre 1 and within the three carpark buildings. In addition, various "open" car parking spaces are located outside Fu Wah House within the estate. Access to the carpark is via the Shek Tau Street/ Tai Ha Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
53.	Wah Ming Shopping Centre Fanling/ Sheung Shui	6,226.0	295	15.34M	7.39%	224.6M	9.00%	221.2M	222.9M	6.88%	8.89%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 3-storey retail/carpark building which are linked by a footbridge on the second floor. The property was completed in 1990. 295 car parking spaces are provided within the second floor of the retail building and the first and second floors of the retail/carpark building. Access to the carpark is via the Wah Ming Road entrance.									
	Title Details:	The property comprises 22,726/324,858 shares within Fanling Sheung Shui Town Lot No. 204 held under Government Lease for a term of 50 years commencing from 18 March 1999.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
54.	Sun Chui Shopping Centre Shatin	6,362.6	620	15.88M	7.83%	224.1M	9.25%	221.5M	222.8M	7.13%	9.17%
	Brief Description:	The property comprises a 2-storey retail building linked with a single storey wet market building, a 6-storey carpark building, two single storey carpark buildings and three isolated cooked food stalls. In addition, the property also includes the M.A.C. office unit located within the residential block of Sun Yee House. The property was completed in 1983. 620 car parking spaces are provided within the three carpark buildings. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Chui Tin Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
55.	Lek Yuen Commercial Complex Shatin	11,029.2	438	16.30M	8.00%	249.5M	9.25%	247.3M	248.4M	6.56%	9.19%
	Brief Description:	The property comprises a 3-storey retail building, an ancillary 3-storey retail building with wet market and retail area (Ancillary Block No. 1), several cooked food stalls adjacent to the wet market, and a 3-storey retail building adjacent to Wing Shui House with a Chinese restaurant (Ancillary Block No. 2). In addition, the property also includes various shop units located within the residential blocks of Fook Hoi House, Wah Fung House and Fu Yu House. The property was completed in 1976. 438 car parking spaces are provided on the ground floor within the retail building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Wo Che Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
56.	Tai Yuen Commercial Centre Tai Po	11,928.1	594	15.37M	7.40%	250.5M	9.00%	243.7M	247.1M	6.22%	8.80%
	Brief Description:	The property comprises a 4-storey retail building (Commercial Centre No. 1), a 2-storey retail building (Annex Block) that is inter-linked with a 2-storey with basement retail building (Commercial Centre No. 2), as well as a stand-alone 4-storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Tai Man House, Tai Tak House and Tai Wing House. The property was completed in 1980. 594 car parking spaces are provided within Commercial Centre No. 2, the carpark building, and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the On Cheung Road and On Tai Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
57.	Kwong Fuk Commercial Centre Tai Po	6,595.0	461	17.28M	7.81%	240.9M	9.25%	236.7M	238.8M	7.24%	9.12%
	Brief Description:	The property comprises a 5-storey retail building with recreational areas on the podium level, various shop units located within the residential block of Kwong Yan House and various cooked food stalls. The property was completed in 1983. 461 car parking spaces are provided within the ground floor and first floor of the property. Access to the carpark is via the Plover Cove Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
58.	Yung Shing Shopping Centre Fanling/ Sheung Shui	5,472.5	283	14.08M	6.84%	222.3M	8.75%	218.3M	220.3M	6.39%	8.62%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 7-storey retail/carpark building which was completed in 1999. 283 car parking spaces are provided within the retail/carpark building. Access to the carpark is via the Fai Ming Road entrance.									
	Title Details:	The property comprises 12,641/161,475 shares within Fanling Sheung Shui Town Lot No. 207 held under Government Lease for a term of 50 years commencing from 16 July 1999.									
59.	Kwai Fong Shopping Centre Tsuen Wan/ Kwai Chung	5,450.0	483	13.64M	7.54%	209.0M	9.00%	207.4M	208.2M	6.55%	8.94%
	Brief Description:	The property comprises a 2-storey retail building, a 3-storey carpark building and a 4-storey carpark building. In addition, the property also includes various shop units located within the residential block of Kwai Kin House. The property was built in phases, from 1995 to 2000. 483 car parking spaces are provided within the two carpark buildings of the property. Access to the carpark is via the Hing Fong Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
60.	Lee On Shopping Centre Ma On Shan	4,631.2	390	15.04M	7.47%	217.3M	9.00%	214.8M	216.1M	6.96%	8.91%
	Brief Description:	The property comprises a 4-storey retail building which was completed in 1993. 390 car parking spaces are provided on the lower ground third floor and lower ground second floor within the retail building and various "open" car parking spaces along roads within the estate. Access to the carpark is via the Kam Ying Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
61.	Lok Wah Commercial Centre Kowloon East	10,053.6	650	12.28M	7.34%	199.3M	9.00%	197.8M	198.6M	6.18%	8.94%
	Brief Description:	The property comprises a 3-storey retail/carpark building and an adjoining 4-storey carpark building. In addition, the property also includes various shop units located under the residential block of Shun Wah House and Ning Wah House. The property was completed in 1985. 650 car parking spaces are provided on the ground floor of the retail building and the carpark building of the property. The property also includes various "open" car parking spaces located outside the retail building. Access to the carpark is via the Chun Wah Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
62.	King Lam Shopping Centre Tseung Kwan O	5,376.9	418	16.08M	7.67%	217.5M	9.25%	213.8M	215.7M	7.45%	9.12%
	Brief Description:	The property comprises a 4-storey retail/carpark building, in addition to various shop units located within the residential block of King Chung House. The property was completed in 1990. 418 car parking spaces are provided on the first to third floor of the retail/carpark building. Access to the carpark is via the Po Lam Road North entrance.									
	Title Details:	The property comprises 18,412/278,433 shares within Tseung Kwan O Town Lot No. 83 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
63.	Kam Tai Shopping Centre Ma On Shan	4,294.0	758	14.19M	7.15%	194.3M	8.75%	193.8M	194.1M	7.31%	8.72%
	Brief Description:	The property comprises a 7-storey retail/carpark building which was completed in 2000. 758 car parking spaces are provided from the second floor to sixth floor within the retail building. Access to the carpark is via the Ning Tai Road entrance.									
	Title Details:	The property comprises 31,347/32,708 shares within Sha Tin Town Lot No. 447 held under Government Lease for a term of 50 years commencing from 29 June 1998.									
64.	Shek Yam Shopping Centre Tsuen Wan/ Kwai Chung	6,729.0	424	11.50M	7.39%	225.1M	9.00%	225.5M	225.3M	5.10%	9.01%
	Brief Description:	The property comprises a 7-storey retail/carpark building and an adjoining 2-storey carpark building. The property was completed in 2000. 424 car parking spaces are provided on the first floor to fourth floor within the retail building and within the carpark building. Access to the carpark is via the Lei Muk Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									



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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
65.	Tai Hing Commercial Centre Tuen Mun	10,881.0	672	16.64M	8.25%	233.9M	9.25%	240.0M	237.0M	7.02%	9.43%
	Brief Description:	The property comprises two 2-storey retail buildings which were completed in 1977. 672 car parking spaces are provided within the various "open" car parking areas within the estate. Access to the carpark is via entrances at Tai Hing Street and Tai Fong Street.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
66.	Shek Lei Shopping Centre Phase II Tsuen Wan/ Kwai Chung	7,803.4	179	12.76M	6.83%	220.2M	8.75%	220.7M	220.5M	5.79%	8.76%
	Brief Description:	The property comprises a 6-storey retail building. The property was completed in 1999. 179 car parking spaces are provided on fourth to fifth floor within the retail building. Access to the carpark is via the Shek Li Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
67.	Hing Wah Shopping Centre Hong Kong East	7,222.1	268	13.47M	6.48%	221.7M	8.75%	213.3M	217.5M	6.19%	8.48%
	Brief Description:	The property comprises a 2-storey retail building and an 8-storey carpark building. The property was completed in 2000. 268 car parking spaces are provided on the ground to fifth floor of the carpark building and various "open" car parking spaces located on the podium level of the retail building. Access to the carpark is via the Wan Tsui Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
68.	Shek Wai Kok Commercial Centre Tsuen Wan/ Kwai Chung	12,172.5	578	10.84M	8.25%	184.1M	9.25%	191.7M	187.9M	5.77%	9.54%
	Brief Description:	The property comprises a 4-storey retail building, with an adjoining 3-storey carpark building (Carpark Block 1) and a 4-storey carpark building (Carpark Block 2). In addition, the property also includes various shop units located within the residential blocks of Shek Fong House and Shek Ho House. It was completed in 1980. 578 car parking spaces are provided on the first floor of the Carpark Block 1 and within the Carpark Block 2. In addition, the total car parking spaces also include various "open" car parking spaces next to the retail building. Access to the carpark is via the Shek Wai Kok Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
69.	Yiu On Shopping Centre Ma On Shan	4,956.3	547	16.40M	7.87%	209.6M	9.25%	212.2M	210.9M	7.77%	9.34%
	Brief Description:	The property comprises a 6-storey retail and carpark building which was completed in 1989. 547 car parking spaces are provided on the first floor to fifth floor and various "open" car parking spaces on the roof level of the property. Access to the carpark is via the Hang Hong Street entrance.									
	Title Details:	The property comprises 12,616/306,501 shares within Sha Tin Town Lot No. 505 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
70.	On Ting Commercial Complex Tuen Mun	9,442.6	546	12.76M	7.35%	207.8M	9.00%	200.6M	204.2M	6.25%	8.76%
	Brief Description:	The property comprises a 3-storey retail building (restaurant block), another 3-storey retail building (New Annex Block), and a 5-storey retail/carpark building with market and food court. In addition, the property also includes various shop units located within the residential block of Ting Cheung House. The property was completed in 1980. 546 car parking spaces are provided within the first to fourth floors of the carpark building. Access to the carpark is via the Tuen Mun Heung Sze Wui Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
71.	Retail and Carpark within Ap Lei Chau Estate Hong Kong South	4,493.8	325	13.31M	7.82%	182.2M	9.25%	181.4M	181.8M	7.32%	9.21%
	Brief Description:	The property comprises a 2-storey market building and a 6-storey carpark building. The property also includes various shop units located within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House. The property was completed in 1980. 325 car parking spaces are provided from first to fifth floor of the carpark building. The property also includes various "open" car parking spaces located along the estate roads adjacent to Lei Fook House and Lei Yee House. Access to the carpark is via the Ap Lei Chau Bridge Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
72.	Long Ping Commercial Centre Yuen Long	8,783.8	564	14.60M	7.65%	207.1M	9.25%	203.7M	205.4M	7.11%	9.13%
	Brief Description:	The property comprises a 6-storey retail building and a 2-storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Yuk Ping House, Shek Ping House and Kang Ping House. The property was completed in 1987. 564 car parking spaces are provided within the ground floor and mezzanine floor of the retail building, the carpark building and various "open" car parking areas located within the estate. Access to the carparks is via the Long Ping Road and Ping Yee Road entrance.									
	Title Details:	The property comprises 32,958/498,969 shares within Yuen Long Town Lot No. 521 held under Government Lease for a term of 50 years commencing from 15 March 2006.									
73.	Kai Yip Commercial Centre Kowloon Central	7,116.4	383	12.62M	7.53%	204.9M	9.25%	199.8M	202.4M	6.23%	9.08%
	Brief Description:	The property comprises a 4-storey retail building and various cooked food stalls. In addition, the property also includes various shop units located within the Kai Yip Community Hall and the residential block of Kai Yin House and Kai Lok House. The property was completed in 1981. 383 car parking spaces are provided on the first floor to third floor within the retail building. Access to the carpark is via the Kai Yip Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
74.	Wan Tau Tong Shopping Centre Tai Po	4,469.2	438	14.57M	7.48%	204.3M	9.00%	197.1M	200.7M	7.26%	8.74%
	Brief Description:	The property comprises a single storey with basement level retail building, a stand-alone 4-storey carpark building, and a shop unit located at the ground floor of Wan Loi House. It was completed in 1991. 438 car parking spaces are provided within the basement level of the retail building, the stand-alone carpark building and various "open" car parking spaces along the roads within the estate. Access to the carparks is via the Fung Wan Road and Hiu Wan Road entrances.									
	Title Details:	The property is within Sections A, E & F of Tai Po Town Lot No. 172 and comprises 135/104,741 shares within The Remaining Portion of Tai Po Town Lot No. 172 held under Government Lease for a term of 50 years commencing from 8 April 1998.									
75.	Tsui Lam Shopping Centre Tseung Kwan O	8,140.0	711	13.50M	7.90%	183.5M	9.25%	181.9M	182.7M	7.39%	9.19%
	Brief Description:	The property comprises a 6-storey retail building, two cooked food stalls adjacent to the retail building, various retail shops under Sau Lam House and a 2-storey carpark building. The property was completed in 1989. 711 car parking spaces are arranged on the second to third floors of the retail building and on the lower ground to upper ground floor of the carpark building. Access to the carparks is via the Tsui Lam Road entrance.									
	Title Details:	The property comprises 35,166/319,229 shares within Tseung Kwan O Town Lot No. 96 held under Government Lease for a term of 50 years commencing from 15 February 2006.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
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76.	Wan Tsui Commercial Complex Hong Kong East	7,508.2	359	10.03M	7.55%	176.6M	9.25%	173.7M	175.2M	5.72%	9.13%
	Brief Description:	The property comprises a 5-storey retail building, another single storey with basement level retail building (Market Building), a single storey carpark building adjacent to Hei Tsui House and a 2-storey carpark podium located within the residential blocks of Chak Tsui House. The property also includes various shop units located within the residential blocks of Yee Tsui House and Shing Tsui House, as well as a government clinic under Lee Tsui House. The property was completed in 1979. 359 car parking spaces are provided on the basement level of the Market Building, the carpark building and the lower ground, second to lower ground of the carpark podium. The total car parking spaces also include two "open" car parking areas located next to Chak Tsui House and Wai Tsui House. Access to the carpark is via the Lin Shing Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
77.	Hoi Fu Shopping Centre Kowloon West	3,302.3	225	12.35M	6.71%	185.7M	8.75%	185.7M	185.7M	6.65%	8.75%
	Brief Description:	The property comprises a 2-storey retail building and a 2-storey carpark building. The property was completed in 1999. 225 car parking spaces are provided within the carpark building of the property. Access to the carpark is via the Hoi Ting Road entrance.									
	Title Details:	The property comprises 9,413/204,120 shares within Kowloon Inland Lot No. 11141 held under Government Lease for a term of 50 years commencing from 16 July 1999.									
78.	Mei Lam Commercial Centre Shatin	7,976.0	375	13.15M	7.60%	193.1M	9.25%	182.2M	187.7M	7.01%	8.83%
	Brief Description:	The property comprises a 3-storey retail building, an adjoining 4-storey carpark building with a wet market on the ground floor and various cooked food stalls. In addition, the property also includes a shop unit located within the residential block of Mei Fung House. The property was completed in 1981. 375 car parking spaces are provided from first floor to third floor within the carpark building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Mei Tin Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
79.	Wah Kwai Shopping Centre Hong Kong South	3,981.0	413	11.79M	7.38%	166.4M	9.00%	162.8M	164.6M	7.16%	8.84%
	Brief Description:	The property comprises a 2-storey with 2 basement levels retail building and various shop units located within the residential blocks of Wah Oi House. It was completed in 1991. 413 car parking spaces are arranged within the 2 basement levels of the property. Access to the carpark is via the Tin Wan Praya Road entrance.									
	Title Details:	The property comprises 15,518/23,148 shares within Section A of Aberdeen Inland Lot No. 443 and 681/144,409 shares within The Remaining Portion of Aberdeen Inland Lot No. 443 held under Government Lease for a term of 50 years commencing from 8 April 1998.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
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80.	Fu Cheong Shopping Centre Kowloon West	6,150.0	547	6.25M	7.41%	155.5M	9.00%	163.5M	159.5M	3.92%	9.34%
	Brief Description:	The property comprises a 2-storey retail building and a 4-storey carpark building. The property was completed in 2002. 547 car parking spaces are provided within the 4-storey carpark building. Access to the carpark is via the Sai Chuen Road entrance.									
	Title Details:	The property comprises 31,469/355,647 shares within New Kowloon Inland Lot No. 6437 held under Government Lease for a term of 50 years commencing from 17 September 2005.									
81.	Retail and Carpark within Shun Tin Estate Kowloon East	5,815.6	581	9.36M	7.86%	166.2M	9.25%	167.8M	167.0M	5.60%	9.32%
	Brief Description:	The property comprises a 4-storey carpark building, another 3-storey carpark building, a single-storey market building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House. The property was completed in 1981. 581 car parking spaces are provided within the carpark buildings or the estate. Access to the carpark is via the Shun On Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
82.	Shek Lei Shopping Centre Phase I Tsuen Wan/ Kwai Chung	3,665.0	459	10.22M	7.47%	165.4M	9.00%	168.1M	166.8M	6.12%	9.11%
	Brief Description:	The property comprises a 4-storey retail building and a 2-storey carpark building with retail shop on the ground floor. In addition, the property also includes various shop units located within the residential blocks of Shek Ning House and Shek Sau House. The property was completed in 1993. 459 car parking spaces are provided on the first floor to third floor within the retail building and within the carpark building. Access to the retail building carpark is via the Wai Kek Street entrance, with the latter accessible via the Lei Pui Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
83.	Hiu Lai Shopping Centre Kowloon East	3,285.0	637	13.15M	7.72%	159.4M	9.00%	165.4M	162.4M	8.10%	9.27%
	Brief Description:	The property comprises a 9-storey retail/carpark building together with two kindergarten units at Hiu Tin House and Hiu Hong House respectively. It was completed in 1996. 637 car parking spaces are provided from the first to eighth floor of the retail/carpark building. Access to the carpark is via the entrance at the junction of Hiu Kwong and Sau Lai Streets.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 6205 and comprises 1,000/249,375 shares within The Remaining Portion of New Kowloon Inland Lot No. 6205 held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
84.	Po Tin Shopping Centre Tuen Mun	5,893.9	62	7.58M	6.24%	153.9M	8.75%	151.4M	152.7M	4.96%	8.64%
	Brief Description:	The property comprises a 4-storey retail building which was completed in 2000. 62 car parking spaces are provided within the "open" car parking spaces located along the road within the estate. Access to the carpark is via the Hing Fu Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
85.	Un Chau Shopping Centre Kowloon West	4,393.0	213	9.09M	6.78%	154.8M	8.75%	151.3M	153.1M	5.94%	8.58%
	Brief Description:	The property comprises a 2-storey retail building, a 2-storey carpark building and a single storey carpark building. The property was completed in 1999. 213 car parking spaces are provided within the carpark buildings. Access to the carpark buildings is via the Hing Wah Street and Un Chau Street entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
86.	Kwong Tin Shopping Centre Kowloon East	5,548.7	53	8.64M	7.07%	149.8M	9.00%	145.1M	147.5M	5.86%	8.77%
	Brief Description:	The property comprises a 3-storey retail building. The property was completed in 1993. 53 carpark spaces are provided on the first floor of the retail building. Access to the carpark is via the Pik Wan Road entrance.									
	Title Details:	The property comprises 12,957/162,870 within New Kowloon Inland Lot No. 6445 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
87.	Lei Cheng Uk Shopping Centre Kowloon West	7,294.0	461	9.73M	8.00%	141.9M	9.25%	145.3M	143.6M	6.77%	9.43%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 2-storey carpark building. The property was completed in 1984. 461 car parking spaces are provided within three levels of the 3-storey retail building and the adjoining 2-storey carpark building of the property. Access to the carpark is via the Fat Tseung Street entrance.									
	Title Details:	The property comprises 21,862/264,258 shares within New Kowloon Inland Lot No. 6416 held under Government Lease for a term of 50 years commencing from 24 January 2002.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
88.	Chun Shek Shopping Centre Shatin	5,750.2	583	6.59M	7.69%	139.7M	9.25%	138.2M	139.0M	4.74%	9.17%
	Brief Description:	The property comprises a 4-storey retail building, an adjoining 4-storey carpark building (Carpark No. 1) with a wet market on the ground floor, and a separate 2-storey carpark building (Carpark No. 2) located near Fung Shing Court. In addition, the property also includes various shop units located within Shek Jing House. The property was completed in 1984. 583 car parking spaces are provided from the first floor to third floor within the Carpark No. 1 and within the Carpark No. 2. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Fung Shek Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
89.	Sui Wo Court Commercial Centre Shatin	5,911.6	980	11.19M	8.25%	142.5M	9.25%	142.8M	142.7M	7.84%	9.26%
	Brief Description:	The property comprises a 2-storey retail building, two 3-storey carpark buildings and another 6-storey carpark building. The property was completed in 1980. 980 car parking spaces are provided within the three carpark buildings and various "open" car parking spaces on the roof level of the 2-storey retail building. Access to the carpark is via the Sui Wo Road entrance.									
	Title Details:	The property comprises 26,994/32,808 shares within Section A of Sha Tin Town Lot No. 43 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
90.	Tin Ping Shopping Centre Fanling/ Sheung Shui	5,507.6	471	10.79M	7.76%	150.4M	9.25%	147.9M	149.2M	7.23%	9.12%
	Brief Description:	The property comprises a 5-storey retail building with basement, a cooked food stall and open car parks. In addition, the property also includes various shop units located within the residential block of Tin Ming House. The property was completed in 1989. 471 car parking spaces are provided on the lower ground floor and on the third to fifth floor within the retail building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Tin Ping Road entrance.									
	Title Details:	The property comprises 23,852/353,579 shares within Fanling Sheung Shui Town Lot No. 208 held under Government Lease for a term of 50 years commencing from 10 February 2000.									



## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
91.	On Yam Shopping Centre Tsuen Wan/ Kwai Chung	3,794.0	347	8.81M	8.00%	132.8M	9.25%	132.0M	132.4M	6.66%	9.21%
	Brief Description:	The property comprises a 7-storey retail building which was completed in 1994. 347 car parking spaces are provided on the first floor to sixth floor within the retail building. In addition, various "open" car parking spaces are located at the eastern side of Tak Yam House. Access to the carpark is via the On Chuk Street entrance.									
	Title Details:	The property comprises 17,323/369,270 shares within Kwai Chung Town Lot No. 497 held under Government Lease for a term of 50 years commencing from 14 October 2005.									
92.	Hing Tung Shopping Centre Hong Kong East	4,511.0	420	9.31M	7.53%	161.4M	9.00%	164.4M	162.9M	5.72%	9.13%
	Brief Description:	The property comprises a 6-storey retail and carpark building. The property was completed in 1995. 420 car parking spaces are provided on the lower ground third floor to lower ground first floor within the property and various "open" car parking spaces are located along the roads within the estate. Access to the carparks is via the Yiu Hing Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
93.	Kwai Hing Shopping Centre Tsuen Wan/ Kwai Chung	2,356.0	277	9.31M	7.49%	132.1M	9.00%	134.4M	133.3M	6.98%	9.12%
	Brief Description:	The property comprises a 2-storey retail building and a 3-storey carpark building. The property was completed in 1991. 277 car parking spaces are provided within the carpark building. In addition, various "open" car parking spaces are located next to the carpark building within the estate. Access to the carpark is via the Kwai Chung Road entrance.									
	Title Details:	The property comprises 9,824/102,732 shares within Kwai Chung Town Lot No. 489 held under Government Lease for a term of 50 years commencing from 24 January 2002.									
94.	Tin Tsz Shopping Centre Tin Shui Wai	3,608.0	289	10.51M	7.83%	137.0M	9.25%	136.5M	136.8M	7.68%	9.22%
	Brief Description:	The property comprises a 2 storey retail building, an adjacent 4-storey carpark building and various shop units located within the residential blocks of Tsz Ping House. It was completed in 1997. 289 car parking spaces are provided within the carpark building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Tin Hei Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
95.	Sun Tin Wai Commercial Centre Shatin	5,140.6	320	5.55M	7.64%	117.8M	9.25%	114.9M	116.4M	4.77%	9.07%
	Brief Description:	The property comprises a 6-storey retail building and various isolated cooked food stalls. The property was completed in 1981. 320 car parking spaces are provided within the retail building. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Sha Tin Tau Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
96.	Cheung Wah Shopping Centre Fanling/ Sheung Shui	6,216.5	353	9.33M	8.00%	132.0M	9.25%	131.5M	131.8M	7.08%	9.22%
	Brief Description:	The property comprises a 3-storey retail building, a 4-storey carpark building (Carpark No.1), a 2-storey carpark building (Carpark No.2), market and various shop units located within the residential blocks of Cheung Lai House and Cheung Chung House. The property was completed in 1984. 353 car parking spaces are provided on the ground to second floors of Carpark No.1, ground to first floor of Carpark No.2, and various "open" car parking spaces along the roads within the estate. Access to the carpark buildings is via the San Wan Road entrance.									
	Title Details:	The property comprises 26,310/299,811 shares within Fanling Sheung Shui Town Lot No. 226 held under Government Lease for a term of 50 years commencing from 16 June 2004.									
97.	Cheung Hang Shopping Centre Tsing Yi	5,699.9	327	9.18M	8.05%	127.1M	9.25%	129.2M	128.2M	7.16%	9.36%
	Brief Description:	The property comprises a 5-storey retail building and a stand-alone 4-storey carpark building. The property was completed in 1990. 327 car parking spaces are provided within the lower ground third floor and second floors of the retail building and within the stand-alone 4-storey carpark building. Access to the carpark is via the Liu To Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
98.	Retail and Carpark within Cheung Wang Estate Tsing Yi	1,071.0	333	7.91M	8.28%	108.1M	9.25%	113.0M	110.6M	7.15%	9.56%
	Brief Description:	The property comprises a 2-storey carpark podium which was completed in 2001, and a single storey retail building which was recently completed. 333 car parking spaces are provided within the carpark building and various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Liu To Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
99.	Ka Fuk Shopping Centre Fanling/ Sheung Shui	5,281.5	312	9.68M	7.86%	137.4M	9.25%	135.4M	136.4M	7.09%	9.15%
	Brief Description:	The property comprises a 5-storey retail/carpark building and a 2-storey retail building linked by a footbridge on the first floor. The property was completed in 1995. 312 car parking spaces are provided on the second to fourth floor of the retail/carpark building and various "open" car parking spaces located along the roads within the estate. Access to the carpark is via Chi Ka Lane extended from Chi Fuk Circuit.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation..									
100.	Wah Sum Shopping Centre Fanling/ Sheung Shui	2,480.0	356	9.95M	7.59%	127.7M	9.00%	126.8M	127.3M	7.82%	8.95%
	Brief Description:	The property comprises a 2-storey retail building and an adjoining 4-storey carpark building. The property was completed in 1995. 356 car parking spaces are provided within the carpark building and various "open" car parking spaces located along the roads within the estate. Access to the carpark is via the Yat Ming Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
101.	Siu Lun Shopping Centre Tuen Mun	2,985.0	463	8.55M	7.06%	112.6M	8.75%	113.9M	113.3M	7.55%	8.82%
	Brief Description:	The property comprises a 2-storey retail building and two stand-alone 4-storey carpark buildings. The property was completed in 1993. 463 car parking spaces are provided within the two carpark buildings. Access to the carpark buildings is via the Siu Hing Lane entrance.									
	Title Details:	The property is within Sections A, B and C of Tuen Mun Town Lot No. 357 held under Government Lease for a term commencing from 6 September 1991 to 30 June 2047.									
102.	Yiu Tung Shopping Centre Hong Kong East	6,200.0	685	6.90M	7.68%	120.6M	9.00%	115.5M	118.1M	5.84%	8.68%
	Brief Description:	The property comprises a 3-storey retail building, a 2-storey carpark building (Carpark No. 1) and an 8-storey carpark building (Carpark No. 2). The property was completed in 1994. 685 car parking spaces are provided within Carpark No. 1 and the ground to sixth floor of Carpark No. 2. Access to the carparks is via the Yiu Hing Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
103.	Tsz Ching Shopping Centre (I) & (II) Kowloon North	1,679.0	882	10.14M	7.46%	140.0M	8.75%	146.2M	143.1M	7.08%	9.05%
	Brief Description:	The property comprises a 3-storey retail/carpark building (Shopping Centre 1), a 3-storey retail/carpark building with basement (Shopping Centre 2) and a stand-alone 5-storey carpark building. The property was built in phases from 1996 to 2001. 882 car parking spaces are provided on the basement second floor to basement first floor within Shopping Centre 1, on the basement first floor and first floor to second floor within Shopping Centre 2, and on the first floor to fourth floor of the carpark building. Access to the carpark is via the Tsz Wan Shan Road entrance.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6444 held under Government Lease for a term of 50 years commencing from 28 February 2007.									
104.	Kam Ying Court Shopping Centre Ma On Shan	3,444.5	492	8.19M	7.71%	107.6M	9.00%	105.7M	106.7M	7.67%	8.86%
	Brief Description:	The property comprises a 3-storey retail building which was completed in 1991. 492 car parking spaces are provided within the lower ground third floor and lower ground second floor and various "open" car parking spaces on the ground floor of the retail building. Access to the carpark is via the Kam Ying Road entrance.									
	Title Details:	The property comprises 17,433/22,627 shares within The Remaining Portion of Sha Tin Town Lot No. 305 held under Government Lease for a term commencing from 16 May 1990 to 30 June 2047.									
105.	Wang Tau Hom (Wang Fai Centre) Kowloon North	2,333.1	290	4.99M	8.08%	90.9M	9.25%	93.1M	92.0M	5.42%	9.42%
	Brief Description:	The property comprises a 3-storey retail building, a single storey wet market building and a 5-storey carpark building. The property was completed in 1982. 290 car parking spaces are provided within the carpark building. In addition, various "open" car parking spaces are located in the areas outside Wang Hin House and Wang Kwong House. Access to the carpark is via the Wang Tau Hom East Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
106.	Tsing Yi Commercial Complex Tsing Yi	4,239.0	344	5.66M	7.66%	101.7M	9.25%	100.6M	101.2M	5.59%	9.17%
	Brief Description:	The property comprises a 4-storey retail building including various cooked food stalls on the first floor, a 4-storey carpark building (Carpark No. 1) with a retail shop on the ground floor and a 3-storey carpark building (Carpark No. 2). The property was completed in 1986. 344 car parking spaces are provided within Carpark No. 1 and Carpark No. 2 of the property. The total car parking spaces also include various "open" car parking spaces located along the roads within the estate. Access to the carparks is via the Tsing Luk Street entrance.									
	Title Details:	The property comprises 20,014/222,251 shares within Tsing Yi Town Lot No. 167 held under Government Lease for a term of 50 years commencing from 8 February 2001.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
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107.	Ming Tak Shopping Centre Tseung Kwan O	3,619.6	383	6.81M	7.63%	108.7M	9.00%	107.6M	108.2M	6.29%	8.92%
	Brief Description:	The property comprises a 2-storey retail building and a 4 -storey carpark building. The property was completed in 1999. 383 car parking spaces are provided on the first to third floor of the carpark building and various "open" car parking spaces located along the roads within the estate. Access to the carpark is via the Pui Shing Lane entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
108.	Retail and Carpark within Tung Tau Estate Kowloon North	3,587.1	493	4.23M	8.25%	83.2M	9.25%	84.6M	83.9M	5.04%	9.36%
	Brief Description:	The property comprises a 2-storey with basement level retail building and a 3-storey carpark building. In addition, the property also includes various shop units within the residential blocks of Cheung Tung House, Hong Tung House, On Tung House, Yue Tung House and Wong Tung House. The property was completed in 1982. 493 car parking spaces are provided on the basement first floor of the retail building and within the carpark building. In addition, the total car parking spaces also include various "open" car parking spaces located next to Ying Tung House and Yat Tung House. Access to the carpark is via the Tung Lung Road entrance.									
	Title Details:	The property comprises 16,942/349,186 shares within New Kowloon Inland Lot No. 6413 held under Government Lease for a term of 50 years commencing from 24 January 2002.									
109.	Ping Tin Shopping Centre Kowloon East	2,032.0	406	7.52M	7.40%	99.1M	9.00%	96.5M	97.8M	7.68%	8.81%
	Brief Description:	The property comprises a 3-storey retail building, a 4-storey carpark building, and 2-storey carparking within an ancillary facilities building. The property was completed in 1997. 406 car parking spaces are provided within the carpark building and on the ground to first floor of the ancillary facilities building. Access to the carpark is via the On Tin Street and Ping Tin Street entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
110.	Retail and Carpark within Hong Pak Court Kowloon East	1,668.4	549	5.41M	8.00%	81.3M	9.25%	84.2M	82.8M	6.53%	9.50%
	Brief Description:	The property comprises a 7-storey carpark building with two kindergarten units located on the sixth floor. The property was completed in 1993. 549 car parking spaces are provided on the ground to fifth floors within the property. Access to the carpark is via the Pik Wan Road entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 6095 held under Government Lease for a term commencing from 25 September 1991 to 30 June 2047.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
111.	Yin Lai Court Shopping Centre Tsuen Wan/ Kwai Chung	1,513.1	150	5.37M	6.66%	84.2M	8.75%	74.8M	79.5M	6.76%	7.94%
	Brief Description:	The property comprises a 4-storey retail/carpark building which was completed in 1991. 150 car parking spaces are provided on the lower ground third floor to lower ground first floor within the retail/carpark building. Access to the carpark is via the Lai King Hill Road entrance.									
	Title Details:	The property is within Section A of Kwai Chung Town No. 389 held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047. Encumbrances noted on the title include · Management Undertaking re KCTL 389 via Memorial No. TW695886 dated 21 September 1990 and Deed of Release via Memorial No. TW1454034 dated 5 February 2002.									
112.	Kin Sang Shopping Centre Tuen Mun	3,609.0	273	5.12M	7.89%	78.2M	9.25%	76.8M	77.5M	6.61%	9.12%
	Brief Description:	The property comprises a 3-storey retail building, an adjoining 3-storey carpark building, and associated areas. The property was completed in 1990. 273 car parking spaces are provided on the ground floor to roof level within the carpark building. Access to the carpark is via the Leung Wan Street entrance.									
	Title Details:	The property comprises 14,100/28,621 shares within Section A of Tuen Mun Town Lot No. 441 held under Government Lease for a term of 50 years commencing from 8 April 1998.									
113.	Hing Tin Commercial Centre Kowloon East	2,732.4	387	5.04M	8.08%	75.8M	9.25%	76.8M	76.3M	6.60%	9.34%
	Brief Description:	The property comprises a 2-storey retail building, a 4-storey carpark building (Carpark No. 1), a 2-storey carpark building (Carpark No. 2) and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Mei Tin House and Yan Tin House. The property was completed in 1988. 387 car parking spaces are provided within the carpark buildings. Access to the carparks is via the Lin Tak Road entrance.									
	Title Details:	The property comprises 15,570 /149,828 within New Kowloon Inland Lot No. 6377 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
114.	Tin Wan Shopping Centre Hong Kong South	3,296.0	417	4.90M	7.68%	79.7M	9.00%	80.4M	80.1M	6.11%	9.05%
	Brief Description:	The property comprises a 5-storey retail building, an adjoining 5-storey carpark building and the ground floor of the Housing for Senior Citizens. The property was completed in 1997. 417 car parking spaces are provided on the first to fourth floor of the carpark building and the ground floor of the Housing for Senior Citizens. Access to the carpark is via the Tin Wan Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
115.	Retail and Carpark within Lok Wah (South) Estate Kowloon East	1,523.5	226	2.77M	8.23%	75.4M	9.25%	75.4M	75.4M	3.67%	9.24%
	Brief Description:	The property comprises a single storey market building, a 4-storey carpark building, various cooked food stalls and various shop units located on the ground floor of the residential block of Chin Wah House. The property was completed in 1982. 226 car parking spaces are provided on the ground to third floors of the carpark building. Access to the carparks is via the Chun Wah Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
116.	Lai Kok Shopping Centre Kowloon West	7,187.0	140	3.77M	7.93%	78.7M	9.25%	76.1M	77.4M	4.87%	9.01%
	Brief Description:	The property comprises a 3-storey retail building, a 3 -storey carpark building and a single storey wet market building. In addition, the property also includes various shop units located within the residential blocks of Lai Huen House, Lai Lan House and Lai Mei House. The property was completed in 1981. There is a combination of covered and open area parking spaces. Access to the carparks is via the Tonkin Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
117.	Tin Ma Court Commercial Centre Kowloon North	4,008	585	2.71M	7.91%	64.1M	9.25%	62.2M	63.2M	4.29%	9.04%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 5-storey carpark building. The property was completed in 1986. 585 car parking spaces are provided on the ground floor of the retail building and within the carpark building. Access to the carpark is via the Kam Chuk Lane entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 5994 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
118.	Retail and Carpark within Cheung On Estate Tsing Yi	363.0	484	5.98M	8.19%	71.1M	9.25%	75.3M	73.2M	8.17%	9.68%
	Brief Description:	The property comprises a 4-storey carpark building (Phase 1), a 2-storey carpark building (Phase 2) and various shop units within On Tao House. The property was completed in 1988. 484 car parking spaces are provided within the two carpark buildings. Access to the carpark is via Tam Kon Shan Road and Tsing King Road for Phase 1 and Phase 2 respectively.									
	Title Details:	The property is within Sections D & F of Tsing Yi Town Lot No. 160 and comprises 403/293,522 shares within The Remaining Portion of Tsing Yi Town Lot No. 160 held under Government Lease for a term of 50 years commencing from 8 April 1998.									



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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
119.	Shun On Commercial Centre Kowloon East	7,900.1	459	3.73M	8.02%	65.1M	9.25%	64.9M	65.0M	5.73%	9.23%
	Brief Description:	The property comprises a 2-storey retail building, an adjoined 4-storey carpark building and various shop units located within the residential blocks of On Chak House and On Kwan House. The property was completed in 1978. 459 car parking spaces are provided on the first floor to roof level of the carpark building and various "open" car parking areas located next to the building. Access to the carparks is via the Lee On Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
120.	Retail and Carpark within Ko Chun Court Kowloon East	681.0	323	4.40M	7.95%	52.7M	9.25%	55.1M	53.9M	8.16%	9.58%
	Brief Description:	The property comprises a 6-storey carpark/retail building and a kindergarten unit located within the residential Block C of Ko Chun Court. The property was completed in 1993. 323 car parking spaces are provided within the carpark building. Access to the carpark is via the Ko Chiu Road entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 6189 and comprises 530/81,791 shares within The Remaining Portion of New Kowloon Inland Lot No. 6189 held under Government Lease for a term from 3 June 1993 to 30 June 2047.									
121.	Sam Shing Commercial Centre Tuen Mun	6,625.3	176	2.49M	8.25%	49.9M	9.25%	48.4M	49.2M	5.07%	9.03%
	Brief Description:	The property comprises a 3-storey retail/carpark building, an adjoining single storey market building, various cooked food stalls and various shop stalls. In addition, the property also includes various shop units located within the residential blocks of Chun Yu House, Fung Yu House and Moon Yu House. The property was completed in 1980. 176 car parking spaces are provided within the ground floor to second floor of the retail/carpark building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Sam Shing Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
122.	Fortune Shopping Centre Kowloon West	2,252.0	153	2.29M	7.84%	48.3M	9.25%	49.6M	49.0M	4.68%	9.42%
	Brief Description:	The property comprises a 2-storey retail building and a 4-storey carpark building. The property was completed in 2000. 153 car parking spaces are provided within the 4-storey carpark building of the property. Access to the carpark is via the Hang Cheung Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
123.	Carpark within Lai On Estate Kowloon West	0.0	181	3.94M	8.50%	48.2M	9.00%	53.5M	50.9M	7.74%	9.74%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1993. 181 car parking spaces are provided within the carpark building. In addition, various "open" car parking spaces are located to the south-eastern side of Lai Ching House. Access to the carpark is via an internal estate road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
124.	Po Hei Court Commercial Centre Kowloon West	1,271.0	0	3.73M	7.25%	52.9M	9.00%	52.2M	52.6M	7.08%	8.88%
	Brief Description:	The property comprises a single storey retail podium. The property was completed in 1993.									
	Title Details:	The property comprises 1,354/20,256 shares within New Kowloon Inland Lot No. 6117 held under Government Lease for a term commencing from 17 July 1992 to 30 June 2047.									
125.	Carpark within Kin Ming Estate Tseung Kwan O	0.0	763	0.31M	8.50%	46.9M	9.00%	46.2M	46.6M	0.67%	8.90%
	Brief Description:	The property comprises a 6-storey retail/carpark building (Choi Ming Shopping Centre Extension) except the ground floor. The property was completed in 2003. 763 car parking spaces are provided within the retail/carpark building. Access to the carpark is via the Choi Ming Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
126.	Retail and Carpark within Mei Chung Court Shatin	100.0	385	3.81M	8.05%	44.3M	8.75%	46.7M	45.5M	8.38%	9.12%
	Brief Description:	The property comprises a 4-storey carpark building with a retail shop on the first floor. The property was completed in 1996. 385 car parking spaces are provided within the carpark building. Access to the carpark is via the Mei Tin Road entrance.									
	Title Details:	The property is within Section A of Sha Tin Town Lot No. 396 held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047.									
127.	Siu Hei Commercial Centre Tuen Mun	2,175.8	560	2.82M	7.87%	40.3M	9.00%	39.2M	39.8M	7.10%	8.79%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 4-storey carpark building which was completed in 1986. 560 car parking spaces are provided within the carpark building. Access to the carpark is via the Wu Chui Road entrance.									
	Title Details:	The property is within Section A of Tuen Mun Town Lot No. 255 held under Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898 and has been extended until 30 June 2047 by the New Territories Leases (Extension) Ordinance.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
128.	Retail and Carpark within Tong Ming Court Tseung Kwan O	1,977.0	291	3.50M	7.88%	41.9M	9.00%	43.9M	42.9M	8.15%	9.33%
	Brief Description:	The property comprises a 5-storey carpark building with various retail shop units located on the ground floor of the carpark building, Tong Wong House and Tong Fu House respectively. The property was completed in 1999. 291 car parking spaces are provided on the first to fourth floor within the carpark building. Access to the carpark is via the Tong Tak Street entrance.									
	Title Details:	The property is within Section A of Tseung Kwan O Town Lot No. 54 and comprises 1,153/98,512 shares within The Remaining Portion of Tseung Kwan O Town Lot No. 54 held under Government Lease for a term commencing from 26 June 1997 to 30 June 2047.									
129.	Retail and Carpark within Ching Wah Court Tsing Yi	1,102.0	348	3.18M	8.19%	38.8M	9.25%	40.8M	39.8M	7.99%	9.63%
	Brief Description:	The property comprises a 2-storey with basement level carpark building. Two retail units and an office unit are located on the ground and first floors within the carpark building respectively. The property was completed in 1984. 348 car parking spaces are provided within the carpark building, with the majority of spaces covered whilst those spaces located on the roof level are "open". Access to the carpark is via the Tsing Chin Street entrance.									
	Title Details:	The property is within Section A of Tsing Yi Town Lot No. 100 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
130.	Carpark within Wah Lai Estate Tsuen Wan/ Kwai Chung	0.0	411	3.62M	8.50%	40.8M	9.00%	44.9M	42.9M	8.43%	9.70%
	Brief Description:	The property comprises a 5-storey carpark podium which was completed in 2001. 411 car parking spaces are provided within the 5-storey carpark podium of the property. Access to the carpark is via the Lai King Hill Road entrance.									
	Title Details:	The property comprises 21,700/102,614 shares within The Remaining Portion of Section A of Kwai Chung Town Lot No. 445 held under Government Lease for a term of 50 years commencing from 25 May 2001.									
131.	Carpark within Tin King Estate Tuen Mun	0.0	380	3.60M	8.50%	40.3M	9.00%	42.8M	41.6M	8.64%	9.41%
	Brief Description:	The property comprises the ground floor to second floor of a 5-storey carpark building which was completed in 1989. The indoor recreation centre located on the third and fourth floor of the carpark building does not form part of the property. 380 car parking spaces are provided within the ground floor to second floor of the carpark building and various "open" car parking spaces along the roads within the estate. Access to the carpark is via the Tin King Road carpark entrance.									
	Title Details:	The property comprises 4,036/197,161 shares within Tuen Mun Town Lot No. 444 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
132.	Retail and carpark within Wo Ming Court Tseung Kwan O	682.0	379	3.59M	8.20%	41.4M	9.25%	43.8M	42.6M	8.42%	9.68%
	Brief Description:	The property comprises a 6-storey carpark building and a kindergarten unit located within the residential block of Wo Yat House. It was completed in 1999. 379 car parking spaces are provided within the carpark building. Access to the carpark is via the Pui Shing Lane entrance.									
	Title Details:	The property is within Section A of Tseung Kwan O Town Lot No. 52 and comprises 728/82,796 shares within The Remaining Portion of Tseung Kwan O Town lot No. 52 held under Government Lease for a term of 50 years commencing from 28 November 1997.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
133.	Retail and Carpark within Tsui Wan Estate Hong Kong East	1,262.0	182	2.37M	7.87%	35.9M	9.25%	36.4M	36.2M	6.56%	9.34%
	Brief Description:	The property comprises a 3-storey retail/office building (Office Building), a single storey carpark building, and various shop stalls (Tsui Wan Shopping Centre). The property was completed in 1993. 182 car parking spaces are provided within the carpark building and various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Tsui Wan Street entrance.									
	Title Details:	The property comprises 3,254/123,068 shares Chai Wan Inland Lot No. 166 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
134.	Carpark within Tsz Man Estate Kowloon North	0.0	364	3.00M	8.50%	34.9M	9.00%	38.4M	36.7M	8.18%	9.68%
	Brief Description:	The property comprises a 4-storey carpark building which was completed in 1994. 364 car parking spaces are provided within the 4-storey carpark building. Access to the carpark is via the Tsz Wan Shan Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
135.	Hing Man Commercial Centre Hong Kong East	3,036.0	226	1.11M	7.89%	34.9M	9.00%	33.8M	34.4M	3.23%	8.79%
	Brief Description:	The property comprises a 6-storey retail/carpark building. The property was completed in 1982. 226 car parking spaces are provided on the lower ground third to lower ground first floor of the retail/carpark building. Access to carpark is via the Tai Tam Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
136.	Retail and Carpark within Lok Nga Court Kowloon East	1,172.0	265	1.58M	8.03%	34.0M	9.25%	33.7M	33.9M	4.66%	9.17%
	Brief Description:	The property comprises a 5-storey carpark building which was completed in 1984. 265 car parking spaces are provided on the lower ground second to second floor within the carpark building. The total car parking spaces also include various "open" car parking spaces located at the western side of Nga Ping Court. Access to the carpark is via the Chun Wah Road entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 5969 and comprises 1/28,952 shares within The Remaining Portion of New Kowloon Inland Lot No. 5969 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
137.	Carpark within Po Pui Court Kowloon East	0.0	277	2.90M	8.50%	32.3M	9.00%	35.7M	34.0M	8.52%	9.76%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1995. 277 car parking spaces are arranged on the ground floor to second floor within the property. Access to the carpark is via the Tsui Ping Road entrance.									
	Title Details:	The property is within Section A of Kwun Tong Inland Lot No. 728 held under Government Lease for a term commencing from 8 February 1994 to 30 June 2047.									
138.	Carpark within Ka Tin Court Tai Wai	0.0	348	3.10M	8.50%	33.9M	9.00%	37.5M	35.7M	8.69%	9.75%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1988. 348 car parking spaces are provided within the carpark building. Access to the carpark is via the Che Kung Miu Road entrance.									
	Title Details:	The property is within Section A of Sha Tin Town Lot No. 290 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
139.	Carpark within Tin Yuet Estate Tin Shui Wai	0.0	560	1.13M	8.50%	30.4M	9.00%	30.6M	30.5M	3.69%	9.04%
	Brief Description:	The property comprises a 4-storey carpark building divided into two portions. The property was completed in 2000. 560 car parking spaces are provided within the carpark building. Access to the carpark building is via the Tin Wah Road and Tin Sau Road entrances.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
140.	Carpark within Yee Kok Court Kowloon West	0.0	240	2.41M	8.25%	29.2M	9.00%	31.3M	30.3M	7.95%	9.50%
	Brief Description:	The property comprises a 4-storey with basement level carpark building which was completed in 1981. 240 car parking spaces are provided within the 4-storey carpark building. Access to the carpark is via the Tonkin Street entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 5911 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
141.	Retail and Carpark within Tsz Oi Court Kowloon North	1,236.0	199	2.44M	7.94%	29.7M	9.25%	30.3M	30.0M	8.12%	9.40%
	Brief Description:	The property comprises a 6-storey carpark building with a kindergarten tenancy on the sixth floor and another free-standing kindergarten. The property was built in phases from 1997 to 2000. 199 car parking spaces are provided within the carpark building. Access to the carpark is via the Wan Wah Street entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot Nos. 6211 and comprises 699/113,761 within New Kowloon Inland Lot No. 6265 held under Government Leases respectively for a term from 9 June 1995 to 30 June 2047 and a term of 50 years commencing from 7 May 1999.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
142.	Retail and Carpark within Nam Cheong Estate Kowloon West	753.0	156	1.86M	8.09%	28.9M	9.25%	30.6M	29.8M	6.25%	9.62%
	Brief Description:	The property comprises a single storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Cheong Shun House, Cheong Yat House and Cheong Yin House and various "open" car parking spaces within the estate. The property was completed in 1989. 156 car parking spaces are provided within the single storey carpark building or open area within the estate. Access to the carpark is via the Cheong San Lane entrance.									
	Title Details:	The property comprises 3,670/109,764 shares within New Kowloon Inland Lot No. 6427 held under Government Lease for a term of 50 years commencing from 17 August 2005.									
143.	Retail and Carpark within Po Nga Court Tai Po	1,296.0	246	2.88M	8.05%	33.6M	9.25%	34.9M	34.3M	8.41%	9.51%
	Brief Description:	The property comprises a 3-storey carpark building and various kindergarten units within the residential blocks of Ka Wo House and Hing Wo House. The property was completed in 1989. 246 car parking spaces are provided within the carpark building with various "open" car parking spaces located on the roof level. Access to the carpark is via the Po Nga Road entrance.									
	Title Details:	The property is within Section A of Tai Po Town Lot No. 73 and comprises 2/59,187 shares within The Remaining Portion of Tai Po Town Lot No. 73 held under Government Lease for a term commencing from 29 March 1988 to 30 June 2047.									
144.	Retail and Carpark within Tin Yat Estate Tin Shui Wai	816.0	446	1.46M	8.07%	32.0M	9.25%	32.7M	32.4M	4.49%	9.40%
	Brief Description:	The property comprises a 7-storey carpark building with a shop unit on the ground floor which was completed in 2001. 446 car parking spaces are provided within the property. Access to the carpark is via the Tin Sau Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
145.	Retail and Carpark within Yan Shing Court Fanling/ Sheung Shui	1,097.0	252	2.58M	8.17%	34.7M	9.00%	36.6M	35.7M	7.22%	9.36%
	Brief Description:	The property comprises a 6-storey carpark building with various shop units and premises on the ground floor. The property was completed in 1993. 252 car parking spaces are provided within the covered carpark building whereas open car parking spaces are provided on the roof level of the building. Access to the carpark is via the Wah Ming Road entrance.									
	Title Details:	The property is within Section A of Fanling Sheung Shui Town Lot No. 39 held under Government Lease for a term commencing from 10 September 1992 to 30 June 2047.									
146.	Carpark within Yue On Court Hong Kong South	122.9	296	2.46M	8.50%	27.6M	9.00%	30.4M	29.0M	8.50%	9.68%
	Brief Description:	The property comprises a 5-storey carpark building and an office space which was completed in 1988. The property has a total internal floor area of 122.9 square metres. 296 car parking spaces are provided within the property. Access to the carpark is via the Lei Tung Estate Road entrance.									
	Title Details:	The property is within Section A of Ap Lei Chau Inland Lot No. 117 held under Government Lease for a term of 75 years commencing from 1 February 1982 renewable for a further 75 years.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
147.	Retail and Carpark within Yan Ming Court Tseung Kwan O	652.0	262	2.36M	8.33%	27.7M	9.25%	29.1M	28.4M	8.31%	9.59%
	Brief Description:	The property comprises a 3-storey carpark building with retail shop units located on the ground floor. The property was completed in 1990. 262 car parking spaces are provided within the carpark building. Access to the carpark is via the Yan King Road entrance.									
	Title Details:	The property is within Section A of Junk Bay Town Lot No. 9 held under Government Lease for a term commencing from 22 January 1987 to 30 June 2047.									
148.	Retail and Carpark within Hong Yat Court Kowloon East	654.0	355	2.74M	8.12%	32.4M	9.00%	34.5M	33.5M	8.18%	9.44%
	Brief Description:	The property comprises a 7-storey carpark building with a kindergarten unit on the sixth floor. The property was completed in 1993. 355 car parking spaces are provided on the ground to fifth floor of the property. Access to the carpark is via the Tak Tin Street entrance.									
	Title Details:	The property comprises 4,582/99,200 within New Kowloon Inland Lot No. 6329 held under Government Lease for a term of 50 years commencing from 5 February 2001.									
149.	Retail and Carpark within Ying Fuk Court Kowloon North	73.0	163	2.50M	8.02%	29.9M	9.25%	30.6M	30.3M	8.24%	9.41%
	Brief Description:	The property comprises a 4-storey carpark building with a retail shop unit located on the ground floor. The property was completed in 2001. 163 car parking spaces are provided within the carpark building. Access to the carpark is via the Wing Chuk Street entrance.									
	Title Details:	The property is within The Remaining Portion of New Kowloon Inland Lot No. 6266 held under Government Lease for a term of 50 years commencing from 7 May 1999.									
150.	Carpark within Tsui Ping South Estate Kowloon East	490.0	229	2.23M	8.50%	24.6M	9.00%	26.8M	25.7M	8.66%	9.63%
	Brief Description:	The property comprises a 3-storey carpark/ estate management office building which was completed in 1990. The property has a total internal floor area of 490 square metres. 229 car parking spaces are located on the ground to first floor within the property and an "open" car parking area is located at the northern side of Tsui Hon House. There are 3 tennis courts about 726 square metres at the rooftop of the carpark building. Access to the carpark is via the Tsui Ping Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									



## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
151.	Retail and Carpark within Sau Mau Ping (III) Estate Kowloon East	140.0	205	1.45M	7.45%	25.7M	9.00%	26.4M	26.1M	5.56%	9.17%
	Brief Description:	The property comprises a 4-storey carpark building with a retail shop unit located on the ground floor. The property was completed in 1996. 205 car parking spaces are provided on the ground to third floor of the carpark building. Access to the carpark is via the entrance at the junction of Sau Mau Ping and Sau Fung Streets.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6453 held under Government Lease for a term of 50 years commencing from 23 February 2007 (As at the date of valuation, title details are in the process of being transferred.)									
152.	Carpark within Ying Ming Court Tseung Kwan O	0.0	274	2.15M	8.50%	23.7M	9.00%	26.0M	24.9M	8.63%	9.66%
	Brief Description:	The property comprises a 2-storey carpark building which was completed in 1989. 274 car parking spaces are provided within the property. Access to the carpark is via the Po Lam Road North entrance.									
	Title Details:	The property is within Section A of Junk Bay Town Lot No. 4 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
153.	Retail and Carpark within Fung Wah Estate Hong Kong East	912.0	161	1.64M	8.25%	23.9M	9.25%	24.9M	24.4M	6.71%	9.54%
	Brief Description:	The property comprises a 2-storey carpark building and various shop units located within the residential blocks of Hiu Fung House and Sau Fung House. The property was completed in 1993. 161 car parking spaces are provided within the carpark building and various "open" car parking spaces located along the roads within the estate. Access to the carpark is via the Fung Ha Road entrance.									
	Title Details:	The property comprises 5,638/76,232 shares within Chai Wan Inland Lot No. 169 held under Government Lease for a term of 50 years commencing from 10 February 2000.									
154.	Carpark within Sau Mau Ping (I) Estate Kowloon East	0.0	395	0.59M	8.50%	23.0M	9.00%	22.7M	22.9M	2.57%	8.90%
	Brief Description:	The property comprises a 3-storey carpark podium within the residential block of Sau Ming House. It was completed in 2002. 395 car parking spaces are located on the ground to second floor of the carpark building. Access to the carpark is via the Hiu Kwong Street entrance.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6453 held under Government Lease for a term of 50 years commencing from 23 February 2007 (As at the date of valuation, title details are in the process of being transferred.)									
155.	Carpark within Wang Fuk Court Tai Po	0.0	408	2.04M	8.50%	23.5M	9.00%	25.7M	24.6M	8.30%	9.67%
	Brief Description:	The property comprises a 4-storey with basement level carpark building which was completed in 1983. 408 car parking spaces are provided within the property. Access to the carpark is via the Kwong Wang Street entrance.									
	Title Details:	The property is within Section A of Tai Po Town Lot No. 27 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
156.	Retail and Carpark within Siu On Court Tuen Mun	1,587.0	273	1.61M	8.25%	21.5M	9.25%	22.5M	22.0M	7.32%	9.60%
	Brief Description:	The property comprises a 3 storey carpark building, two shop units within the residential blocks of Ting On House and Ting Yin House. The property was completed in 1981. 273 car parking spaces are provided within the carpark building. Access to the carpark is via the Tuen Mun Heung Sze Wui Road entrance.									
	Title Details:	The property is within Section A of Tuen Mun Town Lot No. 216 and comprises 2/26,863 shares within The Remaining Portion of Town Mun Town Lot No. 216 held under Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898 and has been extended until 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
157.	Retail and Carpark within Choi Ha Estate Kowloon East	1,993.0	205	1.81M	7.86%	27.8M	9.25%	27.7M	27.8M	6.52%	9.21%
	Brief Description:	The property comprises a 5-storey carpark building with a kindergarten on the fourth floor. In addition, the property also includes various shop units located within the residential blocks of Choi Sing House and Choi Yuet House. The property was completed in 1989. 205 car parking spaces are provided within the 5-storey carpark building. Access to the carpark is via the Choi Ha Road entrance.									
	Title Details:	The property comprises 12,255/129,695 within New Kowloon Inland Lot No. 6348 held under Government Lease for a term of 50 years commencing from 10 February 2000.									
158.	Retail and Carpark within Tung Hei Court Hong Kong East	589.0	146	1.68M	7.97%	20.6M	9.25%	21.5M	21.1M	7.98%	9.55%
	Brief Description:	The property comprises a shop unit on the ground floor of King Hei House and a 2-storey carpark building. It was completed in 1995. 146 car parking spaces are provided within the carpark building. Access to the carpark is via the Yiu Hing Road entrance.									
	Title Details:	The property is within Section A of Shau Kei Wan Inland Lot No. 834 and comprises 690/122,407 shares within The Remaining Portion of Shau Kei Wan Inland Lot No. 834 held under Government Lease for a term commencing from 20 June 1989 to 30 June 2047.									
159.	Carpark within Ching Wang Court Tsing Yi	0.0	179	1.64M	8.50%	19.9M	9.00%	21.5M	20.7M	7.91%	9.58%
	Brief Description:	The property comprises a 2-storey carpark podium constructed underneath 2 residential blocks. The property was completed in 2001. 179 car parking spaces are provided within the carpark podium. Access to the carpark is via the Nga Ying Chau Street entrance.									
	Title Details:	The property comprises 2,516/36,665 shares within Tsing Yi Town Lot No. 137 held under Government Lease for a term of 50 years commencing from 20 April 1999.									
160.	Carpark within King Lai Court Kowloon North	0.0	158	1.17M	8.50%	17.6M	9.00%	19.3M	18.5M	6.31%	9.59%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1989. 158 car parking spaces are provided within the property. In addition, various "open" car parking spaces are located next to the carpark building. Access to the carpark is via the Fung Shing Street entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 5943 held under Government Lease for a term commencing from 4 March 1985 to 30 June 2047.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
161.	Retail and Carpark within Tin Wah Estate Tin Shui Wai	145.0	287	1.11M	7.86%	20.4M	8.75%	21.4M	20.9M	5.33%	9.05%
	Brief Description:	The property comprises a retail shop on the ground floor, and car parking spaces on the ground to second floor of a 7-storey ancillary facilities building. It was completed in 1999. 287 car parking spaces are provided from ground floor to second floor of the 7-storey ancillary facilities building. Access to the carpark is via the Tin Tan Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
162.	Carpark within Ning Fung Court Tsuen Wan/ Kwai Chung	0.0	299	1.35M	8.50%	17.3M	9.00%	18.4M	17.9M	7.57%	9.40%
	Brief Description:	The property comprises a 3-storey carpark podium which was completed in 2001. 299 car parking spaces are provided within the building. Access to the carpark is via the Lei Muk Road entrance.									
	Title Details:	The property comprises 3,072/78,707 shares within Kwai Chung Town Lot No. 477 held under Government Lease for a term of 50 years commencing from 15 October 1999.									
163.	Carpark within San Wai Court Tuen Mun	0.0	185	1.36M	8.50%	16.2M	9.00%	17.5M	16.9M	8.06%	9.47%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1990. 185 car parking spaces are provided within this building. Access to the carpark is via an internal estate road entrance at Tin King Road.									
	Title Details:	The property is within Section A of Tuen Mun Town Lot No. 326 held under Government Lease for a term commencing from 3 January 1989 to 30 June 2047.									
164.	Carpark within Ming Nga Court Tai Po	0.0	345	1.27M	8.50%	17.9M	9.00%	16.3M	17.1M	7.41%	8.36%
	Brief Description:	The property comprises a 2-storey with basement level carpark building which was completed in 1985. 345 car parking spaces are provided within the property. Access to the carpark is via the On Po Lane entrance.									
	Title Details:	The property is within Section A of Tai Po Town Lot No. 36 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
165.	Carpark within Upper Ngau Tau Kok Estate Kowloon East	0.0	228	0.09M	8.50%	16.0M	9.00%	16.5M	16.3M	0.55%	9.17%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 2002. 228 car parking spaces are provided within the carpark building and various "open" car parking spaces located along the estate road. Access to the carpark for lorries is via the On Tak Road entrance, while access for motorcycles and private cars is via the On Shin Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
166.	Carpark within Tin Yau Court Tin Shui Wai	0.0	192	1.13M	8.50%	14.5M	9.00%	16.6M	15.6M	7.27%	9.92%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1992. 192 car parking spaces are provided within the property. Access to the carpark is via the Tin Shing Road carpark entrance.									
	Title Details:	The property is within Section A of Tin Shui Wai Town Lot No. 10 held under Government Lease for a term commencing from 23 January 1992 to 30 June 2047.									
167.	Carpark within Yee Nga Court Tai Po	0.0	159	1.48M	8.50%	16.5M	9.00%	18.2M	17.4M	8.48%	9.67%
	Brief Description:	The car parking spaces are located along the roads at the northern and western fringes within the estate.									
	Title Details:	The property is within Section A of Tai Po Town Lot No. 120 held under Government Lease for a term commencing from 22 May 1991 to 30 June 2047.									
168.	Retail and Carpark within Hung Hom Estate Kowloon Central	371.0	45	0.63M	7.62%	14.9M	9.25%	14.5M	14.7M	4.31%	9.09%
	Brief Description:	The property comprises a single storey carpark podium. In addition, the property also includes various shop units located within the residential block of Hung Fai House. The property was completed in 1999. 45 car parking spaces are provided within the carpark podium. In addition, various "open" car parking spaces are located along the roads within the estate. Access to the carpark is via the Tai Wan Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
169.	Retail and carpark within Tin Wang Court Kowloon North	1,030.0	79	1.14M	8.00%	15.9M	9.25%	16.1M	16.0M	7.14%	9.31%
	Brief Description:	The property comprises a 3-storey carpark building with a kindergarten located on the second floor. The property was completed in 1992. 79 car parking spaces are provided within the carpark building. Access to the carpark is via the Kam Chuk Lane entrance.									
	Title Details:	The property is within The Remaining Portion of New Kowloon Inland Lot No. 6131 held under Government Lease for a term commencing from 21 May 1991 to 30 June 2047.									
170.	Carpark within Hong Keung Court Kowloon North	4.0	93	1.04M	8.50%	13.2M	9.00%	14.1M	13.7M	7.61%	9.38%
	Brief Description:	The property comprises mainly a 2-storey carpark building which was completed in 1999. The property has a total internal floor area of 4 square metres. 93 carpark spaces are provided within the carpark building of the property. Access to the carpark is via the Heng Lam Street entrance.									
	Title Details:	The property is within The Remaining Portion of New Kowloon Inland Lot No. 6239 held under Government Lease for a term of 50 years commencing from 8 January 1999.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
171.	Retail and Carpark within Hong Shui Court Kowloon East	32.4	102	0.97M	7.99%	13.0M	9.25%	13.3M	13.2M	7.37%	9.38%
	Brief Description:	The property comprises a 2-storey carpark building with a retail/commercial unit located on the lower ground floor. The property was completed in 1999. 102 car parking spaces are provided within the carpark building. Access to the carpark is via the Pik Wan Road entrance.									
	Title Details:	The property is within Section A of New Kowloon Island Lot No. 6227 held under Government Lease for a term of 50 years commencing from 14 May 1998.									
172.	Retail and Carpark within Tai Ping Estate Fanling/ Sheung Shui	326.0	101	0.87M	8.07%	13.4M	9.25%	14.0M	13.7M	6.34%	9.52%
	Brief Description:	The property comprises a 2-storey carpark building with two retail shops on the ground floor of Ping Hay House. The property was completed in 1989. 101 car parking spaces are provided within the carpark building and various "open" car parking spaces located between Ping Chi House and Ping Ching House within the estate. Access to the carpark is via the Po Ping Road entrance.									
	Title Details:	The property comprises 2,787/86,121 shares within Fanling Sheung Shui Town Lot No. 223 held under Government Lease for a term of 50 years commencing from 24 January 2002.									
173.	Carpark within Kam On Court Ma On Shan	0.0	238	0.55M	8.50%	12.2M	9.00%	12.9M	12.6M	4.34%	9.31%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1987. 238 car parking spaces are provided within the carpark building. Access to the carpark is via Hang Kam Street entrance.									
	Title Details:	The property is within Section A of Sha Tin Town Lot No. 283 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance.									
174.	Retail and Carpark within Choi Fai Estate Kowloon North	97.0	93	0.86M	7.91%	13.8M	9.25%	14.5M	14.2M	6.07%	9.54%
	Brief Description:	The property comprises a 3-storey carpark building and a shop unit within the residential block of Choi Ip House. The property was completed in 1995. 93 car parking spaces are provided within the 3-storey carpark building. Access to the carpark is via the Ngau Chi Wan Street entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
175.	Carpark within Kwai Hong Court Tsuen Wan/ Kwai Chung	0.0	88	0.40M	8.50%	10.2M	9.00%	11.4M	10.8M	3.67%	9.75%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1993. 88 car parking spaces are provided within the carpark building. Access to the carpark is via the Tai Wo Hau Road entrance.									
	Title Details:	The property comprises 1,100/35,351 shares within Kwai Chung Town Lot No. 420 held under Government Lease for a term commencing from 1 March 1990 to 30 June 2047.									

## Valuation Report



No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis Target IRR	ASSESSMENT as at 31 March 07			
								Value (HK\$)	Value (HK\$)	Analysis Initial Yield	Indicated IRR
176.	Carpark within Fung Lai Court Kowloon North	0.0	134	0.52M	8.50%	9.2M	9.00%	10.3M	9.8M	5.26%	9.68%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1997. Apart from car parking spaces within the carpark building, "open" car parking spaces are also found at the western side of Fung Yan House. Access to the carpark is via the Fung Lai Road entrance.									
	Title Details:	The property comprises 1,512/33,911 shares within New Kowloon Inland Lot No. 6240 held under Government Lease for a term commencing from 7 June 1996 to 30 June 2047.									
177.	Carpark within Lower Wong Tai Sin (I) Estate Kowloon North	0.0	70	0.40M	8.50%	8.6M	9.00%	9.7M	9.2M	4.40%	9.78%
	Brief Description:	The property comprises two "open" car parking areas which were completed in 1982. 70 car parking spaces are provided within the two car parking areas located next to Lung Wah House and Lung Chak House. Access to the carpark is via the Tai Shing Street entrance.									
	Title Details:	The property comprises 674/240,107 shares within New Kowloon Inland Lot No. 6373 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
178.	Carpark within Chuk Yuen (North) Estate Kowloon North	0.0	61	0.36M	8.50%	7.8M	9.00%	8.7M	8.3M	4.31%	9.69%
	Brief Description:	The property comprises two "open" car parking areas which were completed in 1987. 61 car parking spaces are provided within the two "open" car parking areas located next to Chung Yuen House and Yung Yuen House. Access to the carparks is via the Wing Chuk Street entrance.									
	Title Details:	The property comprises 687/364,071 shares within New Kowloon Inland Lot No. 6327 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
179.	Carpark within Pang Ching Court Kowloon North	0.0	67	0.21M	8.50%	6.5M	9.00%	7.2M	6.9M	3.06%	9.66%
	Brief Description:	The property comprises an "open" car parking area which was completed in 1991. 67 car parking spaces are provided at the "open" car parking area located next to Pang Ching Court. Access to the carpark is via the Chui Chuk Street entrance.									
	Title Details:	The property is within Section A of New Kowloon Inland Lot No. 6121 held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.									
180.	Retail and Carpark within Ko Yee Estate Kowloon East	45.0	38	0.06M	7.98%	4.4M	8.25%	4.9M	4.7M	1.34%	8.84%
	Brief Description:	The property comprises a single storey carpark building and two retail shop units. The property was completed in 1994. 38 car parking spaces are provided within the carpark building and various "open" car parking spaces located close to the entrance of the carpark building. Access to the carpark is via the Ko Chiu Road entrance.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
TOTAL PORTFOLIO		1,015,278	79,485			39,744M		39,360M	39,557M	6.20%	n/a

## Valuation Report



### Valuation Analysis

Our analysis of the key investment parameters is as follows:

#### Retail Facilities

- Retail value is HK\$32.251 billion
- Indicating HK\$31,766 per square metre of IFA
- Initial yield is 5.91%

#### Car Parking Facilities

- Carpark value is HK\$7.306 billion
- Indicating HK\$91,917 per car parking space
- Initial yield is 7.47%

#### Total Portfolio

- Total portfolio value is HK\$39.557 billion
- Initial yield is 6.20%

### Valuation Assessment

Based on our comprehensive valuation reports, we are of the opinion that the aggregate Market Value of the unencumbered leasehold interest in the Properties, subject to all existing and proposed leases/tenancy agreements and occupancy arrangements, is:

#### **HK\$39.557 billion (Hong Kong Dollars: Thirty Nine Billion Five Hundred and Fifty Seven Million)**

Refer to above schedule for individual property values.

### Disclaimer

Messrs Kam-hung Yu, Danny Mohr, Sim Hwee Yan, and CB Richard Ellis have prepared this Valuation Summary letter which appears in this Annual Report and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Annual Report, other than in respect of the information provided within the aforementioned Reports and this Valuation Summary letter. Messrs Kam-hung Yu, Danny Mohr, Sim Hwee Yan and CB Richard Ellis do not make any warranty or representation as to the accuracy of the information in any other part of the Annual Reports other than as expressly made or given by CB Richard Ellis in this Valuation Summary letter.

CB Richard Ellis has relied upon property data supplied by the LML and various independent consultants engaged by LML which we assume to be true and accurate. CB Richard Ellis takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. CB Richard Ellis has no reason to believe that the information is not fair and reasonable, or that material facts have been withheld. However the inquiries of CB Richard Ellis are necessarily limited by the nature of its role and CB Richard Ellis does not warrant that its inquiries have identified or verified all of the matters which a full audit, extensive examination or due diligence investigation might disclose. For the purposes of our valuation assessment, we have assumed that this information is correct.



## Valuation Report



The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. Messrs Kam-hung Yu, Danny Mohr and Sim Hwee Yan have no present or prospective interest in the subject properties and have no personal interest or bias with respect to the party/s involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorised to practise as valuers and have at least 15 years continuous experience in valuation.

Yours faithfully  
CB Richard Ellis

**Danny Mohr** AAPI MRICS  
*Executive Director*  
Valuation & Advisory Services

**Sim Hwee Yan** BSc (Est. Mgt) Hons FSISV  
*Executive Director*  
Valuation & Advisory Services

**Kam-hung Yu** RPS(GP) FHKIS FRICS  
*Executive Director*  
Valuation & Advisory Services

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The valuation reports contain in this report are in summary form. A full version of the valuation reports of all properties held by The Link REIT in English language is available for inspection at the registered office of the Manager.

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Printed by : Asia One Printing Limited

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