

# 領匯 The Link

The Link Real Estate Investment Trust

Stock Code : 823

Annual Report

## 2008

Year Ended 31 March 2008





創興銀行  
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Chong Hing Bank

領匯 The Link

NYE'S SILK 3000

SAVINGS BANK

領匯 The Link

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SAVINGS BANK

Lung Cheung Mall  
Before

解釘裝 傳真服務

各款高級文具用品

BESPOKE

BESPOKE



# New Face New Era

Asset enhancement works at Lung Cheung Mall in Wong Tai Sin have been fully completed. A corridor, with retail shops and restaurants alongside, has been constructed on the first floor to link up the atrium of the mall with a new passenger drop-off area, successfully channelling pedestrian traffic throughout the mall and enhancing its retail atmosphere.

Through the asset enhancement programme, The Link has improved the layout, facilities and environment, as well as the trade mix, of its shopping centres and offer new shopping experiences catering to customer needs. Enhancement works will continue according to the features of individual shopping centres, with a view to unlocking the potential of our properties and creating value for customers and the community.

# Link a New Face

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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

Ian David Murray ROBINS (Chief Executive Officer)

CHEW Fook Aun (Chief Financial Officer)

## Non-Executive Directors

Ian Keith GRIFFITHS

John HO Chi On

KEE Teck Koon

PUA Seck Guan

## Independent Non-Executive Directors

Michael Ian ARNOLD

Leslie CHAO Tse Hou

Anthony CHOW Wing Kin

Patrick FUNG Yuk Bun

Stanley KO Kam Chuen

Richard WONG Yue Chim

Allan ZEMAN

## Audit Committee

Patrick FUNG Yuk Bun (Chairman)

Anthony CHOW Wing Kin

Stanley KO Kam Chuen

Richard WONG Yue Chim

Allan ZEMAN

## Finance and Investment Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

Michael Ian ARNOLD

Leslie CHAO Tse Hou

CHEW Fook Aun

Ian Keith GRIFFITHS

John HO Chi On

KEE Teck Koon

Ian David Murray ROBINS

## Human Resources and Compensation Committee

Michael Ian ARNOLD (Chairman)

John HO Chi On

Stanley KO Kam Chuen

KEE Teck Koon

Ian David Murray ROBINS

Richard WONG Yue Chim

## Nomination Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

Michael Ian ARNOLD

Anthony CHOW Wing Kin

Ian David Murray ROBINS

## Responsible Officers of the Manager

Ian David Murray ROBINS

CHEW Fook Aun

Simon HO Kam Por

## Authorised Representatives of The Link REIT

CHEW Fook Aun

Josephine YEE Chooi Mee

## Qualified Accountant of the Manager

CHEW Fook Aun

## Company Secretary of the Manager

Josephine YEE Chooi Mee

## Trustee

HSBC Institutional Trust Services (Asia) Limited

## Auditors of The Link REIT

PricewaterhouseCoopers

## Principal Valuer

Knight Frank Petty Limited

## Hong Kong Legal Advisors

Baker & McKenzie

Kao, Lee & Yip

Linklaters

Woo Kwan Lee & Lo

## 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

\* Moved to Room 1201-1202, 12th Floor, 9 Queen's Road Central, Hong Kong with effect from 9 June 2008.

## 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 Real Estate Investment Trust's ("The Link REIT") units are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Details of units in issue are set out in Note 23 to the Consolidated Financial Statements. The stock code is 823.

## Investor Calendar

|  |  |
|--|--|
| Final results announcement for the year ended 31 March 2008              | 6 June 2008                                  |
| Ex-dividend date   | 18 June 2008                                 |
| Five trading days to determine scrip price                               | 18 to 24 June 2008<br>(both dates inclusive) |
| Closure of register of unitholders (for distribution)*                   | 20 to 24 June 2008<br>(both dates inclusive) |
| Record date for the final distribution                                   | 24 June 2008                                 |
| Despatch of Distribution Reinvestment Scheme Documents                   | On or about 3 July 2008                      |
| Closure of register of unitholders (for Annual General Meeting)**        | 24 to 29 July 2008<br>(both dates inclusive) |
| 2008 Annual General Meeting  | 29 July 2008                                 |
| Scrip distribution election period closes^                               | 1 August 2008                                |
| Distribution payment date  | On or about 19 August 2008                   |
| Interim results announcement for the six months ending 30 September 2008 | November 2008#                               |

\* For the purpose of the distribution, the register of unitholders of The Link REIT will be closed from 20 June to 24 June 2008 (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 19 June 2008.

\*\* For the purpose of the Annual General Meeting, the register of unitholders of The Link REIT will be closed from 24 July to 29 July 2008 (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 23 July 2008.

^ A distribution reinvestment scheme is available to the unitholders and the unitholders can elect to receive the distribution in respect of the year ended 31 March 2008 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. An announcement explaining further information of the distribution reinvestment scheme will be released on or about 24 June 2008 and a circular containing the details together with the relevant election form or entitlement advice will be sent to unitholders on or about 3 July 2008.

# tentative date

## Investor Information

Corporate press releases, financial reports and other investor information on The Link REIT are available online at its website [www.thelinkreit.com](http://www.thelinkreit.com).

## 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 of 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 11,007,000 sq ft 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 Global Offering.

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.







Properties Under Management:

180

## Mission Statements

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 Statements

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

# Financial Highlights

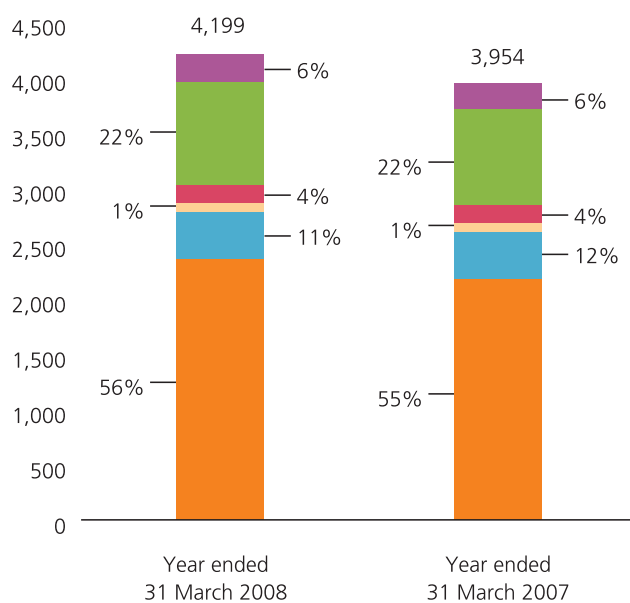
|  |          | Year ended<br>31 March 2008 | Year ended<br>31 March 2007 | Changes % |
|--|----------|-----------------------------|-----------------------------|-----------|
| Revenue  | HK\$M    | <b>4,199</b>                | 3,954                       | 6.2%      |
| Net property income  | HK\$M    | <b>2,537</b>                | 2,361                       | 7.5%      |
| Distributable income   | HK\$M    | <b>1,602</b>                | 1,441                       | 11.2%     |
| Distribution per unit (DPU)  |          |                             |                             |           |
| Interim DPU  | HK cents | <b>36.11</b>                | 32.81                       |           |
| Final DPU  | HK cents | <b>38.29</b>                | 34.62                       |           |
| Total DPU  | HK cents | <b>74.40</b>                | 67.43                       | 10.3%     |
| Distribution yield   |          |                             |                             |           |
| on listing price of HK\$10.30 per unit   | %        | <b>7.2</b>                  | 6.6                         | 9.1%      |
| on market price as at year end   | %        | <b>4.3</b>                  | 3.6                         | 19.4%     |
| Expenditure to income ratio for the year   | %        | <b>39.6</b>                 | 40.3                        | (1.7%)    |
| Expenditure to income ratio excluding<br>estate common area costs for the year   | %        | <b>37.1</b>                 | 38.9                        | (4.6%)    |
| Occupancy rate at year end   | %        | <b>89.3</b>                 | 90.3                        | (1.1%)    |
| Composite reversion rate for the year  | %        | <b>22.5</b>                 | 9.9                         | 127.3%    |
| Composite reversion rate for the year<br>excluding education/welfare   | %        | <b>22.6</b>                 | 10.3                        | 119.4%    |
| Average base unit rent excluding self use<br>offices at year end (per square foot)   | HK\$     | <b>25.4</b>                 | 23.6                        | 7.6%      |
| Average base unit rent excluding self use<br>offices, education/welfare, HD offices<br>and ancillary at year end (per square foot) | HK\$     | <b>27.7</b>                 | 25.9                        | 6.9%      |
| Retention rate for the year  | %        | <b>71.9</b>                 | 78.7                        | (8.6%)    |
| Number of turnover rent tenants at year end  |          | <b>976</b>                  | 561                         | 74.0%     |
| Carpark income per bay per month   | HK\$     | <b>979</b>                  | 923                         | 6.1%      |
| Carpark utilisation rate at year end   | %        | <b>71.2</b>                 | 71.6                        | (0.6%)    |

## Financial Highlights (continued)

|   |       | As at<br>31 March<br>2008 | As at<br>31 March<br>2007 | Changes % |
|---|-------|---------------------------|---------------------------|-----------|
| Valuation of investment properties at year end                | HK\$M | 44,307                    | 39,557                    | 12.0%     |
| Net asset value at year end                                   | HK\$M | 30,558                    | 26,789                    | 14.1%     |
| Net asset value per unit at year end                          | HK\$  | 14.16                     | 12.53                     | 13.0%     |
| Market price per unit at year end                             | HK\$  | 17.26                     | 18.80                     | (8.2%)    |
| Market capitalisation at year end                             | HK\$M | 37,259                    | 40,184                    | (7.3%)    |
| Premium of unit price to net asset value per unit at year end | %     | 21.9                      | 50.0                      | (56.2%)   |
| Borrowings to total assets ratio at year end                  | %     | 24.2                      | 26.9                      | (10.0%)   |

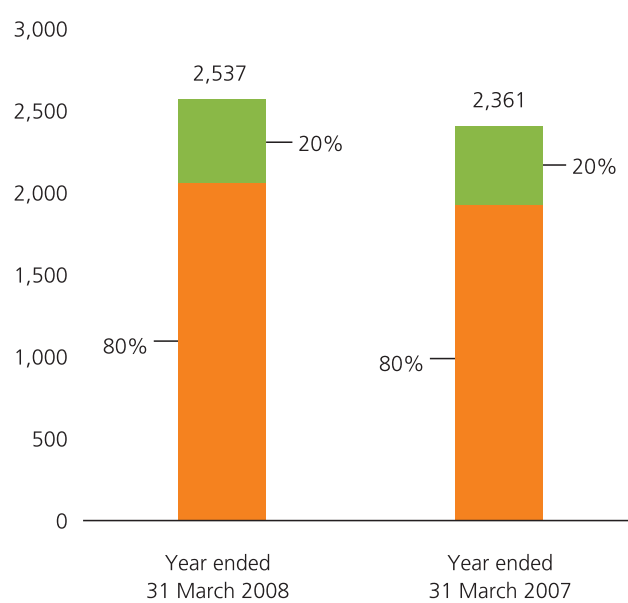
## Total Revenue

HK\$ Million



## Net Property Income

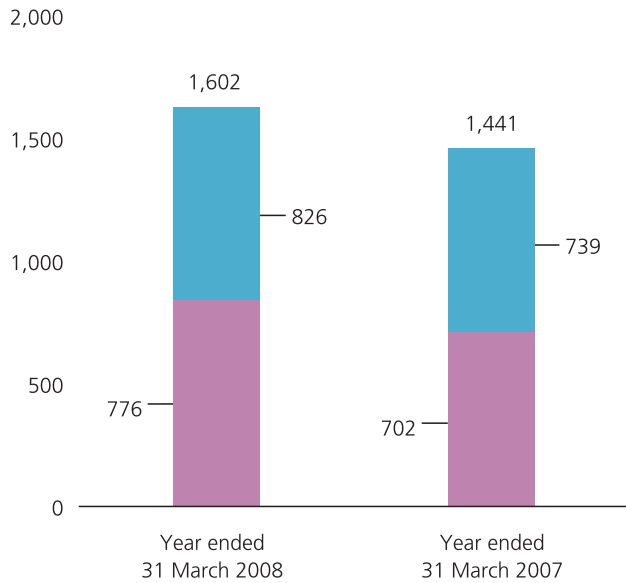
HK\$ Million



Financial Highlights (continued)

Distributable Income

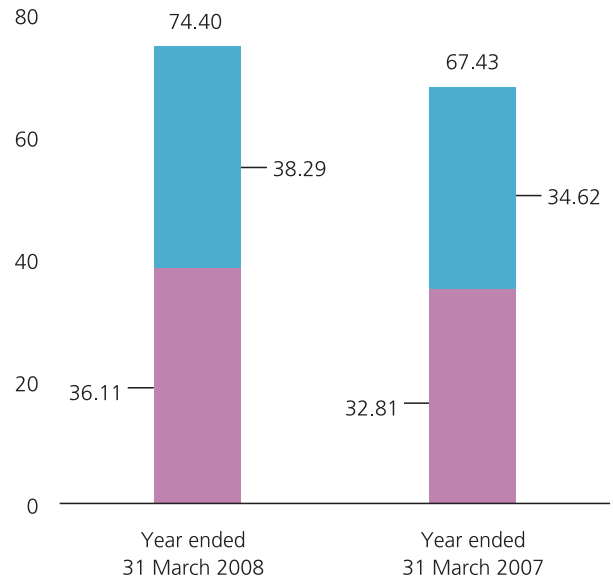
HK\$ Million



■ Interim ■ Final

Distribution per Unit

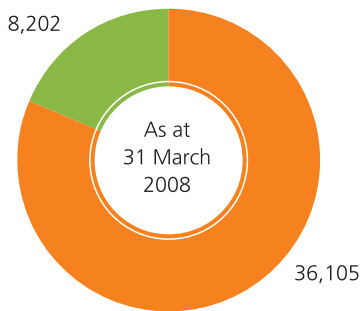
HK cents



■ Interim ■ Final

Property Valuation

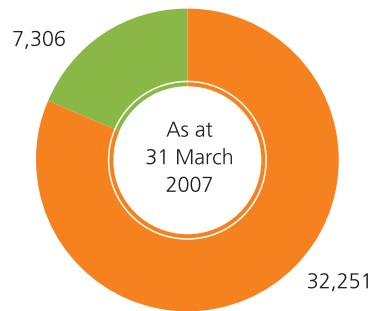
HK\$ Million



HK\$44,307 Million

■ Retail ■ Carpark

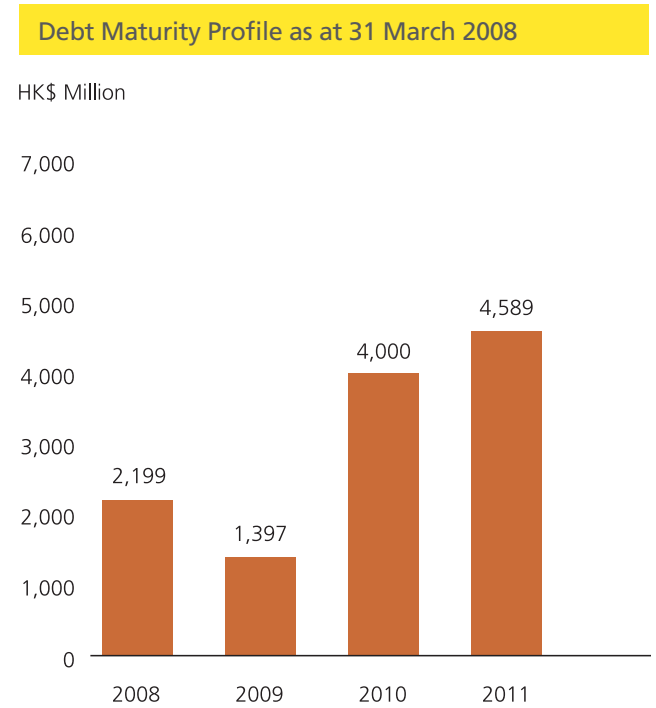
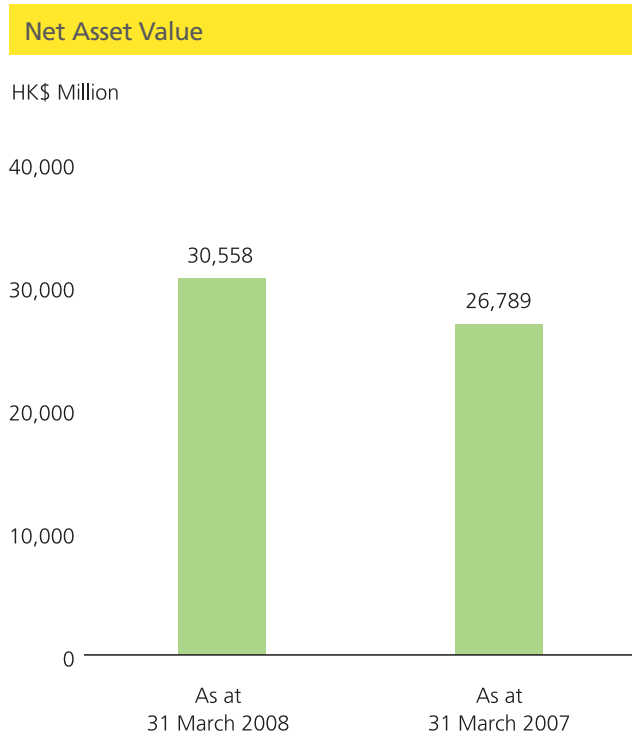
HK\$ Million



HK\$39,557 Million

■ Retail ■ Carpark

## Financial Highlights (continued)



# Milestones

April



August



October



## 2007

### April

- Mr Nicholas Robert Sallnow-Smith joined The Link Management Limited as Chairman and Independent Non-Executive Director.
- Organised "Most Popular Tenants Award" to recognise tenants' efforts to win customers' hearts. The awardees were determined by an independent customer survey conducted at four shopping centres by The University of Hong Kong.

### May

- Environment-friendly bags were available for redemption by customers, with proceeds going to Hong Kong Family Welfare Society for charity.
- Launched a promotional event to make the biggest puzzle with environment-friendly bags at Kai Tin Shopping Centre on Mother's Day, as a tribute to mothers.

May



### June

- Announced results for the financial year 2006/07. Distribution for the year was 67.43 HK cents, exceeding IPO commitment by 9.2%.

### July

- Staff volunteers partnered with Society for Community Organisation to launch a series of activities to bring hundreds of grass-root families to tour famous tourist spots in Hong Kong.
- Launched a summer lucky draw event with the largest number of shopping centres participating in Hong Kong, stimulating spending over HK\$67 million. Around 500,000 customers enjoyed related promotional and entertainment events.

July



July



### August

- Launched Hong Kong's first shopping centre plastic bag recycling programme, collecting half a tonne of plastic bags in three months to support environmental protection.

### October

- Presented with "Outstanding Corporate Strategy Award" by East Week for our outstanding business performance and excellent strategies.
- Partnered with Chong Hing Bank to launch "The Link Credit Card" to provide cardholders with more shopping benefits. The Link's tenants and carpark users may use the card to pay bills to enjoy interest-free repayment period, and thus more freedom in financial management.
- One hundred and eleven shopping centres offered parking privileges, entitling customers to free parking in the first hour upon spending HK\$50 or more.

October



Milestones (continued)

November



November

- Announced results for the first half of financial year 2007/08. Distribution for the period was 36.11 HK cents, representing an increase of 10.1% over same period last year.
- “The Link Fun Academy” was launched to sponsor art groups, training organisations, celebrities to conduct classes, giving the young stimulating learning opportunities.

December

- Mr Ian Robins joined The Link Management Limited as Executive Director and Chief Executive Officer.
- Gained our second “Hong Kong Outstanding Enterprises Award,” organised by *Economic Digest*.
- “The Link Credit Card” offered exclusive shopping privileges applicable to fresh markets to enable cardholders to buy fresh market cash coupons at a discount at selected fresh markets.

November



March



2008

January

- The 2007 Annual Report won an award in the “Design: Annual Report Cover - Places, Products, Things” category at the International Mercury Awards competition.



- Security staff serving at a number of our shopping centres were commended by the Police Force and District Fight Crime Committees for their outstanding performance.

February

- Named “Caring Company” by The Hong Kong Council of Social Services for our contributions to and support of community activities.



December



March

March

- Presented with Hong Kong Service Award in the Real Estate Investment Trust category by *East Week* in recognition for our contribution to economic prosperity.
- Eight of The Link’s properties won nine awards in the Hong Kong Energy Efficiency Awards competition, saving electricity enough for the needs of 600 households. Chung Fu Shopping Centre won the Grand Award.

December



January





DO FEEL  
Video Co.  
FEEL 卡律中心  
地址：新加坡 3 号 T56A 座  
电话：2337 9396

Before

**New Face New Era**  
One of the shopping centre's main entrances has been turned into a beautifully lit walkway, enhanced with promotional light boxes to highlight tenants and attract customer traffic.

**Lok Fu Shopping Centre**



# Chairman's Statement

On behalf of the Board of The Link Management Limited, I am delighted to report the annual results of The Link REIT for the year ended 31 March 2008.

## Financial Results For The Year Ended 31 March 2008

Total distributable income for the year ended 31 March 2008 was approximately HK\$1,602 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 HK38.29 cents per unit which, together with the interim distribution per unit of HK36.11 cents, gives a total distribution per unit of HK74.40 cents for the year, representing an increase of 10.3% over the distribution per unit for the year ended 31 March 2007 of HK67.43 cents.

## Strategy

Our objective is to maximise unitholders' value through the distribution of stable income and to enhance long term capital growth, whilst continuing to meet the daily shopping requirements of our customers. We are also seeking, through our ongoing asset enhancement programmes, to improve the shopping experience by offering a wider spectrum of retailers and choices of dining outlets. Partnering with our tenants, we will build on the uniqueness and unlock the potential of our diversified portfolio by revamping the physical infrastructure and configurations of our malls whilst continuously improving our trade and tenant mixes.



## Operations

We are continuing with our asset enhancement programmes in rejuvenating select shopping centres and improving customer service. By progressively enhancing a number of our properties, we are targeting higher patronage and customer satisfaction, improving investment returns and providing job opportunities. As a result, tenants, shoppers and unitholders all benefit.

During the year under review, asset enhancement projects have been progressing satisfactorily with several projects/phases of certain asset enhancement projects being completed to the Manager's satisfaction. Preliminary feasibility studies under consideration are expected to confirm further opportunities at other shopping centres for asset enhancement to unlock their full potential.

Revenue growth this year has been good with strong reversions and new leases. On the cost front, The Link's effort in lowering operating costs is best illustrated in Chung Fu Shopping Centre, which won the Grand Award in the Second Hong Kong Energy Efficiency Awards this year. With eight of The Link's properties winning a total of nine awards in this competition, our commitment to working with tenants and the public to advance energy saving is being recognised. We will continue our initiatives to both improve revenue and reduce costs in the coming year.

## Chairman's Statement (continued)

### Awards

Apart from the above, The Link has also received a number of awards from various other organisations during the year, all of which are motivating us to further improve ourselves.

The Link REIT was presented the Outstanding Corporate Strategy Award by East Week in October 2007 for the pursuance of effective business strategies to enhance performance and create value. The Link REIT was also presented with its second "Hong Kong Outstanding Enterprises Award" organised by the Economic Digest magazine in November 2007.

We were named a Caring Company by The Hong Kong Council of Social Services in February 2008 for our commitment to good corporate citizenship.

As recognition for its outstanding achievement in boosting economic vibrancy in its properties, The Link REIT was presented the Hong Kong Service Award in the Real Estate Investment Trust category organised by East Week in March 2008.

The Link Real Estate Investment Trust Annual Report 2007 obtained an award in the category "Design: Annual Report Cover — Places, Products, Things" of the 2007/08 International Mercury Awards in March 2008. The Awards were organised by MerComm, Inc. in the United States with an aim to honour excellence in public relations and corporate communications.

### Appreciation

The Board would like to extend its sincere thanks to our management and staff, whose professionalism and dedication are critical to our success.

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



Wong Tai Sin Shopping Centre

## Chairman's Statement (continued)

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

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

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

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



Tsz Wan Shan Shopping Centre

## Chairman's Statement (continued)

### Prospects

Although there have been a number of changes in the Board during the year, our mission remains the same. While nurturing our existing portfolio through staged asset enhancements, we are also mindful of the need to capture long term capital growth. While our strong financial standing and credit rating will enable us to consider appropriate new investments and challenges in due course, it is our immediate priority to focus on unlocking the potential of our existing portfolio to contribute to the daily lives of many Hong Kong people.

We continue to remain optimistic and challenged by our future prospects. Whilst we see many opportunities to grow returns to unitholders, we will also seek to ensure that our portfolio will continue to contribute to the daily lives of many Hong Kong people by providing them with 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**

6 June 2008



### New Face New Era

Softer and more trendy lights have been put in place as part of the property's renovation, giving customers a refreshing ambience to enjoy their shopping.

## Tsz Wan Shan Shopping Centre



Before



# CEO's Report

I am very pleased to present my first report to unitholders as CEO of The Link. The financial results indicate that we have had a good year and Management is continuing to prioritise its efforts to continue this success going forward.

## Financial Highlights

Total revenue for the year ended 31 March 2008 was HK\$4,199 million (2007: HK\$3,954 million), with income from retail facilities amounting to HK\$3,017 million (2007: HK\$2,832 million), income from carpark operations of HK\$934 million (2007: HK\$881 million) and income from other sources of HK\$248 million (2007: HK\$241 million). The proportion of revenue from shopping centres, carparks and other income was approximately 72%, 22% and 6% (2007: 72%, 22% and 6%), respectively.

Total Distributable Income to unitholders for the year amounted to HK\$1,602 million (2007: HK\$1,441 million). Total distribution per unit for the year amounted to HK74.40 cents, 10.3% higher than HK67.43 cents for the year ended 31 March 2007. As at 31 March 2008, the total market value of the properties in the portfolio amounted to HK\$44,307 million (2007: HK\$39,557 million) representing an increase of approximately 12%.

## Asset Enhancements

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

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

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

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

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

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

The asset enhancement highlights at these properties are shown from pages 44 to 63 of this report.



Hau Tak Shopping Centre

## CEO's Report (continued)

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

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

We have continued with the phased implementation of the carpark automation system during the year. As at 31 March 2008, approximately 75% of our carparks have already been automated. With full implementation by mid 2008, it will provide more convenience to our users, enhance service quality through better management of the carparks and help to reduce carpark operating costs.

### Leasing

Trade mixing is an important component to the success of a shopping centre. In order for our shopping centres to operate at its optimal potential, we are constantly refining our trade mixes with a view to provide a wider assortment of choices to our customers whose homes are on the doorstep of our retail facilities or the wider customer base as a whole. Apart from just meeting daily demands of customers in providing essential services, we are endeavouring to introduce tenants from diverse trade sectors, specialty shops and food and beverage outlets to our malls. We believe this refinement of trade mix is a continuing and proactive process which will be affected by current business trends and customer preferences. We are continuing to monitor the market trends and undertake surveys to understand the demands of our shoppers to improve our trade mix.



Revenue growth for the year under review has been very encouraging with strong renewals and new leases, displaying sustained growth momentum. Although affected by asset enhancement work, the occupancy rate of the portfolio still stood at 89.3% (2007: 90.3%) as at 31 March 2008. The retention rate for the year was 71.9% (2007: 78.7%). We have continued with our efforts to increase the number of tenancies with turnover rent clauses and as at 31 March 2008, there were 976 (2007: 561) tenancies with such a clause.

Average composite reversion rate for the portfolio during the year was 22.5% as compared to 9.9% last year. Excluding welfare letting, the average composite reversion rate during the year was 22.6% (2007: 10.3%). Inevitably, reversion rates for individual malls show large variances as rental levels are affected by the local business operating environment and the characteristics and 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.

## CEO's Report (continued)

In centres with completed asset enhancement works, the strong tenant take up and the higher rents achieved in the renovated areas have also had a positive spill over effect to other parts of the mall thus bringing up the average rental of the entire centre. Accordingly, the average unit rent of the total portfolio has increased from HK\$23.6 per square foot ("psf") at 31 March 2007 to HK\$25.4 psf at the year end. Excluding welfare/education letting, Housing Department ("HD") offices and ancillary, the average unit rent of the total portfolio as at 31 March 2008 was HK\$27.7 psf (2007: HK\$25.9 psf).

Leasing of market stalls continues with occupancies of markets standing at 78.3% (2007: 77.5%) at the year end, a slight increase over last year.

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 2008 was 71.2% (2007: 71.6%). We are closely monitoring the utilisation at our car parks to ensure that our rates charged are competitive. To bring even more convenience to our monthly carpark users, we have introduced an e-payment scheme to facilitate payment of carpark fees.

## Portfolio Management

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

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

The Link Tenant Information Centre was established at the Fu Cheong Shopping Centre to provide tenants with the latest information on shop designs and renovations and giving them a one-stop access to demonstrative designs for different trades, shop-fitting materials, fit-out guides and other information. We have organised seminars to keep our tenants updated with market trends and equip them with necessary skills through various seminars covering topics such as how to identify counterfeit banknotes, how to make use of window displays to showcase their products and shop front designs to boost business etc. These seminars are informative and useful in equipping tenants with practical knowledge and techniques. They can also serve as a platform for our tenants to share their experiences and hence are very popular with our tenants.



Self-enhancement by tenant



## CEO's Report (continued)

Once the installation of the carpark management information and automation system is complete, together with the upgrading and standardisation of CCTV systems, it is expected that further enhancement in operational efficiency can be achieved and further reduce operating costs.

### Marketing and Promotion

The marketing and promotional endeavours of the Manager have continued to enliven the business ambience of our shopping centres. Our promotional programmes, which include festive decorations and entertaining stage events, have attracted increased footfall to our centres, benefitting tenants and shoppers. We will continue to bring a more lively and enjoyable shopping experience to our shoppers through arranging more exciting events

and multi-dimensional activities, aiming at further improvements in customer satisfaction thus helping in strengthening the corporate image of The Link.

During the year, The Link and Chong Hing Bank together launched "The Link Credit Card" (the "Card"), the first credit card with "The Link" branding. Public response to the Card has been overwhelming. There are now approximately 12,300 cards in issue. The Card will serve to bring cardholders more shopping and dining benefits as well as to help tenants promote their products and services to The Link's broad customer base.

The Link has also received a number of awards from various organisations during the year, all of which have been instrumental in motivating the management team.



Attractive festive activities and decorations at shopping centres



CEO's Report *(continued)***Prospects**

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

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

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

On behalf of the Board, I would like to thank the Management Team and all the staff, which together 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.

**Ian ROBINS**

*Chief Executive Officer*

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

6 June 2008



### New Face New Era

Reconfiguration of the floor layout has enabled shops and restaurants to be set up in previously vacant areas, rejuvenating the property and providing customers with quality and convenient services.

### Ming Tak Shopping Centre

Before

## Board of Directors

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

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

Mr Sallnow-Smith, aged 58, 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 Finance & Investment Committee and the Nomination Committee of the Manager.

Mr Sallnow-Smith has over 31 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 between 2000 and 2007. Mr Sallnow-Smith is currently Regional Chief Executive (North East Asia) of Standard Chartered Bank.

Mr Sallnow-Smith has been actively involved in public service and is currently a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, a director of The Hong Kong Philharmonic Society Limited, a member of the Board of the Asian Youth Orchestra, Chairman 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 Ian David Murray ROBINS**

*Executive Director and Chief Executive Officer*

Mr Robins, aged 52, joined the Manager in November 2007 and was appointed as Executive Director and Chief Executive Officer of the Manager in December 2007. He is a member of the Finance & Investment Committee, Human Resources & Compensation Committee and Nomination Committee of the Manager. He 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 Robins is a graduate of the University of Technology, Adelaide, South Australia. He is a Chartered Accountant and is an Associate of the Institute of Chartered Accountants in Australia. Mr Robins has over 20 years experience in corporate finance, asset and fund management in Australia and Asia, of which 14 years were in real estate. Prior to joining the Manager, he was Divisional Director and Head of Asia (Hong Kong/Korea/China) for Macquarie Real Estate Asia Limited (since 2006). In Australia, Mr Robins' experience also included 7 years with Deutsche Bank AG, Sydney as Director of Deutsche Bank Investment Banking — Real Estate and Director, Capital Markets of DB RREEF Funds Management Limited.

## Board of Directors *(continued)*

### **Mr CHEW Fook Aun**

*Executive Director and Chief Financial Officer*

Mr Chew, aged 46, has been Executive Director and Chief Financial Officer of the Manager since February 2007. He is a member of 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 Administration & Finance Committee. He is also a Member of the Advisory Committee of the Securities and Futures Commission and the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption.

### **Mr Ian Keith GRIFFITHS**

*Non-Executive Director*

Mr Griffiths, aged 53, joined the Board of the Manager in September 2007 as a Non-Executive Director. He is a member of the Finance & Investment Committee of the Manager. Mr Griffiths has practiced architecture for 29 years, with 25 years having been in Hong Kong. His successful and high profile design practice has a wide range of international clients and projects. He is currently the Chairman of Aedas Ltd and an Honorary Professor of Architecture at The University of Hong Kong. Aedas is one of the largest architectural practice in Hong Kong and globally, having some 27 offices and 2,000 staff internationally.

### **Mr John HO Chi On**

*Non-Executive Director*

Mr Ho, aged 31, 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 Real Estate Investment Trust within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## Board of Directors (continued)

### **Mr KEE Teck Koon**

*Non-Executive Director*

Mr Kee, aged 51, joined the Board of the Manager as a Non-Executive Director in September 2007. He is a member of the Finance & Investment Committee and the Human Resources & Compensation Committee of the Manager. Mr Kee has over 14 years of international experience in the real estate industry in Singapore and other countries. He is currently the Chief Investment Officer of Capitaland Limited. He is also a Director of CapitaMall Trust Management Limited (manager of CapitaMall Trust, the first listed REIT in Singapore), CapitaCommercial Trust Management Limited (manager of CapitaCommercial Trust, a listed REIT in Singapore) and CapitaRetail China Trust Management Limited (manager of CapitaRetail China Trust, a listed REIT in Singapore).

### **Mr PUA Seck Guan**

*Non-Executive Director*

Mr Pua, aged 44, has been a Non-Executive Director of the Manager since April 2005. He has over 18 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 is also the Chief Executive Officer of Capitaland Retail Limited.

### **Mr Michael Ian ARNOLD**

*Independent Non-Executive Director*

Mr Arnold, aged 64, 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 41 years' experience in the property industry.

### **Mr Leslie CHAO Tse Hou**

*Independent Non-Executive Director*

Mr Chao, aged 51, 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 the Chief Executive Officer of the Chelsea Property Group and has overall responsibility for the activities of Chelsea's parent company, Simon Property Group, a US-listed REIT, in the Asia/Pacific region.

### **Mr Anthony CHOW Wing Kin, SBS, JP**

*Independent Non-Executive Director*

Mr Chow, aged 57, joined the Board in May 2006. He is a member of the Audit 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 a practicing solicitor in Hong Kong for over 26 years and is currently a Partner of the law firm Messrs. Peter C Wong, Chow & Chow. Mr Chow is a China-Appointed Attesting Officer and member of the Guangzhou Arbitration Commission. He is also the Chairman of the Process Review Panel for the Securities and Futures 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 (continued)

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

*Independent Non-Executive Director*

Dr Fung, aged 61, has been an Independent Non-Executive Director of the Manager since August 2005. He is the Chairman of the Audit Committee of the Manager. Dr Fung is a veteran banker with over 31 years of experience. He 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, Chairman of Executive Committee and Vice President of the Council 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 62, joined the Board in September 2005. He is a member of the Audit Committee and 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.

### **Professor Richard WONG Yue Chim, SBS, JP**

*Independent Non-Executive Director*

Professor Wong, aged 55, joined the Board of the Manager as an Independent Non-Executive Director in September 2007. He is a member of the Audit Committee and the Human Resources & Compensation Committee of the Manager. He is currently the Deputy Vice-Chancellor and Provost, and Professor of Economics at The University of Hong Kong. His main research interest is in the economic analysis of competition, regulation and economic development. Professor Wong has been actively involved in public service and has served on numerous public bodies. He is an Independent Non-Executive Director of Great Eagle Holdings Limited, Industrial and Commercial Bank of China (Asia) Limited, CK Life Sciences Int'l., (Holdings) Inc., Orient Overseas (International) Limited, Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, which are listed in Hong Kong.

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

*Independent Non-Executive Director*

Dr Zeman, aged 59, 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 Non-Executive Director (non-official) of the Board of the Urban Renewal Authority and a member of the Consultative Committee on the Core Arts & Cultural Facilities of the West Kowloon Cultural District.

# Management Team

## **Mr Ross O'TOOLE**

*Chief Operating Officer*

Mr O'Toole, aged 40, has been Chief Operating Officer of the Manager since May 2008.

Mr O'Toole graduated with a Bachelor of Applied Science degree in Land Economics from University of Technology, Sydney, Australia. Mr O'Toole has over 20 years of experience in retail and commercial asset management in a number of countries including Australia, the United States, New Zealand, South Korea, China, Poland and Germany. He has worked across diverse areas including portfolio and asset management, development and planning, leasing management and financial systems.

Prior to joining the Manager, Mr O'Toole was Division Director of Macquarie Bank and the Chief Operating Officer of Sydney based listed property trust, Macquarie Countrywide Trust, managing predominantly community-based retail facilities with an asset value of over US\$5 billion. His previous employers include Westfield Group, Rodamco Asia, QIC Real Estate, and AMP Property.

## **Mr Sardara Singh DILLON**

*Director (Corporate Services)*

Mr Dillon, aged 59, 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.

## **Ms LAM Lit Kwan**

*Director (Portfolio Management)*

Ms Lam, aged 50, 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 *(continued)*

### **Mr Scott NUGENT**

*Director (Strategy)*

Mr Nugent, aged 36, has been Director (Strategy) of the Manager since May 2008.

Mr Nugent has 15 years of experience with vast exposure in retail asset management including portfolio and asset management, development and planning, leasing management and financial systems.

Prior to joining the Manager, Mr Nugent was the Head of Asset Management (Australia and New Zealand) of Macquarie Countrywide Trust and Associate Director of Macquarie Bank, based in Sydney, Australia. His other previous employer was Lend Lease Corporation, where for a decade he held roles managing major shopping centre developments, property management teams and business redesign projects. Mr Nugent has also held several Real Estate Management Company board Directorships for Macquarie Bank.

Mr Nugent graduated with an Associate Diploma in Business (Asia/Pacific) from Northern Sydney Institute Technical and Further Education College, Sydney, New South Wales, Australia and a Diploma of Property (Real Estate) from The Real Estate Institute of Perth, Western Australia.

### **Mr KOO Kai Chong**

*Director (Human Resources)*

Mr Koo, aged 55, 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 over 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.

### **Mr Christopher John WU**

*Director (Funds Management)*

Mr Wu, aged 37, has been Director (Funds Management) of the Manager since January 2008.

Mr Wu is a Member of the Institute of Economic Development (MIED) and a Member of the Chartered Institute of Marketing (MCIM). He graduated with a Bachelor of Science degree in Economics and Accountancy and a Master of Science degree in Shipping, Trade and Finance from City University, London in the United Kingdom.

Mr Wu has extensive experience in retail real estate development and asset management. Prior to joining the Manager, Mr Wu was the Director of Real Estate in Simon Chelsea International Limited for its Asia Pacific operations based in Hong Kong. His former employers include Shui On Land Limited and Corporation of London, United Kingdom.

## Management Team (continued)

### **Ms Josephine YEE Chooi Mee**

*Head of Legal and Company Secretary*

Ms Yee, 43, joined the Manager as its Head of Legal and Company Secretary in May 2008. She is the Authorised Representative of The Link REIT and The Link Properties Limited and also the Company Secretary to The Link Finance Limited.

Ms Yee holds a Bachelor of Economics degree and a Bachelor of Laws degree from Monash University, Australia and is a solicitor in Hong Kong. She has more than 15 years of extensive experience in the property sector from planning, acquisition, building, developing to selling, leasing and management of all types of properties. Her experience also extends to the commercial and finance sectors having undertaken a broad spectrum of commercial work, infrastructure projects involving transportation by sea, rail and land and also corporate, property and project finance.

Ms Yee has worked in multiple jurisdictions in varying roles as external and inhouse lawyer to major corporations. She was previously inhouse legal adviser to Sun Hung Kai Properties Group and corporate legal counsel to Kowloon Canton Railway Corporation.

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

*Head of Leasing and Control*

Mr Au Yeung, aged 59, 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 prestigious retail properties. With over 38 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 of the property sector.

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

*Head of Finance and Investment Management*

Ms Chang, aged 41, 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 20 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 32, 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. Ms Miu writes her regular column for local newspaper *am730*. Prior to joining the Manager, Ms Miu served in Asia Television Limited as prime time news anchor, public affairs programme host and senior reporter specialising in the property sector.

## Management Team (continued)

### **Mr CHEUNG Kin Fat**

*General Manager (Business Advisory/Planning)*

Mr Cheung, aged 58, 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 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 54, 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 61, 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. She is also a Certified Property Manager, an Accredited Condominium Manager, and a Professional Administration Manager. Ms Tsang has over 27 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 38, 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 a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. Ms Tsang has 16 years of experience in auditing, accounting and finance. She trained and qualified as a Certified Public Accountant with Ernst & Young in Hong Kong and 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 *(continued)*

### **Mr Simon WONG Yuk Sun**

*General Manager (Project & Technical)*

Mr Wong, aged 44, has been General Manager (Project & Technical) of the Manager since January 2008.

Mr Wong graduated from The University of Hong Kong with a Bachelor of Arts degree in Architectural Studies and a Bachelor's degree in Architecture. He is a registered architect and an authorised person (List of Architects). He is also a Fellow of The Hong Kong Institute of Facility Management and a member of The Hong Kong Institute of Architects, The Royal Institute of British Architects and The Royal Australian Institute of Architects. He has obtained the qualification of PRC Registered Architect (Class 1) and holds an Estate Agent's Licence (Individual). Mr Wong has been practicing in the industry for over 15 years with strong recognition in retail mall design, planning and asset enhancement. Prior to joining the Manager, Mr Wong was the Technical Manager (Architectural Services) of MTR Corporation Limited and was in charge of developing and re-branding the entire shopping centre portfolio.

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

*Compliance Manager*

Mr Ho, aged 55, 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.



### New Face New Era

The shopping centre's atrium features modern simple design, offering a more spacious shopping ambience. Repartitioning of floor space has made more leisure shopping choices available.

## Chung On Shopping Centre



Before



# Management Discussion and Analysis

## Operational Review

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

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

## The Manager

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

## Leasing

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

Trade mix upgrading and planning is carried out on a continual basis and in line with planned expiry of tenancies as well as asset enhancement projects. We have also achieved good progress in increasing tenancies with turnover rent clauses so that we can share in the upside with our tenants as their businesses improve. The number of tenancies with such clauses has increased to 976 (2007: 561) with turnover rent for the year increasing to HK\$52 million from HK\$32 million for the year ended 31 March 2007, representing a yearly increase of approximately 63% for such revenue.

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



Tsz Wan Shan Shopping Centre

## Management Discussion and Analysis (continued)



**Mr Chow Hung Fai**, Regional Manager (Kln. East & N.T. East) of jewellery shop tenant Chow Tai Fook

“Lung Cheung Mall is adjacent to Wong Tai Sin Temple and an MTR station. Its prime location, together with the enhancement works carried out at the mall, has generated strong pedestrian traffic. Customers’ spending power is also better than we expected.”

Asset enhancement works at Lung Cheung Mall have improved access within the property, attracting more customer traffic with new tenants providing customers with wider choices.

| Category   | Total IFA                   |                             | Leased IFA                  |                             | Vacant IFA                  |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 31 March<br>2008<br>(sq ft) | 31 March<br>2007<br>(sq ft) | 31 March<br>2008<br>(sq ft) | 31 March<br>2007<br>(sq ft) | 31 March<br>2008<br>(sq ft) | 31 March<br>2007<br>(sq ft) |
| Retail   | 8,661,156                   | 8,561,739                   | 7,901,282                   | 7,898,425                   | 759,874                     | 663,314                     |
| Market   | 872,648                     | 886,458                     | 683,600                     | 687,433                     | 189,048                     | 199,025                     |
| Cooked food stalls   | 152,677                     | 152,773                     | 97,651                      | 99,169                      | 55,026                      | 53,604                      |
| Education/welfare  | 928,373                     | 919,020                     | 861,077                     | 865,576                     | 67,296                      | 53,444                      |
| HD offices and ancillary   | 279,035                     | 297,216                     | 185,248                     | 213,689                     | 93,787                      | 83,527                      |
| <b>Total excluding Self use offices</b>  | <b>10,893,889</b>           | <b>10,817,206</b>           | <b>9,728,858</b>            | <b>9,764,292</b>            | <b>1,165,031</b>            | <b>1,052,914</b>            |
| Self use offices   | 112,710                     | 111,246                     | N/A                         | N/A                         | N/A                         | N/A                         |
| <b>Total including Self use offices</b>  | <b>11,006,599</b>           | <b>10,928,452</b>           |                             |                             |                             |                             |
| Excluding Self use offices,<br>Education/welfare only                                  | 9,965,516                   | 9,898,186                   | 8,867,781                   | 8,898,716                   | 1,097,735                   | 999,470                     |
| <b>Excluding Self use offices,<br/>Education/welfare, HD offices<br/>and ancillary</b> | <b>9,686,481</b>            | <b>9,600,970</b>            | <b>8,682,533</b>            | <b>8,685,027</b>            | <b>1,003,948</b>            | <b>915,943</b>              |



**Mr Chan Kam Cheung**, Managing Director, Golden Ocean Seafood Restaurant

“Running a restaurant requires a good understanding of customers’ tastes and market trends. Since reopening with a brand new look, our restaurant has not only become more popular with customers living nearby, but also attracted many from outside our neighbourhood. This is very encouraging.”

This restaurant, a long-time tenant at Lei Yue Mun Plaza, is enjoying high patronage, having undertaken a major renovation last year which created a more fashionable ambience.

## Management Discussion and Analysis (continued)



Mrs Wong, holder of The Link Credit Card



“Food prices are rising, as inflation remains high. The fresh market shopping discounts offered by The Link Credit Card are just what is needed by budget customers like us.”

The Link Credit Card was launched in October 2007, offering the first-of-its-kind shopping privileges applicable to fresh markets. Shopping privileges are also available to patrons of designated shops and restaurants at The Link's shopping centres.

| Category   | Occupancy rate    |                   | Vacancy rate      |                   | Average base rent per leased IFA |                         |
|--|-------------------|-------------------|-------------------|-------------------|----------------------------------|-------------------------|
|  | 31 March 2008 (%) | 31 March 2007 (%) | 31 March 2008 (%) | 31 March 2007 (%) | 31 March 2008 (HK\$psf)          | 31 March 2007 (HK\$psf) |
| Retail   | 91.2%             | 92.3%             | 8.8%              | 7.7%              | 25.1                             | 23.3                    |
| Market   | 78.3%             | 77.5%             | 21.7%             | 22.5%             | 57.6                             | 54.3                    |
| Cooked food stalls   | 64.0%             | 64.9%             | 36.0%             | 35.1%             | 32.1                             | 30.7                    |
| Education/welfare  | 92.8%             | 94.2%             | 7.2%              | 5.8%              | 4.4                              | 4.3                     |
| HD offices and ancillary   | 66.4%             | 71.9%             | 33.6%             | 28.1%             | 15.8                             | 11.5                    |
| <b>Total excluding Self use offices</b>  | <b>89.3%</b>      | <b>90.3%</b>      | <b>10.7%</b>      | <b>9.7%</b>       | <b>25.4</b>                      | <b>23.6</b>             |
| Excluding Self use offices, Education/welfare only                             | 89.0%             | 89.9%             | 11.0%             | 10.1%             | 27.5                             | 25.5                    |
| <b>Excluding Self use offices, Education/welfare, HD offices and ancillary</b> | <b>89.6%</b>      | <b>90.5%</b>      | <b>10.4%</b>      | <b>9.5%</b>       | <b>27.7</b>                      | <b>25.9</b>             |



## Management Discussion and Analysis (continued)

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

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



**Mr Cheung Fat Keung**, person-in-charge at Together Restaurant, located in Wong Tin Sin cooked food stalls

"The cooked food stalls are a part of the local dining culture. These stalls have donned a refreshing look and enhanced environmental hygiene after renovation. Customers continue to enjoy great food in a roadside setting characteristic of dai pai dong dining culture and have demonstrated their support of the positive changes with their patronage."

The Link invested around three million dollars in a full-scale renovation for Wong Tin Sin cooked food stalls, which has served the local community for 25 years.

## Management Discussion and Analysis *(continued)*

### Total Distributable Income

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

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

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

per unit for the year of HK74.40 cents represents a distribution yield of 4.3% based on the market price on 31 March 2008 of HK\$17.26. The record date for the final distribution will be 24 June 2008 and the register of unitholders will be closed from 20 June 2008 to 24 June 2008, both dates inclusive. The distribution to unitholders will be effected on or about 19 August 2008.

A distribution reinvestment scheme will be available to the unitholders and the unitholders can elect to receive the final distribution in respect of the year ended 31 March 2008 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. A circular containing the details and the election form will be sent to unitholders on or about 3 July 2008.

### Property Valuation

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



**Mrs Ho**, first runner-up of The Link Mum & I Eco Fashion Design Contest

"During weekends, we like having family time at shopping centres. We joined this promotional activity as a family unit and are very excited we won prizes. This is truly the best Mother's Day present."

The Link Mum & I Eco Fashion Design Contest was held at Tsz Wan Shan Shopping Centre on Mother's Day to encourage participating families to tap their creative potential and bring them festive warmth.

## Management Discussion and Analysis (continued)

The movements in fair values are tabulated below:

|                       | <b>Retail<br/>properties</b><br>HK\$'M | <b>Carparks</b><br>HK\$'M | <b>Total</b><br>HK\$'M |
|-----------------------|--|---------------------------|------------------------|
| At 1 April 2007       | 32,251                                 | 7,306                     | 39,557                 |
| Additions             | 439                                    | 46                        | 485                    |
| Change in fair values | 3,415                                  | 850                       | 4,265                  |
| At 31 March 2008      | 36,105                                 | 8,202                     | 44,307                 |
| % change              | +12.0%                                 | +12.3%                    | +12.0%                 |

**Valuation parameters  
as at 31 March**

|                                    | <b>2008</b>   | <b>2007</b>   |
|------------------------------------|---------------|---------------|
| Internal floor area (sq ft)        | 11,006,599    | 10,928,452    |
| Number of car parking spaces       | 79,485        | 79,485        |
| Value per sq ft (HK\$)             | 3,280         | 2,951         |
| Value per car parking space (HK\$) | 103,191       | 91,917        |
| Net yield                          |               |               |
| Income capitalisation approach     |               |               |
| Retail                             | 5.78% – 8.25% | 4.75% – 8.25% |
| Carpark                            | 6.75% – 9.50% | 7.75% – 8.50% |
| Blended                            | 5.85% – 9.50% | 4.94% – 8.50% |
| Weighted average                   | 6.95%         | N/A           |
| Discount rate                      |               |               |
| Discounted cash flow approach      | 8.25% – 11.5% | 8.25% – 9.25% |



**Ar-bun**, customer services ambassador at Tsz Wan Shan Shopping Centre

“I am happy to help residents and to provide them with an attentive service in my daily work. For me, their happy faces are the best motivation and their opinions always help us to further improve our services.”

Since 2005, customer services ambassadors are made available at The Link's shopping centres. They are specially trained frontline staff to provide customers with latest information on the respective shopping centres.

## Management Discussion and Analysis (continued)

## Portfolio Management

## Major Real Estate Agents and Contractors

No commission was paid to any real estate agents during the year ended 31 March 2008 (2007: Nil). The aggregate value of service contracts of the top five contractors engaged by The Link REIT and its subsidiaries (the "Group") during the year was HK\$384 million (2007: HK\$328 million).

## Top Five Contractors

During the year ended 31 March 2008, the top five contractors and their respective value of services rendered were:

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

## Financial Highlights

## Revenue and Net Property Income

Revenue and net property income from the property portfolio for the year ended 31 March 2008 were HK\$4,199 million (2007: HK\$3,954 million) and HK\$2,537 million (2007: HK\$2,361 million), respectively. Total retail revenue amounted to HK\$3,017 million (2007: HK\$2,832 million) with HK\$934 million (2007: HK\$881 million) of carpark income and HK\$248 million (2007: HK\$241 million) of other income. Net property income represented approximately 60.4% (2007: 59.7%) of total revenue after the deduction of property management costs and other property operating expenses, resulting in an expenditure-to-income (E/I) ratio of approximately 39.6% (2007: 40.3%).

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

## Management Discussion and Analysis (continued)

### Financial Review

The Group has continued to follow a prudent financial management policy during the year. As at 31 March 2008, the Group had net cash at bank and on hand of HK\$1,870 million (2007: HK\$1,528 million) and total undrawn bank loan facilities of HK\$400 million (2007: HK\$400 million). The deposits are with maturities that have been well planned to satisfy the financial commitments and working capital requirements of the Group. The Manager has adopted a principal preservation approach in its cash management to ensure flexibility to meet the operational needs of the Group. In addition, the generation of strong recurrent cashflows from the Group's investment property portfolio provides the Group with a strong financial position and enables the Group to finance any capital expenditure that The Link REIT may incur in relation to major renovations, improvement works and other value-enhancing strategic initiatives.

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

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

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

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

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

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

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



Lok Fu Shopping Centre

## Management Discussion and Analysis (continued)

### Gearing Ratio

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

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

### Credit Ratings

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

### Gross Liabilities and Net Assets

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

### Units in Issue

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

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

### Remuneration Policy

#### Independent Non-Executive and Non-Executive Directors

The objective of remunerating Independent Non-Executive and 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.

## Management Discussion and Analysis (continued)

They are eligible to participate in the long term incentive plan approved by unitholders at the 2007 Annual General Meeting.

Messrs Pua Seck Guan and Kee Teck Koon are appointed Non-Executive Directors pursuant to the Co-operation Agreement and its supplemental agreement signed between the Manager and CapitalLand 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, annual leave, sick leave, maternity leave, medical insurance, life and personal accident insurance, employee compensation, club membership, etc. They are eligible to participate in the long term incentive plan approved by unitholders at the 2007 Annual General Meeting.

## Human Resources Development

Human resources are a vital part to the success of The Link REIT and the Manager has strived to attract potential talent and to retain existing competent staff. Most of the additions in headcounts during the year are in the property management and project management departments. The Manager provides a comprehensive and integrated series of programmes for its staff covering both professional and personal developments. For example, induction and refreshment courses are held to ensure that staff are equipped with all the necessary knowledge or updated information about the operational systems they use in their day-to-day work. Other soft skills programmes are also offered such as time management, listening and understanding, communication skill and complaints handling, etc. Off-site team building courses are also arranged to build up bonding and trust between colleagues. Professional and educational subsidies are also available to staff who want to upgrade themselves. Regular training on service standards including appearance and personal hygiene, courtesy, greeting and offering service etc are arranged for frontline staff of the property management agents and carpark operators.



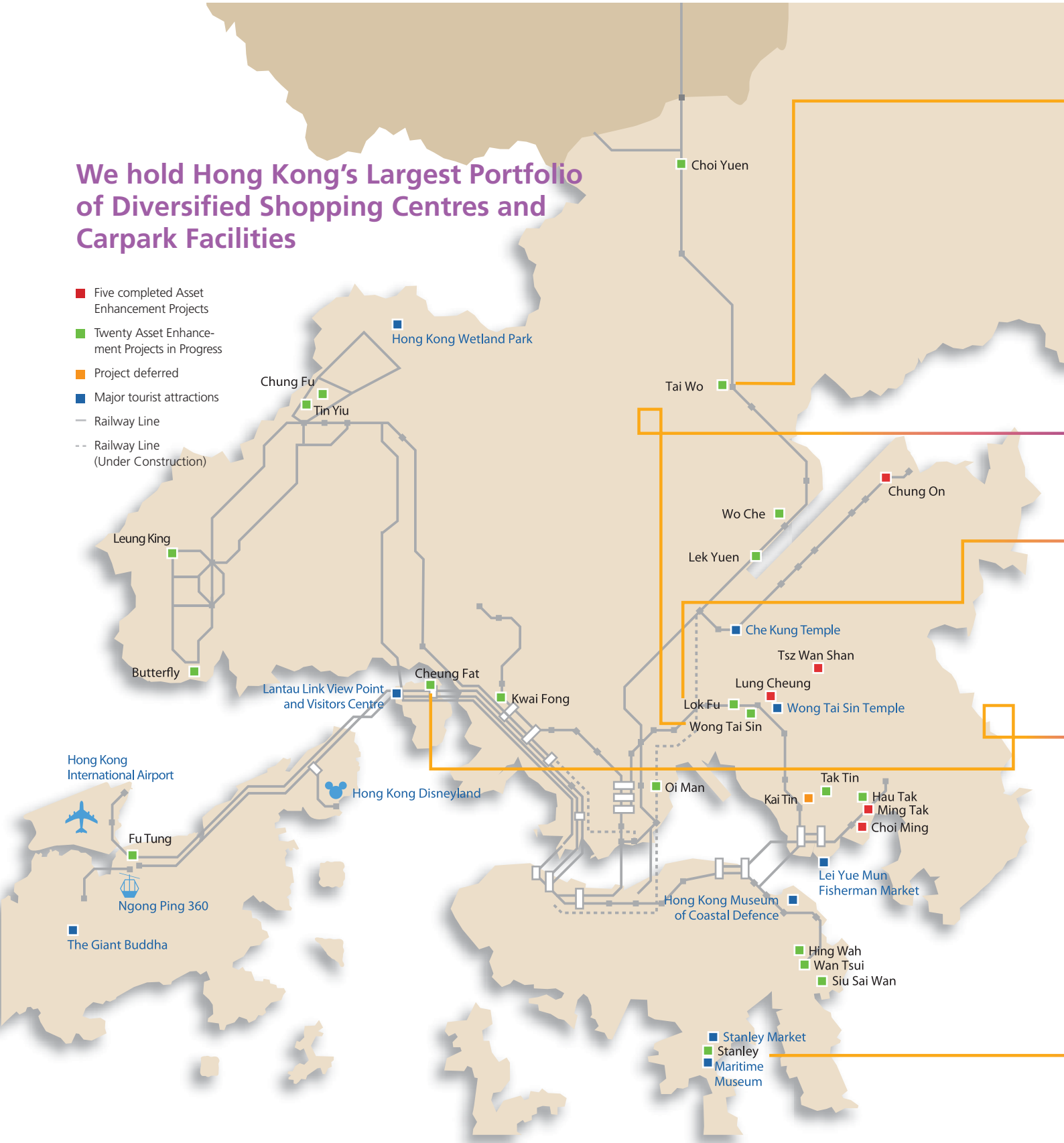
Stanley Plaza

Management Discussion and Analysis (continued)

Portfolio Highlights

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

- Five completed Asset Enhancement Projects
- Twenty Asset Enhancement Projects in Progress
- Project deferred
- Major tourist attractions
- Railway Line
- - Railway Line (Under Construction)



■ Stanley Market  
 ■ Stanley  
 ■ Maritime Museum





### Tai Wo Shopping Centre

- Located right above MTR East Rail's Tai Wo Station with no major competitor around.
- With potential to position itself as a "Station Mall" in the district.



### Wong Tai Sin Shopping Centre

- Linked to 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 attractions, bringing a lot of visitors to the mall every day.



### Lok Fu Shopping Centre

- Located in the heart of Kowloon Central right above Lok Fu MTR Station.
- 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.



### Cheung Fat Shopping Centre

- Located in Tsing Yi, a major shopping mall adjacent to Cheung Fat Bus Terminus.
- With improvement of trade mix it will become a popular shopping destination for neighbouring residents and visitors.



### Stanley Plaza

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

## Management Discussion and Analysis (continued)

## Master Programme for Asset Enhancement Projects

| Announced in 2005/IPO | Announced in 2006 | Announced in 2007 | Internal Floor Area (sq ft) |
|-----------------------|-------------------|-------------------|-----------------------------|
| 1 Tsz Wan Shan        | 1 Tsz Wan Shan    | 1 Tsz Wan Shan    | 204,440                     |
| 2 Hau Tak             | 2 Hau Tak         | 2 Hau Tak         | 173,571                     |
| 3 Lung Cheung         | 3 Lung Cheung     | 3 Lung Cheung     | 159,151                     |
| 4 Lok Fu              | 4 Lok Fu          | 4 Lok Fu          | 413,285                     |
| 5 Choi Ming           | 5 Choi Ming       | 5 Choi Ming       | 100,102                     |
| 6 Tai Wo              | 6 Tai Wo          | 6 Tai Wo          | 149,536                     |
| 7 Stanley             | 7 Stanley         | 7 Stanley         | 95,119                      |
| 8 Chung On            | 8 Chung On        | 8 Chung On        | 83,316                      |
|                       | 9 Chung Fu        | 9 Chung Fu        | 230,102                     |
|                       | 10 Wong Tai Sin   | 10 Wong Tai Sin   | 151,001                     |
|                       | 11 Butterfly      | 11 Butterfly      | 165,928                     |
|                       | 12 Cheung Fat     | 12 Cheung Fat     | 150,704                     |
|                       | 13 Wo Che         | 13 Wo Che         | 187,105                     |
|                       | 14 Lek Yuen       | 14 Lek Yuen       | 113,358                     |
|                       | 15 Ming Tak       | 15 Ming Tak       | 39,086                      |
|                       |                   | 16 Leung King     | 202,258                     |
|                       |                   | 17 Siu Sai Wan    | 99,291                      |
|                       |                   | 18 Oi Man         | 204,877                     |
|                       |                   | 19 Kwai Fong      | 58,664                      |
|                       |                   | 20 Fu Tung        | 97,199                      |
|                       |                   | 21 Kai Tin        | 184,607                     |
|                       |                   | 22 Tin Yiu        | 86,093                      |
|                       |                   | 23 Choi Yuen      | 130,460                     |
|                       |                   | 24 Tak Tin        | 90,418                      |
|                       |                   | 25 Hing Wah       | 78,018                      |
|                       |                   | 26 Wan Tsui       | 80,818                      |
|                       |                   | <b>Total</b>      | <b>3,728,507</b>            |

## Completed Asset Enhancement Phases/Projects

| Announced in 2005/IPO          | Announced in 2006              | Announced in 2007              | Internal Floor Area* (sq ft) |
|--------------------------------|--------------------------------|--------------------------------|------------------------------|
| 1 Tsz Wan Shan Phases 1, 2 & 3 | 1 Tsz Wan Shan Phases 1, 2 & 3 | 1 Tsz Wan Shan Phases 1, 2 & 3 | 204,440                      |
| 2 Hau Tak Phases 1, 2 & 3      | 2 Hau Tak Phases 1, 2 & 3      | 2 Hau Tak Phases 1, 2 & 3      | 167,273                      |
| 3 Lung Cheung Phases 1 & 2     | 3 Lung Cheung Phases 1 & 2     | 3 Lung Cheung Phases 1 & 2     | 159,151                      |
| 4 Lok Fu Phase 1               | 4 Lok Fu Phase 1               | 4 Lok Fu Phase 1               | 26,372                       |
| 5 Choi Ming                    | 5 Choi Ming                    | 5 Choi Ming                    | 100,102                      |
| 8 Chung On Phases 1 & 2        | 8 Chung On Phases 1 & 2        | 8 Chung On Phases 1 & 2        | 83,316                       |
|                                | 10 Wong Tai Sin Phase 1        | 10 Wong Tai Sin Phase 1        | 46,616                       |
|                                | 15 Ming Tak                    | 15 Ming Tak                    | 39,086                       |
|                                |                                | 21 Kai Tin — see note below    | 184,607                      |
|                                |                                | <b>Total</b>                   | <b>1,010,963</b>             |

Note : Asset enhancement works deferred due to improvement in trade mix generating higher rental income

\* Completed and unaffected area

## Management Discussion and Analysis (continued)

## Master Programme for Asset Enhancement Projects

| Project |              | Commencement | Target Completion             | Capital Expenditure<br>HK\$M    |           |
|---------|--------------|--------------|-------------------------------|---------------------------------|-----------|
| 1       | Tsz Wan Shan | Phases 1 & 2 | Aug 2005                      | Completed                       | see below |
|         |              | Phase 3      | Aug 2006                      | Completed                       | see below |
| 2       | Hau Tak      | Phases 1 & 2 | Oct 2005                      | Completed                       | see below |
|         |              | Phase 3      | Dec 2006                      | Completed                       | see below |
|         |              | Phase 4      | Mar 2008                      | 1st Quarter 2009 <sup>[1]</sup> | 6.0       |
| 3       | Lung Cheung  | Phase 1      | Nov 2005                      | Completed                       | see below |
|         |              | Phase 2      | Nov 2006                      | Completed                       | see below |
| 4       | Lok Fu       | Phase 1      | Aug 2006                      | Completed                       | see below |
|         |              | Phases 2-4   | Jun 2007                      | 4th Quarter 2010 <sup>[3]</sup> | 345.5     |
| 5       | Choi Ming    |              | Apr 2007                      | Completed                       | see below |
| 6       | Tai Wo       |              | Jan 2007                      | 4th Quarter 2008 <sup>[1]</sup> | 46.0      |
| 7       | Stanley      | Phase 1      | Aug 2006                      | 2nd Quarter 2009 <sup>[2]</sup> | 75.0      |
| 8       | Chung On     | Phases 1 & 2 | Oct 2006                      | Completed                       | see below |
| 9       | Chung Fu     |              | Sep 2008                      | 4th Quarter 2009                | 72.0      |
| 10      | Wong Tai Sin | Phase 1      | Aug 2006                      | Completed                       | see below |
|         |              | Phase 2      | Apr 2008                      | 1st Quarter 2009 <sup>[1]</sup> | 92.0      |
| 11      | Butterfly    | Phase 1      | Oct 2007                      | 1st Quarter 2009                | 35.0      |
| 12      | Cheung Fat   | Phase 1      | Oct 2006                      | 3rd Quarter 2008 <sup>[1]</sup> | 74.5      |
| 13      | Wo Che       |              | May 2007                      | 2nd Quarter 2009 <sup>[2]</sup> | 50.0      |
| 14      | Lek Yuen     |              | Mar 2007                      | 4th Quarter 2008 <sup>[1]</sup> | 29.0      |
| 15      | Ming Tak     |              | Sep 2006                      | Completed                       | see below |
| 16      | Leung King   |              | Sep 2006                      | 3rd Quarter 2009 <sup>[3]</sup> | 58.0      |
| 17      | Siu Sai Wan  |              | Oct 2007                      | 4th Quarter 2009 <sup>[3]</sup> | 49.0      |
| 18      | Oi Man       |              | Oct 2007                      | 4th Quarter 2009 <sup>[3]</sup> | 75.0      |
| 19      | Kwai Fong    |              | Mar 2008                      | 1st Quarter 2009 <sup>[1]</sup> | 27.5      |
| 20      | Fu Tung      | Phase 1      | Nov 2007                      | 4th Quarter 2008                | 28.0      |
| 21      | Kai Tin      |              | See note below <sup>[4]</sup> | See note below <sup>[4]</sup>   |           |
| 22      | Tin Yiu      |              | Mar 2007                      | 4th Quarter 2008 <sup>[1]</sup> | 32.0      |
| 23      | Choi Yuen    | Phase 1      | Apr 2008                      | 3rd Quarter 2009                | 65.0      |
| 24      | Tak Tin      |              | 1st Quarter 2009              | 3rd Quarter 2010 <sup>[3]</sup> | 31.0      |
| 25      | Hing Wah     |              | Apr 2009                      | 1st Quarter 2010 <sup>[3]</sup> | 53.0      |
| 26      | Wan Tsui     |              | Aug 2008                      | 4th Quarter 2009 <sup>[3]</sup> | 66.0      |
| Total   |              |              |                               |                                 | 1,309.5   |

Notes:–

[1] The target completion date is advanced

[2] The target completion date is revised after design changes to the asset enhancement project

[3] The scope of asset enhancement works is being revised to further explore the investment opportunity due to market changes

[4] Asset enhancement works deferred due to improvement in trade mix generating higher rental income

## Completed Asset Enhancement Phases/Projects


| Project                             |              | Commencement | Completion Date | Capital Expenditure<br>HK\$M |       |
|-------------------------------------|--------------|--------------|-----------------|------------------------------|-------|
| <b>Fully completed projects</b>     |              |              |                 |                              |       |
| 1                                   | Tsz Wan Shan | Phases 1 & 2 | Aug 2005        | May 2006                     | 29.0  |
|                                     |              | Phase 3      | Aug 2006        | Jan 2008                     | 29.8  |
| 3                                   | Lung Cheung  | Phase 1      | Nov 2005        | Mar 2006                     | 9.1   |
|                                     |              | Phase 2      | Nov 2006        | Jun 2007                     | 10.0  |
| 5                                   | Choi Ming    |              | Apr 2007        | Jan 2008                     | 10.0  |
| 8                                   | Chung On     | Phase 1      | Oct 2006        | Sep 2007                     | 9.6   |
|                                     |              | Phase 2      | Oct 2006        | Feb 2008                     | 6.0   |
| 15                                  | Ming Tak     |              | Sep 2006        | Jun 2007                     | 8.0   |
| <b>Partially completed projects</b> |              |              |                 |                              |       |
| 2                                   | Hau Tak      | Phases 1 & 2 | Oct 2005        | Mar 2006                     | 22.0  |
|                                     |              | Phase 3      | Dec 2006        | Dec 2007                     | 40.0  |
| 4                                   | Lok Fu       | Phase 1      | Aug 2006        | Jun 2007                     | 10.0  |
| 10                                  | Wong Tai Sin | Phase 1      | Aug 2006        | Feb 2008                     | 31.0  |
| Total                               |              |              |                 |                              | 214.5 |

## Management Discussion and Analysis (continued)

## Timetable and Capital Expenditure for Asset Enhancement Projects (AEI)

| Project         | Phase | Capex<br>HK\$M | Before<br>May 2008<br>HK\$M | 2008/09    |     |     |     |     |     |     |     |     |     |     |     | 2009/10    |     |     |     |     |     |     |     |     |     |     |     | 2010/11   |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
|-----------------|-------|----------------|-----------------------------|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----------|-----|-----|-----|-----|-----|-----|-----|-----|--|--|--|----------|--|--|--|--|--|--|--|--|--|--|--|
|                 |       |                |                             | Apr        | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr        | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr       | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Completed       |       | 111.5          | 111.5                       |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Hau Tak         | 1&2   | 22.0           | 22.0                        |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
|                 | 3&4   | 46.0           | 40.0                        | HK\$6.0M   |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Lok Fu*         | 1     | 10.0           | 10.0                        |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
|                 | 2-4   | 345.5          | 74.0                        | HK\$106.4M |     |     |     |     |     |     |     |     |     |     |     | HK\$83.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$82.1M |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Tai Wo          |       | 46.0           | 19.0                        | HK\$27.0M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Stanley*        | 1     | 75.0           | 35.0                        | HK\$30.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$10.0M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Chung Fu        |       | 72.0           | 2.5                         | HK\$10.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$59.5M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Wong Tai<br>Sin | 1     | 31.0           | 31.0                        |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
|                 | 2     | 92.0           | -                           | HK\$92.0M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Butterfly       | 1     | 35.0           | 9.5                         | HK\$25.5M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Cheung Fat      | 1     | 74.5           | 24.9                        | HK\$49.6M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Wo Che          |       | 50.0           | 10.2                        | HK\$23.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$16.8M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Lek Yuen        |       | 29.0           | 10.5                        | HK\$18.5M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Leung King      |       | 58.0           | 8.5                         | HK\$20.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$29.5M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Siu Sai Wan     |       | 49.0           | 1.5                         | HK\$27.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$20.5M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Oi Man*         |       | 75.0           | 1.6                         | HK\$18.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$55.4M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Kwai Fong       |       | 27.5           | 0.7                         | HK\$26.8M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Fu Tung         | 1     | 28.0           | 8.6                         | HK\$19.4M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Kai Tin**       |       | -              | -                           |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Tin Yiu         |       | 32.0           | 4.1                         | HK\$27.9M  |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Choi Yuen       | 1     | 65.0           | 1.0                         | HK\$55.2M  |     |     |     |     |     |     |     |     |     |     |     | HK\$8.8M   |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Tak Tin*        |       | 31.0           | -                           |            |     |     |     |     |     |     |     |     |     |     |     | HK\$4.0M   |     |     |     |     |     |     |     |     |     |     |     | HK\$18.0M |     |     |     |     |     |     |     |     |  |  |  | HK\$9.0M |  |  |  |  |  |  |  |  |  |  |  |
| Hing Wah        |       | 53.0           | 0.4                         |            |     |     |     |     |     |     |     |     |     |     |     |            |     |     |     |     |     |     |     |     |     |     |     | HK\$52.6M |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
| Wan Tsui        |       | 66.0           | 0.3                         | HK\$16.0M  |     |     |     |     |     |     |     |     |     |     |     | HK\$49.7M  |     |     |     |     |     |     |     |     |     |     |     |           |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |
|                 |       | 1,524.0        | 426.8                       | HK\$602.3M |     |     |     |     |     |     |     |     |     |     |     | HK\$403.8M |     |     |     |     |     |     |     |     |     |     |     | HK\$91.1M |     |     |     |     |     |     |     |     |  |  |  |          |  |  |  |  |  |  |  |  |  |  |  |

 Under Construction

 Preliminary – Government Approvals

\* Scope of the asset enhancement works is being revised to further explore the investment opportunity due to market changes

\*\* Asset enhancement works deferred due to improvement in trade mix generating more rental income

## Management Discussion and Analysis (continued)

## Timetable and Capital Expenditure for Asset Enhancement Projects (AEI) (continued)

|   | Centre                   | Target Completion | IFA (sq ft) |           |             | HK\$M   |       |             | US\$M       |
|---|--------------------------|-------------------|-------------|-----------|-------------|---------|-------|-------------|-------------|
|   |                          |                   | Total       | Completed | In progress | Total   | Spent | In progress | In progress |
| <b>Announced in 2005/IPO</b>              | Tsz Wan Shan             | Completed         | 204,440     | 204,440   | –           | 58.8    | 58.8  | –           | –           |
|   | Chung On                 | Completed         | 83,316      | 83,316    | –           | 15.6    | 15.6  | –           | –           |
|   | Lung Cheung              | Completed         | 159,151     | 159,151   | –           | 19.1    | 19.1  | –           | –           |
|   | Choi Ming                | Completed         | 100,102     | 100,102   | –           | 10.0    | 10.0  | –           | –           |
|   | Hau Tak                  | Feb 2009          | 173,571     | 167,273   | 6,298       | 68.0    | 62.0  | 6.0         | 0.8         |
|   | Lok Fu                   | Nov 2010          | 413,285     | 26,372    | 386,913     | 355.5   | 84.0  | 271.5       | 35.0        |
|   | Tai Wo                   | Dec 2008          | 149,536     | –         | 149,536     | 46.0    | 19.0  | 27.0        | 3.5         |
| <b>Announced in 2006</b>                  | Stanley                  | May 2009          | 95,119      | –         | 95,119      | 75.0    | 35.0  | 40.0        | 5.2         |
|   | Ming Tak                 | Completed         | 39,086      | 39,086    | –           | 8.0     | 8.0   | –           | –           |
|   | Chung Fu                 | Dec 2009          | 230,102     | –         | 230,102     | 72.0    | 2.5   | 69.5        | 9.0         |
|   | Wong Tai Sin             | Mar 2009          | 151,001     | 46,616    | 104,385     | 123.0   | 31.0  | 92.0        | 11.9        |
|   | Butterfly                | Mar 2009          | 165,928     | –         | 165,928     | 35.0    | 9.5   | 25.5        | 3.3         |
|   | Cheung Fat               | Sep 2008          | 150,704     | –         | 150,704     | 74.5    | 24.9  | 49.6        | 6.4         |
|   | Wo Che                   | Jun 2009          | 187,105     | –         | 187,105     | 50.0    | 10.2  | 39.8        | 5.1         |
| <b>Announced in 2007</b>                  | Lek Yuen                 | Dec 2008          | 113,358     | –         | 113,358     | 29.0    | 10.5  | 18.5        | 2.4         |
|   | Leung King               | Aug 2009          | 202,258     | –         | 202,258     | 58.0    | 8.5   | 49.5        | 6.4         |
|   | Siu Sai Wan              | Dec 2009          | 99,291      | –         | 99,291      | 49.0    | 1.5   | 47.5        | 6.1         |
|   | Oi Man                   | Dec 2009          | 204,877     | –         | 204,877     | 75.0    | 1.6   | 73.4        | 9.5         |
|   | Kwai Fong                | Mar 2009          | 58,664      | –         | 58,664      | 27.5    | 0.7   | 26.8        | 3.4         |
|   | Fu Tung                  | Dec 2008          | 97,199      | –         | 97,199      | 28.0    | 8.6   | 19.4        | 2.5         |
|   | Kai Tin                  | Deferred          | –           | –         | –           | –       | –     | –           | –           |
|   | Tin Yiu                  | Dec 2008          | 86,093      | –         | 86,093      | 32.0    | 4.1   | 27.9        | 3.6         |
|   | Choi Yuen                | Sep 2009          | 130,460     | –         | 130,460     | 65.0    | 1.0   | 64.0        | 8.2         |
|   | Tak Tin                  | Sep 2010          | 90,418      | –         | 90,418      | 31.0    | –     | 31.0        | 4.0         |
|   | Hing Wah                 | Mar 2010          | 78,018      | –         | 78,018      | 53.0    | 0.4   | 52.6        | 6.8         |
|   | Wan Tsui                 | Dec 2009          | 80,818      | –         | 80,818      | 66.0    | 0.3   | 65.7        | 8.5         |
|   | <b>Announced in 2008</b> |                   |             | –         | –           | –       | –     | –           | –           |
| <b>Total AEI's</b>                        |                          |                   | 3,543,900   | 826,356   | 2,717,544   | 1,524.0 | 426.8 | 1,097.2     | 141.6       |
| <b>% completed</b>                        |                          |                   |             |           |             |         | 28%   | 72%         |             |
| <b>AEI as a % of total Retail Centres</b> |                          |                   | 32%         |           |             |         |       |             |             |

Management Discussion and Analysis (continued)

Asset Enhancement – Fully Completed Projects

# Tsz Wan Shan

Conversion of common area into retail shops on various floors was completed.

New retail shops increase the income generating area and renovation at atrium is carried out to improve the shopping environment.



01



02

**01 | Public Transport Interchange**  
More new trades are attracted after the side walk near the bus terminus is renovated.

**02 | Circular Atrium**  
The central atrium is renovated to improve the visual connection between different levels.

**03 | First Floor**  
Better patronage to the mall is achieved after renovation and trade mix improvement.

# Lung Cheung

The new corridor with shops linking the shopping centre and office block was completed.

A main corridor is created by realignment of shops to connect the existing centre and the new retail zone.

Customer circulation and shopping atmosphere are enhanced.



01



02

**01 | Circular Atrium**  
Extension of shop fronts around the atrium improves the ambience of the shopping centre.

**02 | Main Corridor**  
Improvement of trade mix along the main corridor directly draws customers from the existing centre to the new retail zone.

## Management Discussion and Analysis (continued)



03



05



04



06

**04 | New Entrance + Escalators**

More customers are drawn to the shopping centre through the new entrance with escalators connecting the bus terminus from 3/F to the shopping area on 5/F.

**05 | New Shops**

Continuous trade mix improvement brings in more variety of new shops to the centre.

**06 | Second Floor**

The area connecting carpark, fresh market and shopping centre is refurbished with new directional signages.

03

**03 | Renovation by Tenant**

Tenants of various new brands are encouraged to undertake fitting-out works to enhance shopping and dining atmosphere.



04

05

**04 | Drop-off**

The new drop-off enables customers to access the centre in a more convenient way.

**05 | Medical Zone**

New medical zone on 3/F is supported with customer-friendly design and hygienic facilities.

Management Discussion and Analysis (continued)

Asset Enhancement – Fully Completed Projects

# Ming Tak

Conversion of market to retail shops was completed in June 2007 enabling the progressive enlivening of the shopping environment and to improve the infrastructure and trade-mix of the shopping centre.



01

**01 | Market Conversion**

The under-utilised market has been renovated to become an extension of the shopping centre on the G/F to optimise rental income.

# Choi Ming

To maximise the efficiency of the income generating areas by enhancing shopping variety with the addition of new retail shops, a newly renovated corridor and toilet renovations on the G/F of the shopping centre extension all of which were substantially completed in March 2008.



01

**01 | Passageway**

With the newly refurbished passageway, more shoppers are attracted to the shopping centre.



Management Discussion and Analysis (continued)



**02 | Main Entrance**

The main entrance is renovated to enhance the overall image and identity of the shopping centre.

**03 & 04 | New Shops**

Additional retail units and restaurants offer quality shopping and dining options at reasonable prices to suit the local community.

**05 | Main Corridor**

Lighting features and floor patterns arranged in various colours and directions along the linear corridor on the G/F bring life to the arcade.



**02 | Major Retail Zone**

The newly introduced restaurant is heavily patronised by nearby residents and students with an improvement in the ambience of the shopping centre.

**03 & 04 | New Shops**

Enhancement of shopping variety and trade-mix offers a wider array of products and services to shoppers.

Management Discussion and Analysis (continued)

Asset Enhancement – Fully Completed Projects

Chung On



01

Renovation was substantially completed in February 2008. Major scope of works include shop front extensions, addition of new shops in the common areas and renovation of the atrium.



02

01 | Arcade

Natural light is directed to the main circulation area of the shopping arcade as a key element to enhance the shopping atmosphere.

Asset Enhancement – Partially Completed Projects

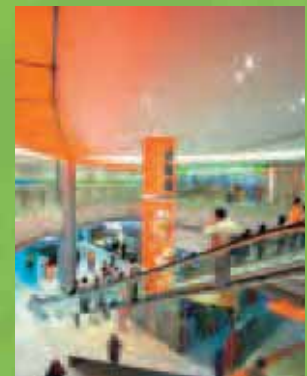
Hau Tak



01

Atrium at west wing, entrance at east wing and linkbridge connecting east and west wings are renovated with new retail spaces to improve customers' shopping experience.

Upgrading of external façade at west wing and renovation and repartitioning on 1/F and 2/F are in progress.



02

01 & 02 | Atrium at West Wing  
Variety of new shops transforms the shopping centre into a major shopping and dining hub in the Tseung Kwan O area.

03 | New Shops  
Introduction of new shops at west wing provides more quality choices for shoppers with increased income generation.

## Management Discussion and Analysis (continued)



04

**02 | Main Corridor**

New shop fronts are extended into the oversized corridor to improve the lettable efficiency.

**03 | Central Atrium**

The central atrium imposes a lively spatial identity for the shopping centre.

**04 | Entrance**

Newly designed signage improves the prominence of the entrance.



03

05



06



04

**04 | Linkbridge**

A continuous shopping experience is achieved by means of strategic location of new shops along the linkbridge connecting the east and west wings.

**05 | Entrance at East Wing**

Renovated entrance optimises the potential of the shopping centre and rejuvenates the environment to bring shoppers an inviting experience.

**06 | Medical Zone**

Clustering of clinics at new medical zone on 2/F provides convenient and hygienic medical facilities to customers.

Management Discussion and Analysis (continued)

Asset Enhancement –  
Partially Completed Projects

# Lok Fu

01



New Medical Zone on 3/F was completed whereas the new Retail Zone on upperground is substantially completed.

Escalators/stair linking to MTR station is in progress and other phases will commence in due course.



02

**01 & 02** | Southern Block  
Renovation of existing southern block is under planning and design stage.

# Wong Tai Sin

01

A new circulation route is constructed for direct connection of Lung Cheung Road and Ching Tak Street.

Realignment and repartitioning of shops are being carried out. New entrance with new escalators and lift will be introduced to enhance customer flow.



**01 & 02** | Circulation Route  
Reconfiguration of layout creates a new circulation route which facilitates customer's direct access from Lung Cheung Road to Ching Tak Street.

Management Discussion and Analysis (continued)



03

**03 | Ground Floor Entrance**  
Common area at the entrance has been renovated with translucent light feature and promotional light boxes to highlight tenants and attract customer traffic.



04

**04 & 05 | Medical Zone**  
New medical zone on 3/F is refurbished with a comfortable and hygienic setting for patients and customers.



05



03



04



02

**03 | New Shops**  
Continuous trade mix improvement brings in more variety of new shops to the shopping centre.



05

**04 | F&B Zone**  
New F&B zone is created at western end on 2/F to provide a variety of food and dining services to customers.



**05 | Western Entrance**  
A new entrance and connection to existing linkbridge at 2/F are proposed to enhance customer flow and provide direct access to and from Lung Cheung Mall.

Management Discussion and Analysis (continued)

Asset Enhancement – Projects in Progress

# Cheung Fat

Newly renovated Retail Zone on the G/F and 2/F would upgrade the ambience of shopping and circulation areas. New escalators would be introduced for improved connectivity and better accessibility.

Renovation for repartitioning and face-lifting works to the shopping and circulation areas from 2/F to 4/F and conversion of 2/F cinema site into shops will commence in late 2008.



**01 | New F&B Trades**

The newly renovated zone with decorative lighting and promotional light boxes would become a focal meeting point for shoppers and attract new trades.

**02 | Renovated Retail Zone**

Shop front extension and face-lifting works would enhance the overall image and shopping ambience.

# Tai Wo

Renovation and repartitioning of Oi Wo House on 3/F were completed.

The main atrium leading to the entrance of Tai Wo MTR Station is refurbished whereas the renovation work at East Wing is in progress.

Other phases will commence soon.



**01 & 02 | Atrium at West Wing**

The skylight and common circulation area underneath are refurbished with shop fronts extended to attract customers.

## Management Discussion and Analysis (continued)



02



05



03



04

**03 | New Shops**  
Renovation would provide optimal layout and realignment of trade mix.

**04 | Lift Lobby**  
A total face-lift at the lift lobby area was carried out.

**05 | Main Corridor**  
Customers are attracted to the new shops located along the main renovated corridor.



02



03



04



05

**03 | Oi Wo House**  
New air-conditioning system was installed along the circulation path to and from Oi Wo House for enhancing the shopping environment.

**04 & 05 | New Shops**  
New F&B and anchor shops were introduced to draw more customers and improve the footfall.

Management Discussion and Analysis (continued)

Asset Enhancement – Projects in Progress

# Stanley

Renovation of common area including the toilet facilities from 1/F to 3/F was completed.

Escalators from the G/F to 1/F have been installed to improve the circulation at the mall.

External facade and shop repartitioning on other floors will commence in due course.



01



02

**01 | New Escalators**

A pair of new escalators at the Western Entrance has been put into operation to improve circulation as well as to promote business ambience.

**02 | New Shop Front**

Shop front extension makes better accessibility and strengthens the overall identity and image of the mall.

# Wo Che

Renovation work to the new Retail Zone on 3/F was completed and tenant's fitting-out work is in progress.

Another new Retail Zone on 2/F is in progress and the new escalators linking 2/F and 3/F were completed.

Other Phases on 2/F will commence in due course.



01



02

**01 & 02 | Lighting Features**

New lighting features with dual colours are incorporated into the shopping mall design.



Management Discussion and Analysis (continued)



**03 | New External Facade**  
A face-lift will be introduced with a view to bringing new life to the centre.



**04 | Customer Service Counter**  
Renovated customer service counter promotes interaction between customers and service personnel.



**05 | New Lift Lobby**  
Lift lobby leading to the carpark area provides convenience and enhances the arrival experience of customers.



**03 | Retail Zone**  
Tenant's fitting-out work on 3/F is in progress and a brand new image will be introduced to the centre.



**04 & 05 | Proposed Atrium and Corridor**  
Renovation of existing atrium and circulation area to improve the patronage and shopping experience are under planning and design stage.



04

Management Discussion and Analysis (continued)

District Improvement Works

# Choi Wan

District improvement enhances the quality of our portfolio, optimises trade mix and increases rental income. Some improvement works have been done to individual shopping centres to enhance the environment and/or the value of the centre.



01

**01 | New External Façade**  
The new outlook improves the image and enhance the business ambience.

# Lei Tung



05

**05 | Renovated Entrance**  
The entrance is renovated with feature lights and new customer service counter to attract customers and enhance the interaction between shoppers and service personnel.

# Sun Chui



06

**06 | Cooked Food Stall**  
The cooked food stall has been renovated with air-conditioning with a modern and hygienic design.

## Management Discussion and Analysis (continued)



## Shek Yam

02

## Oi Tung



04

03

**02 | New Shopping Arcade**  
The renovated shopping area provides a brand new business venue for tenants and customers.

**03 & 04 | New Signage**  
Modernised signage at the carparking area provides clear direction for shoppers to patronise the centre.

## Mei Lam



07

**07 | Cooked Food Stall**  
Cooked food stall was converted into a Chinese restaurant with modern design to provide more food and beverage choices for the customers.

## Sha Kok



08

**08 | Fresh Market**  
Air-conditioning supply has been provided to the fresh market to upgrade the shopping environment.

Management Discussion and Analysis (continued)

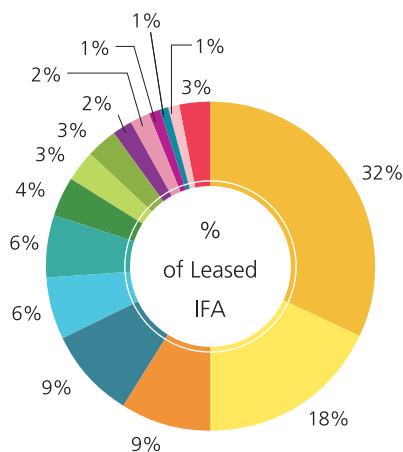
Portfolio Overview

Our 10 largest properties in terms of total revenue generated 23% of gross revenue

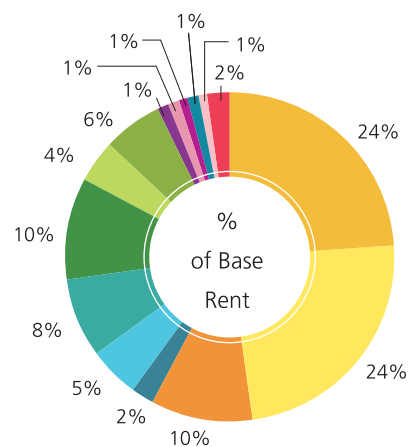
| Retail and Carpark Operations          | Rental income from Retail Operations<br>HK\$'M | Gross receipts from Carpark Operations<br>HK\$'M | Total Revenue<br>HK\$'M | Total Revenue (%) | Cumulative % of Total Revenue (%) |
|--|--|--|-------------------------|-------------------|-----------------------------------|
| <b>Top 10 Properties</b>               |  |  |                         |                   |                                   |
| Lok Fu                                 | 137.6  | 12.4   | 150.0                   | 3.6%              | 3.6%                              |
| Tsz Lok (Tsz Wan Shan Shopping Centre) | 108.5  | 12.7   | 121.2                   | 2.9%              | 6.5%                              |
| Tin Chung (Chung Fu Shopping Centre)   | 104.0  | 7.9  | 111.9                   | 2.7%              | 9.2%                              |
| Sau Mau Ping                           | 98.3   | 7.8  | 106.1                   | 2.5%              | 11.7%                             |
| Sheung Tak                             | 77.7   | 15.6   | 93.3                    | 2.2%              | 13.9%                             |
| Kai Tin                                | 77.5   | 7.7  | 85.2                    | 2.0%              | 15.9%                             |
| Hau Tak II                             | 70.9   | 12.2   | 83.1                    | 2.0%              | 17.9%                             |
| Lung Cheung Mall                       | 74.4   | 6.8  | 81.2                    | 1.9%              | 19.8%                             |
| Tin Chak                               | 65.8   | 2.6  | 68.4                    | 1.6%              | 21.4%                             |
| Choi Ming                              | 61.6   | 6.0  | 67.6                    | 1.6%              | 23.0%                             |
| 11-40                                  | 1,178.2  | 243.6  | 1,421.8                 | 33.9%             | 56.9%                             |
| 41-100                                 | 1,035.8  | 341.1  | 1,376.9                 | 32.8%             | 89.7%                             |
| 101-180                                | 173.9  | 258.0  | 431.9                   | 10.3%             | 100.0%                            |
| Total                                  | 3,264.2  | 934.4  | 4,198.6                 | 100.0%            | 100.0%                            |

Retail Overview — Diverse Tenancy Base

Trade Mix as a % of Leased IFA as at 31 March 2008



Trade Mix as a % of Base Rent as at 31 March 2008

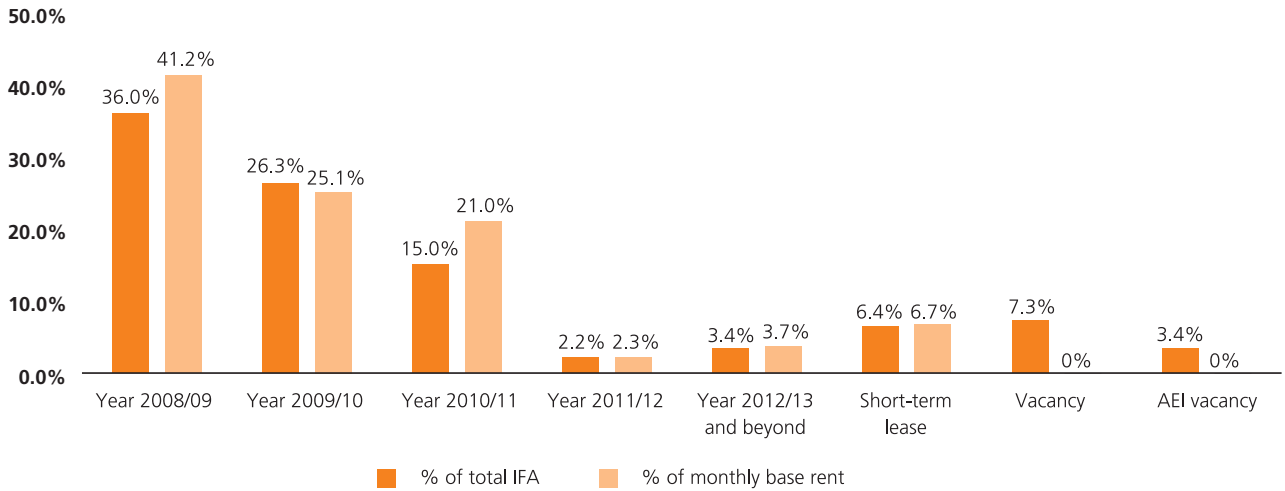


- Food and Beverage
- Supermarket and Foodstuff
- Services
- Education/Welfare Organisations
- Electrical and Household Products
- Personal Care, Medicine, Valuable Goods, Optical, Books and Stationery
- Market Stall
- Clothing, Footwear and Allied Products
- Single Operator Market
- Ancillary and HD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

Management Discussion and Analysis (continued)

Lease Expiry Profile as at 31 March 2008

Lease expiries are reflective of the length of typical rental agreements, which is three years.



Tenant and Lease Profile

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

| Tenant                                     | Trade Type   |
|--|--|
| The Dairy Farm Company Limited             | Supermarket, Health and Beauty and Convenience Store |
| A.S. Watson Group (Hong Kong) Limited      | Supermarket, Personal Care and Wine cellar           |
| McDonald's Restaurants (Hong Kong) Limited | Food and Beverage Operator                           |
| Cafe De Coral Holdings Limited             | Food and Beverage Operator                           |
| Maxim's Caterers Limited                   | Food and Beverage Operator                           |
| Goldrise Investment Limited                | Single Operator Market                               |
| China Resources Enterprise, Limited        | Supermarket, Personal Care and Convenience Store     |
| Convenience Retail Asia Limited            | Convenience Store and Bakery                         |
| Wang On Majorluck Limited                  | Single Operator Market                               |
| Fairwood Fast Food Limited                 | Food and Beverage Operator                           |

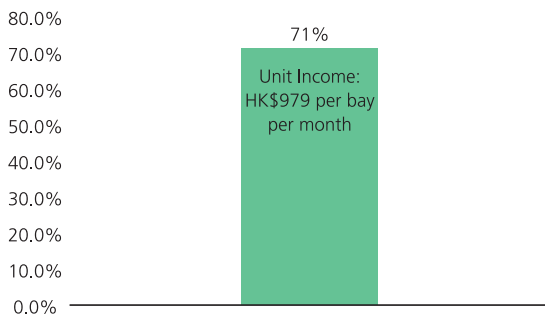
Management Discussion and Analysis (continued)

|                         | IFA<br>(sq.ft.) | % of<br>leasable<br>IFA | % of<br>leased<br>IFA | Number of<br>tenancies | % of total<br>monthly<br>base rent |
|-------------------------|-----------------|-------------------------|-----------------------|------------------------|------------------------------------|
| <b>TOTAL FOR TOP 10</b> | 2,277,479       | 20.9%                   | 23.4%                 | 589                    | 33.4%                              |
| Other Tenants           | 7,451,379       | 68.4%                   | 76.6%                 | 10,895                 | 66.6%                              |
| <b>Leased Tenants</b>   | 9,728,858       | 89.3%                   | 100.0%                | 11,484                 | 100.0%                             |
| Vacancy                 | 1,165,031       | 10.7%                   |                       |                        |                                    |
| <b>Subtotal</b>         | 10,893,889      | 100.0%                  |                       |                        |                                    |
| Self Use Offices        | 112,710         |                         |                       |                        |                                    |
| <b>Overall</b>          | 11,006,599      |                         |                       |                        |                                    |

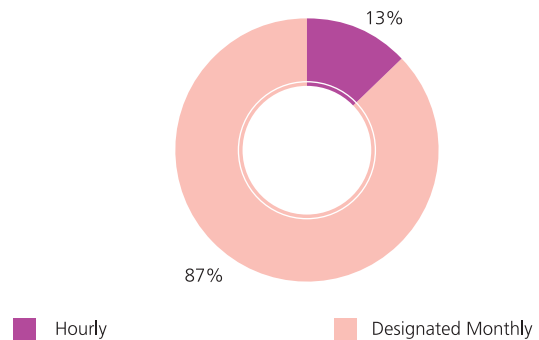
Carpark Portfolio Overview

- Largest carpark portfolio held by a single owner in Hong Kong with 79,485 carpark spaces
- 149 carpark facilities integrated with retail facilities and 29 standalone carpark facilities

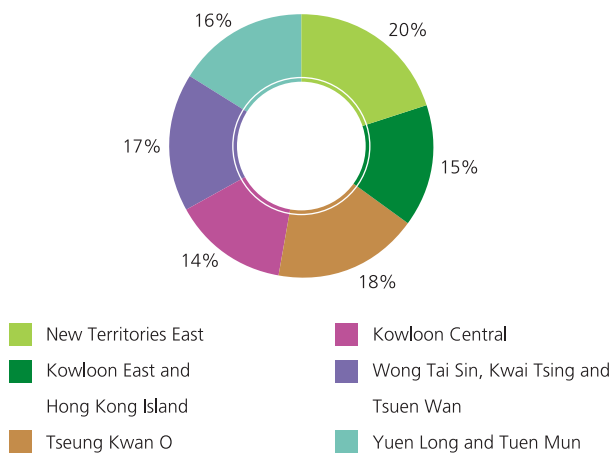
Carpark Portfolio Utilisation



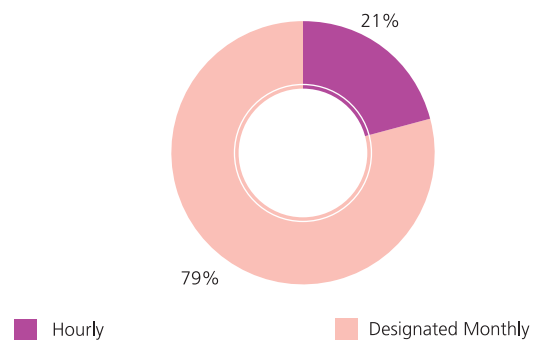
Allocation by Type



Carpark Space by District



Gross Carpark Receipts by Usage





### Choi Ming Shopping Centre

#### New Face New Era

The passageway connecting the shopping centre and residential blocks have been given a total facelift. New shops provide more choices to customers.

# Corporate Citizenship

## Corporate Citizenship

Apart from the ongoing efforts to enhance its properties to provide comfortable and convenient shopping facilities to residents and to contribute to the community's economic vibrancy, The Link, being a good corporate citizen, also promotes cultural and artistic activities to create a happy and harmonious community.

## Establishment of The Link Fun Academy

In the second half of 2007, we established The Link Fun Academy, to which artistic groups, training organisations and celebrities were regularly invited to offer young people, children and their families with different learning opportunities. Delivered in an enlightening manner, classes cover a wide range of topics including music and dancing, painting and sculpture, dramas and films, traditional artwork, physical training, history and culture as well as practical living advice.

Over the past few months, more than 30 highly popular activities have been organised, attracting 6,000 participants.

## Review of activities at The Link Fun Academy

| Name of Activities                                 | Hosted/Co-hosted by  |
|--|--|
| Let's Practice Calligraphy                         | Reputable Writer and Lifestyle Guru Chua Lam                                     |
| Heart-to-heart Sharing on Parenting                | Actress Madam CHAN Po Chu  |
| Ink Painting is Fun Workshop                       | Popular Artist Ah Chung  |
| Acting Workshop for Kids and Parents               | Film Director Alfred Cheung  |
| Let's Draw Comic                                   | Comic/Caricature Artists Yeung Hok Tak, Siu Hak and Stella So                    |
| Parenting Talk                                     | Radio Parenting Program Host Blanche Tang  |
| "Everybody Do Percussion" Party for Kids & Parents | Percussion music guru Dr Lung Heung Wing   |
| The Hollywood Star Hands Mould Making Workshop     | Art Educator Mok Yat Sun   |
| Creative Fabric Jewel DIY Workshop                 | Chocolate Rain Founder & Designer Prudence Mak                                   |
| Chinese Puppet & Folk Arts Workshop                | Hong Kong Puppet & Shadow Art Center   |
| Sharing on "Story of Three Kingdoms"               | Film Director Daniel Lee   |
| Sharing on "Leslie Cheung's Image Artistry"        | Professor Natalia Chan, Professor Eric Ma, Keeto Lam and Angela Law              |
| English Musical Training Programme                 | Chung Ying Theatre   |
| The Link Youth Soccer Scheme                       | Hong Kong Coerver Coaching Soccer Academy and Society for Community Organization |
| Learning English for Fun                           | Dramatic English and Society for Community Organization                          |



Training classes in English musicals stimulate teenagers' interest in use of English.



After completing their training, class participants will stage performances in our shopping centres.



**Brandon Ho**, participant of The Link Youth Soccer Scheme offered by The Link Fun Academy

"An artificial grass pitch was set up in the shopping centre near my home. There I had professional football training for free and improved my football skills. I have also made friends with many fellow players."

The Link Youth Soccer Scheme invited Hong Kong Coerver Coaching Soccer Academy to provide professional soccer training to young people. Youngsters from low income families enjoyed priority in joining the scheme.



Corporate Citizenship *(continued)*

## Growing with Tenants

The Link has always valued its partnership with tenants. Last year, we organised a number of seminars to equip tenants with latest market information and business skills. Highly popular with tenants, these seminars attracted more than 600 participants. In view of this, we will formally launch The Link Tenant Academy this year to arrange a series of practical seminars and workshops to keep tenants abreast of such topics as latest market information, management concepts, industry trends, retail techniques, quality of catering and energy-saving.



The Link Tenant Information Centre provides tenants of varying sizes and trades with one-stop access to latest information on shop design and decoration.

## Review of seminars for tenants

| Name of Seminars   | Hosted/Co-hosted by                                       |
|--|---|
| Security Features of Banknotes   | Hong Kong Monetary Authority and Hong Kong Police Force   |
| Prevention of Shoplifting  | New Territories North Regional Crime Prevention Unit      |
| Strategies in Winning Customers by New Shop Image                            | Man Shu Kee, professional interior design consultant      |
| Fire Safety of Buildings   | Hong Kong Fire Services Department                        |
| How to Effectively Handle Customer Complaints                                | Kwok Kam-mun, Senior Property Portfolio Manager, The Link |
| How to Serve Individual Tourists from Mainland China<br>– Putonghua Workshop | Experienced Putonghua tutors                              |

To assist our tenants to start new retail outlets or renovate existing shops, we have established The Link Tenant Information Centre in Fu Cheong Shopping Centre. The Centre provides one-stop access to the latest information on shop designs and renovation, offering inspirations for tenants of varying sizes and trades to position their shops. It showcases shop front designs for retail and restaurant trades, over 50 ways of product display and more than 100 applications of fit-out materials. Leveraging on this convenient platform, we hope to further strengthen our partnership with tenants to keep pace with changing trends and enhance operations for tenants, so as to provide a more inviting shopping experience.



The Link Fun Academy activity series features cultural and artistic elements, designed to help develop the potential of young people.



Corporate Citizenship (continued)

**Building Community Relations**

Our extensive property portfolio allows us to participate and support community activities. Our positive efforts in supporting voluntary work, protecting the environment and donating to the community during the year won us the “Caring Company” logo awarded by the Hong Kong Council of Social Service in recognition of our efforts.

During the year, The Link provided promotion venues to charitable organisations for hosting various kinds of activities with a wide range of themes, including fund-raising, environmental protection, health education, recruitment and cultural awareness, offering programmes and useful information for the public. We designated approximately 928,000 square feet (or 8.5% of our total lettable internal floor area) for welfare letting at concessionary rents to non-profit making organisations in support of the community.

**Volunteering for a Caring Society**

We extend our care to the needy through our voluntary activities, including cooperating with the Society for Community Organization to organise for its members a number of learning tours to our properties and educational scenic spots.



The Caring Company logo awarded to us motivates us to continue to serve the community.



**Lieut-Colonel Merv Rowland,**  
Officer Commanding for The Salvation Army  
Hong Kong and Macau Command

“We have joined hands with The Link on many initiatives, including old clothes collection and fund raising activities, all of which received very good responses. In the future, we look forward to continuing this partnership with The Link to serve the community through its extensive network of shopping centres.”

All through last year, The Link worked with the Salvation Army in an old clothes collection campaign, gathering more than 200 tonnes of old clothes for the elderly, the homeless and those with urgent needs.



We sponsor thousands of community activities every year for the participation of residents, enabling them to enjoy themselves and obtain latest information in the shopping centres.

## Corporate Citizenship (continued)



**Mr Ho Hei Wah**, Director, Society for Community Organization

“Less privileged families lack resources. The Link organises a series of activities for our target audience. This broadens the horizon of children from those families and enhances their self esteem.”

Our volunteer team joined hands with SOCO to take more than 100 under privileged families to visit sight-seeing spots including Stanley, Hong Kong Wetland Park and Chi Lin Nunnery to enrich their social lives.

## Charity

The devastating earthquake that hit Sichuan Province in Mainland China in May 2008 left countless people homeless. Staff members of The Link were deeply saddened by the loss. To support relief work, apart from committing a lump sum donation and an additional contribution matching The Link staff member's donations,



Our conservation tour to the Hong Kong Wetland Park is an enjoyable learning activity organised by our volunteer team for less privileged families.



Festive charity sales events are popular with shoppers and help nurture a community spirit.

The Link organised “The Link’s ‘Stanley Artsmart’ Earthquake Relief Day,” where staff volunteers, performer groups and local artists raised funds through art and music. A total sum of around HK\$1,120,000 was donated to Red Cross Hong Kong to support its emergency relief work and provide the affected areas with such essential supplies as tents, food and medical supplies. The Link also supported various charitable groups by providing venues in its shopping centres for relief work-related activities organised by them.

Charity sales and fund raising are usual themes in our promotional events. Proceeds went to community organisations including Hong Kong Family Welfare Society, Salvation Army and charitable organisations under the WiseGiving Programme of the Hong Kong Council of Social Service in support of their community services last year.



The Link’s management team, led by Chief Executive Officer Mr Ian Robins (second from left), presents the donation cheque to the Hong Kong Red Cross in support of relief operations for earthquake victims.

# Greener Future

## Working for a Greener Future

The Link cares about environmental protection. During the year, we organised environmental protection activities at some of our properties, advocated the implementation of measures to save energy and adopted environmentally-friendly materials in daily operations, with a view to enabling staff, tenants and the public to practise green concepts.



The first team of "Green Ladies" is commissioned to promote environmental protection in shopping centres, giving hints on how it can be achieved in a household setting.



In one of the family events, more than 100 mom-child pairs work together to create the largest jigsaw puzzle in Hong Kong with environmental bags to highlight the importance of environmental protection.

## Promoting Environmental Awareness

We have organised a variety of events to promote the "3R" concept in environmental protection, i.e. "Reduce", "Reuse" and "Recycle". We launched a plastic bag recycling programme last year named "New Milestone for Recycling in Wong Tai Sin", the first of its kind held in shopping centres, in a joint effort with Evergreen Association and the Wong Tai Sin District Council. Collection boxes were made available at five shopping centres in Wong Tai Sin District to collect used plastic bags for recycling purposes. The response was encouraging, with more than half a tonne of plastic bags being collected within three months.

In addition, we worked with the Salvation Army to make available old clothes collection bins in 30 shopping centres on a quarterly basis, thereby collecting over 200 tonnes of old clothes within a year for onward distribution to needy people. We also encouraged the use of environmentally-friendly shopping bags and launched a stylish collection of bags for customers' redemption. More than 5,000 bags were redeemed during the event. Other environmental events were organised to nurture creativity, including eco fashion design contest, recycled materials workshop and drawing competition.

In "The Link – Building of an Environmentally-friendly Hong Kong with Your Little Hands", children become "environment artists" who turned recycled materials into artwork with their little hands and endless creativity.



**Catherine**, member of the Green Ladies

"Members of the Green Ladies are housewives who were accustomed to using plastic bags frequently. Through this recycling programme, we take the lead to promote the message of plastic bag recycling. I find it very meaningful."

The Link organised a plastic bag recycling programme at its properties, a first among shopping centres in Hong Kong, and formed a team of "Green Ladies" to promote environmental protection to families.

## Greener Future (continued)



**Mr Lau Pak Hung**, operator of Silver Dragon Restaurant, the champion of the Energy Saving Competition organised for tenants at Chung Fu Shopping Centre.

“Environmental protection is never possible without joint efforts. In response to the promotion by the management company, tenants at Chung Fu Shopping Centre tried their best to contribute to environmental protection. We are very proud of winning the award.”

Chung Fu Shopping Centre won the Grand Award at the “2nd Hong Kong Energy Efficiency Awards” organised by the Electrical and Mechanical Services Department.

## Energy Saving

We adopt energy-saving measures with reference to the circumstances of each shopping centre and carpark. These include energy-saving lighting and air-conditioning systems, electronic payment systems for carparks and installation of energy-saving devices.

We won nine awards with eight of our properties in the “2nd Hong Kong Energy Efficiency Awards” organised by the Electrical and Mechanical Services Department during the year. Chung Fu Shopping Centre obtained the highest recognition, namely the Grand Award under “Residential Buildings – Common Areas” Category and “Commercial Buildings – Common Areas” Category as well as a Gold Award under “Commercial Buildings – Common Areas” Category. Electricity sufficient for consumption by about 600 four-member families was saved over a period of eight months at the winning properties.



The “Energy Saving - I can do it!” drawing and colouring competition is well received by primary and secondary schools, with more than 1,000 submissions.

## Green Operations

We support the environment in practice by adopting environmentally-friendly materials in our daily operations, such as the use of recycled paper and consumables and recycling festive decorations and plants.



Our management team is committed to the promotion of environmental protection through various energy-saving measures, which turned out to be remarkably effective.

## The Link's Properties which won awards at the Second Hong Kong Energy Efficiency Awards

### “Residential Buildings — Common Areas” Category and “Commercial Buildings — Common Areas” Category

|                                      |             |
|--------------------------------------|-------------|
| Chung Fu Shopping Centre and Carpark | Grand Award |
|--------------------------------------|-------------|

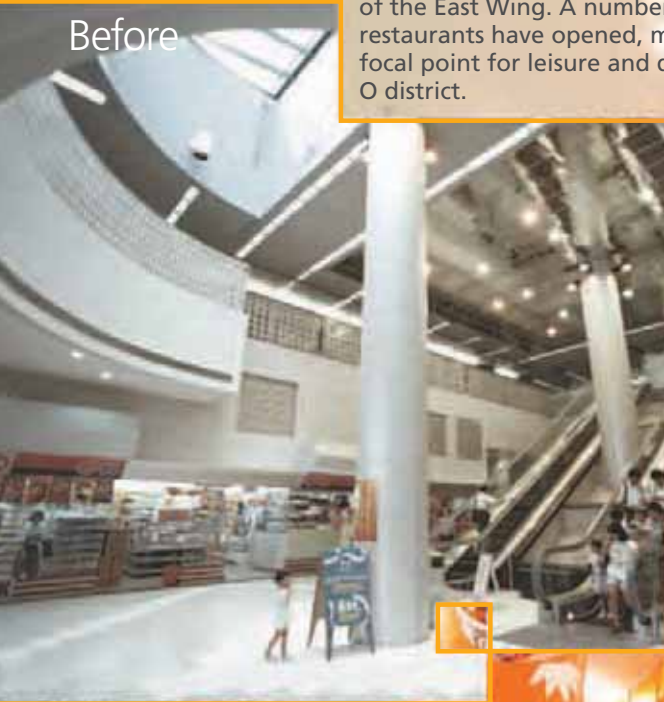
### “Commercial Buildings — Common Areas” Category

|   |              |
|---|--------------|
| Chung Fu Shopping Centre and Carpark    | Gold Award   |
| Tai Wo Shopping Centre and Carpark      |              |
| Siu Sai Wan Shopping Centre and Carpark | Bronze Award |
| Yat Tung Shopping Centre and Carpark    |              |
| Po Tat Carpark                          |              |
| Kwai Shing East Shopping Centre         | Merit Award  |
| Tak Tin Shopping Centre                 |              |
| Kai Yip Carpark                         |              |

### New Face New Era

The new look of the shopping centre's West Wing atrium builds on the modern and spacious design of the East Wing. A number of popular shops and restaurants have opened, making the property a focal point for leisure and dining in Tseung Kwan O district.

Before



### Hau Tak Shopping Centre



# 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 Securities and Futures Commission of Hong Kong (the "SFC") under section 104 of the Securities and Futures Ordinance (the "SFO") and regulated by the provisions of the Code on Real Estate Investment Trusts (the "REIT Code").

HSBC Institutional Trust Services (Asia) Limited, the Trustee, is a registered trust company 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 (9) Directors and a maximum of fourteen (14) Directors. At present, the Board comprises fourteen (14) members, eight (8) of whom are Independent Non-Executive Directors, four (4) are Non-Executive Directors and two (2) are Executive Directors.

Independent Non-Executive Directors and Non-Executive Directors are appointed for an initial term of three (3) years and one-third (1/3) 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 (6) years. There is no maximum term for other Directors. Two (2) of the Non-Executive Directors, Mr KEE Teck Koon and Mr PUA Seck Guan, 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 the two (2) Executive Directors Mr Ian David Murray ROBINS, 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 by the Manager within one (1) 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 (continued)

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

- the Chairman of the Board will be 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 will possess skills which can contribute to a more effective and efficient Board deliberation process; and
- at least one half (1/2) of the Board should comprise Independent Non-Executive Directors.

The composition of the Board 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's 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 (2) separate individuals, namely, Mr Nicholas Robert SALLNOW-SMITH and Mr Ian David Murray ROBINS, 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 deliberation, including but not limited to items such as:

- i) approval of interim and final dividends, annual/interim reports 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 (continued)

- iii) approval of sale and/or acquisition of properties;
- iv) approval of the 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, re-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 (2) 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 (2) 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 is of the view that all Independent Non-Executive Directors are independent and have met with the criteria set out in the corporate governance policy of the Manager.

### 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

## Corporate Governance Report (continued)

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.

A total of four (4) full Board meetings were held during the year ended 31 March 2008 and the attendance record of the individual directors are as follows:

| BOARD  | 2007 AGM of<br>The Link REIT | Year ended 31<br>March 2008 | Year ending 31<br>March 2009 <sup>#</sup> |
|--|------------------------------|-----------------------------|---|
| <b>Number of meetings held</b>                       | 1                            | 4                           | 2   |
| <b>Chairman (Independent Non-Executive Director)</b> |                              |                             |   |
| Nicholas Robert SALLNOW-SMITH                        | 1/1                          | 4/4                         | 2/2                                       |
| <b>Executive Directors</b>                           |                              |                             |   |
| Ian David Murray ROBINS <sup>(1)</sup>               | N/A                          | N/A                         | 2/2                                       |
| CHEW Fook Aun  | 1/1                          | 4/4                         | 2/2                                       |
| Victor SO Hing Woh <sup>(2)</sup>                    | 1/1                          | 3/4                         | N/A                                       |
| <b>Non-Executive Directors</b>                       |                              |                             |   |
| Ian Keith GRIFFITHS <sup>(3)</sup>                   | N/A                          | 0/2                         | 2/2                                       |
| John HO Chi On                                       | 1/1                          | 1/4                         | 1/2                                       |
| KEE Teck Koon <sup>(3)</sup>                         | N/A                          | 1/2                         | 2/2                                       |
| PUA Seck Guan  | 1/1                          | 2/4                         | 0/2                                       |
| LIEW Mun Leong <sup>(4)</sup>                        | 1/1                          | 1/2                         | N/A                                       |
| <b>Independent Non-Executive Directors</b>           |                              |                             |   |
| Michael Ian ARNOLD                                   | 0/1                          | 3/4                         | 2/2                                       |
| Leslie CHAO Tse Hou                                  | 0/1                          | 3/4                         | 1/2                                       |
| Anthony CHOW Wing Kin                                | 1/1                          | 3/4                         | 2/2                                       |
| Patrick FUNG Yuk Bun                                 | 0/1                          | 3/4                         | 2/2                                       |
| Stanley KO Kam Chuen                                 | 1/1                          | 3/4                         | 2/2                                       |
| Richard WONG Yue Chim <sup>(3)</sup>                 | N/A                          | 2/2                         | 2/2                                       |
| Allan ZEMAN  | 1/1                          | 4/4                         | 1/2                                       |
| Harry LEE Nai Shee <sup>(5)</sup>                    | 0/1                          | 1/2                         | N/A                                       |
| Patrick SUN <sup>(5)</sup>                           | 0/1                          | 2/2                         | N/A                                       |

# Meetings held in the financial year to date

(1) Mr Ian David Murray ROBINS joined the Board on 21 December 2007

(2) Mr Victor SO Hing Woh resigned as Executive Director and Chief Executive Officer with effect from 30 November 2007

(3) Mr Ian Keith GRIFFITHS, Mr KEE Teck Koon and Professor Richard WONG Yue Chim joined the Board on 3 September 2007

(4) Mr LIEW Mun Leong resigned as Non-Executive Director with effect from 3 September 2007

(5) Dr Harry LEE Nai Shee and Mr Patrick SUN retired as Directors at the Annual General Meeting of the Manager on 23 July 2007

## Corporate Governance Report (continued)

### Board Committees

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

#### Audit Committee

The Audit Committee has five (5) 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 and/or reappointment 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 normally meets at least four (4) times a year and reports to the Board on the Committee's decisions and progress on a regular basis (as determined by the Audit Committee and approved by the Board).

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 has 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 of the external auditors and their related fees.

## Corporate Governance Report (continued)

The attendance record of the Audit Committee is as follows:

| AUDIT COMMITTEE  | Year ended<br>31 March 2008 | Year ending<br>31 March 2009 <sup>#</sup> |
|--|-----------------------------|---|
| <b>Number of meetings held</b>                                   | 3                           | 1   |
| <b>Members</b>   |                             |   |
| Patrick FUNG Yuk Bun ( <i>Chairman</i> )                         | 3/3                         | 1/1                                       |
| Stanley KO Kam Chuen <sup>(1)</sup>                              | 2/2                         | 1/1                                       |
| Richard WONG Yue Chim <sup>(2)</sup>                             | 1/2                         | 0/1                                       |
| Allan ZEMAN  | 2/3                         | 0/1                                       |
| Harry LEE Nai Shee <sup>(3)</sup>                                | 1/1                         | N/A                                       |
| Anthony CHOW Wing Kin <sup>(6)</sup>                             | N/A                         | 1/1                                       |
| <b>In attendance</b>   |                             |   |
| Chief Executive Officer (Ian David Murray ROBINS) <sup>(4)</sup> | 1/1                         | 1/1                                       |
| Chief Executive Officer (Victor SO Hing Woh) <sup>(5)</sup>      | 1/2                         | N/A                                       |
| Chief Financial Officer (CHEW Fook Aun)                          | 3/3                         | 1/1                                       |
| Internal Auditor   | 3/3                         | 1/1                                       |
| External Auditors  | 3/3                         | 1/1                                       |

<sup>#</sup> Meetings held in the financial year to date

- (1) Mr Stanley KO Kam Chuen was appointed as a member of the Audit Committee with effect from 1 July 2007
- (2) Professor Richard WONG Yue Chim was appointed as a member of the Audit Committee with effect from 3 September 2007
- (3) Dr Harry LEE Nai Shee ceased to be a member of the Audit Committee with effect from 23 July 2007
- (4) Mr Ian David Murray ROBINS was appointed as Executive Director and Chief Executive Officer with effect from 21 December 2007
- (5) Mr Victor SO Hing Woh resigned as Executive Director and Chief Executive Officer with effect from 30 November 2007
- (6) Mr Anthony CHOW Wing Kin was appointed as a member of the Audit Committee with effect from 1 May 2008

The terms of reference of the Audit Committee have been amended such that, inter alia, the minimum number of required meetings each year is reduced from four (4) to three (3). This amendment was made to cope with the actual business needs of the Manager and for the same reason, the Audit Committee held three (3) meetings during the financial year instead of four (4) meetings as required. The amendment will enable the operations of the Audit Committee to be more in line with the business calendar and operation needs of the Manager and allow the Audit Committee to have a more focused allocation of resources as the routine issues will be dealt with by circulation instead of having to hold a physical meeting. Additional meetings can be convened as required.

The Audit Committee has also assumed the responsibilities of the Disclosures Committee from 1 May 2008 with the latter committee being disbanded.

## Corporate Governance Report (continued)

### Finance and Investment Committee

The Finance and Investment Committee comprises eight (8) members with three (3) Independent Non-Executive Directors, three (3) Non-Executive Directors and two (2) Executive Directors. 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 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 (4) times a year and to report 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 and business plan for the financial year for the Board's approval;
- ii) reviewed the financial performance of The Link REIT;
- iii) reviewed and considered the risk factors;
- iv) reviewed and considered the progress of approved asset enhancement projects;
- v) identified and considered the feasibility of potential asset enhancement projects; and
- vi) reviewed and considered the financial governance of The Link REIT, including asset enhancement projects, financial and treasury management strategies and policies and delegated financial authority.

## Corporate Governance Report (continued)

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

| FINANCE AND INVESTMENT COMMITTEE                                 | Year ended<br>31 March 2008 | Year ending<br>31 March 2009 <sup>#</sup> |
|--|-----------------------------|---|
| <b>Number of meetings held</b>                                   | 5                           | 0   |
| <b>Members</b>   |                             |   |
| Nicholas Robert SALLNOW-SMITH <sup>(1)</sup> ( <i>Chairman</i> ) | 5/5                         | 0/0                                       |
| Michael Ian ARNOLD   | 2/5                         | 0/0                                       |
| Leslie CHAO Tse Hou  | 5/5                         | 0/0                                       |
| CHEW Fook Aun  | 5/5                         | 0/0                                       |
| Ian Keith GRIFFITHS <sup>(2)</sup>                               | 3/3                         | 0/0                                       |
| John HO Chi On   | 5/5                         | 0/0                                       |
| KEE Teck Koon <sup>(2)</sup>                                     | 2/3                         | 0/0                                       |
| Ian David Murray ROBINS <sup>(3)</sup>                           | 1/1                         | 0/0                                       |
| LIEW Mun Leong <sup>(4)</sup>                                    | 0/2                         | N/A                                       |
| Victor SO Hing Woh <sup>(5)</sup>                                | 3/4                         | N/A                                       |
| Patrick SUN <sup>(6)</sup>                                       | 2/2                         | N/A                                       |

<sup>#</sup> No meetings held in the financial year to date

(1) Mr Nicholas Robert SALLNOW-SMITH was appointed as a member of the Finance and Investment Committee with effect from 1 April 2007 and become the Chairman of the Committee with effect from 23 July 2007

(2) Mr Ian Keith GRIFFITHS and Mr KEE Teck Koon were appointed as members of the Finance and Investment Committee with effect from 3 September 2007

(3) Mr Ian David Murray ROBINS was appointed as a member of the Finance and Investment Committee with effect from 21 December 2007

(4) Mr LIEW Mun Leong ceased to be a member of the Finance and Investment Committee with effect from 3 September 2007

(5) Mr Victor SO Hing Woh ceased to be a member of the Finance and Investment Committee with effect from 30 November 2007

(6) Mr Patrick SUN ceased to be the Chairman and a member of the Finance and Investment Committee with effect from 23 July 2007

## Human Resources and Compensation Committee

The Human Resources and Compensation Committee comprises six (6) members with three (3) Independent Non-Executive Directors, two (2) Non-Executive Directors and one (1) 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 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, terms and conditions of employment and other related issues, including staff benefits;

## Corporate Governance Report (continued)

- ii) reviewed bonus payment for the employees of the Manager;
- iii) proposed a long term incentive plan for the Board's endorsement and unitholders' approval, and granting restricted units awards to eligible participants; and
- iv) reviewed the selection and recruitment process for the succession of the chief executive officer.

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

| HUMAN RESOURCES AND COMPENSATION COMMITTEE | Year ended<br>31 March 2008 | Year ending<br>31 March 2009 <sup>#</sup> |
|--|-----------------------------|---|
| <b>Number of meetings held</b>             | 4                           | 1   |
| <b>Members</b>                             |                             |   |
| Michael Ian ARNOLD ( <i>Chairman</i> )     | 4/4                         | 1/1                                       |
| John HO Chi On                             | 3/4                         | 1/1                                       |
| KEE Teck Koon <sup>(1)</sup>               | 1/1                         | 1/1                                       |
| Stanley KO Kam Chuen                       | 4/4                         | 1/1                                       |
| Richard WONG Yue Chim <sup>(1)</sup>       | 1/1                         | 0/1                                       |
| Ian David Murray ROBINS <sup>(2)</sup>     | 0/0                         | 1/1                                       |
| CHEW Fook Aun <sup>(6)</sup>               | 1/1                         | N/A                                       |
| LIEW Mun Leong <sup>(3)</sup>              | 1/3                         | N/A                                       |
| Victor SO Hing Woh <sup>(4)</sup>          | 1/3                         | N/A                                       |
| Patrick SUN <sup>(5)</sup>                 | 2/3                         | N/A                                       |

<sup>#</sup> Meetings held in the financial year to date

- (1) Mr KEE Teck Koon and Professor Richard WONG Yue Chim were appointed as members of the Human Resources and Compensation Committee with effect from 3 September 2007
- (2) Mr Ian David Murray ROBINS was appointed as a member of the Human Resources and Compensation Committee with effect from 21 December 2007
- (3) Mr LIEW Mun Leong ceased to be a member of the Human Resources and Compensation Committee with effect from 3 September 2007
- (4) Mr Victor SO Hing Woh ceased to be a member of the Human Resources and Compensation Committee with effect from 30 November 2007
- (5) Mr Patrick SUN ceased to be a member of the Human Resources and Compensation Committee with effect from 23 July 2007
- (6) Mr CHEW Fook Aun was a member of the Human Resources Committee for the period of 1 December 2007 to 20 December 2007 in the capacity of Acting Chief Executive Officer

Upon the retirement of Mr Patrick SUN as a member of the Human Resources and Compensation Committee on 23 July 2007, there was a short period of less than two (2) months where the Human Resources and Compensation Committee did not have more than half of its members comprising Independent Non-Executive Directors and such requirement was fulfilled when Professor Richard WONG Yue Chim was appointed on 3 September 2007.

### Nomination Committee

The Nomination Committee comprises four (4) members with three (3) Independent Non-Executive Directors and the Chief Executive Officer. 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 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 (continued)

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

- i) reviewed the composition and structure of the Board and Committees, including the consolidation of the terms of reference of the Audit Committee and the Disclosures Committee;
- ii) reviewed the attendance of Directors at the Board and Committee Meetings;
- iii) reviewed the arrangements to evaluate the performance of the Board and its members;
- iv) reviewed and considered the appointment(s) of new Directors for approval by the Board; and
- v) 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<br>31 March 2008 | Year ending<br>31 March 2009 <sup>#</sup> |
|--|-----------------------------|---|
| <b>Number of meetings held</b>                                   | 2                           | 0   |
| <b>Members</b>   |                             |   |
| Nicholas Robert SALLNOW-SMITH <sup>(1)</sup> ( <i>Chairman</i> ) | 2/2                         | 0/0                                       |
| Michael Ian ARNOLD   | 2/2                         | 0/0                                       |
| Anthony CHOW Wing Kin  | 2/2                         | 0/0                                       |
| Ian David Murray ROBINS <sup>(2)</sup>                           | 1/1                         | 0/0                                       |
| Harry LEE Nai Shee <sup>(3)</sup>                                | 1/1                         | N/A                                       |
| Victor SO Hing Woh <sup>(4)</sup>                                | 1/1                         | N/A                                       |

<sup>#</sup> No 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 Ian David Murray ROBINS was appointed as a member of the Nomination Committee with effect from 21 December 2007

(3) Dr Harry LEE Nai Shee ceased to be a member of the Nomination Committee with effect from 23 July 2007

(4) Mr Victor SO Hing Woh ceased to be a member of the Nomination Committee with effect from 30 November 2007

## Disclosures Committee

The Disclosures Committee comprises five (5) members with two (2) Independent Non-Executive Directors, one (1) Non-Executive Director, the Chief Executive Officer and the Chief Financial Officer. 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 timeliness. 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 (4) times a year and to report 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 (continued)

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 the 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;
- 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 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<br>31 March 2008 | Year ending<br>31 March 2009 <sup>#</sup> |
|--|-----------------------------|---|
| <b>Number of meetings held</b>                                 | 2                           | N/A                                       |
| <b>Members</b>   |                             |   |
| Nicholas Robert SALLNOW-SMITH <sup>(1)</sup> <i>(Chairman)</i> | 2/2                         | N/A                                       |
| CHEW Fook Aun  | 2/2                         | N/A                                       |
| Anthony CHOW Wing Kin  | 2/2                         | N/A                                       |
| PUA Seck Guan  | 1/2                         | N/A                                       |
| Ian David Murray ROBINS <sup>(2)</sup>                         | 0/0                         | N/A                                       |
| Victor SO Hing Woh <sup>(3)</sup>                              | 1/2                         | N/A                                       |

# 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 Ian David Murray ROBINS was appointed as a member of the Disclosures Committee with effect from 21 December 2007

(3) Mr Victor SO Hing Woh ceased to be a member of the Disclosures Committee with effect from 30 November 2007

During the financial year, the Disclosures Committee held two (2) meetings instead of four (4) meetings as required as some of the routine issues were dealt with by circulation instead of physical meeting. In order to optimise the operations and enhance the efficiency of the Board and its committees, the Board approved the consolidation of the Disclosures Committee and the Audit Committee with effect from 1 May 2008.

The terms of reference of the respective Board Committees are available on The Link REIT's website.

## Corporate Governance Report (continued)

### 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 its 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 Finance and Investment Committee and the Audit Committee respectively.

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.

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.

### 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 (4) months following each financial year end and the interim results no later than two (2) months following each financial half-year end.

The Manager reviews and considers 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 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 answer questions that unitholders may have;

## Corporate Governance Report (continued)

- iii) its website which is constantly updated with latest developments of The Link REIT. Interested parties may also contact the Manager through email or the general investor hotline; and
- iv) the Manager's participation in various investors' conferences or roadshows to promote The Link REIT as well as to foster relationships with potential investors.

Since 1 April 2007, the Manager has participated in the following roadshows and investors' conferences:

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

The Manager will continue to participate in roadshows and investors' conferences to enhance The Link REIT's relationship with the investor community and investors' understanding of The Link REIT's operations and developments. The important dates for unitholders in 2008 are set out on page 3 of this Annual Report.

### General Meetings

The Link REIT will hold its Annual General Meeting in addition to other meetings in the 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 (2) unitholders registered as together holding not less than 10% of the issued and outstanding units. Not less than twenty one (21) days' notice 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 (2) 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 (2) or more unitholders present in person or by proxy registered as holding together not less than 25% of the units in issue and outstanding.

## Corporate Governance Report (continued)

Unitholders shall not vote, or be counted towards 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, no less than two (2) 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 at such meeting 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 by poll.

The last unitholders' meeting of The Link REIT was the 2007 Annual General Meeting which was held on 23 July 2007 at Marco Polo Hongkong Hotel, Harbour City, Tsimshatsui, Kowloon, Hong Kong. The items discussed at the meeting and the percentage of votes cast in favour of the resolutions passed are set out below:

- i) noting of the audited financial statements of The Link REIT together with the auditors' report for the financial year ended 31 March 2007 (no voting required);
- ii) noting of the re-appointment of Messrs PricewaterhouseCoopers as auditors for The Link REIT and the fixing of their remuneration (no voting required);
- iii) re-appointment of Mr Nicholas Robert SALLNOW-SMITH (97.35%) and Mr CHEW Fook Aun as Directors of the Manager (97.35%);
- iv) re-election of Dr Allan ZEMAN as a Director of the Manager (97.35%);
- v) insertion of a new paragraph Clause 8.1.6 to the Trust Deed (99.98%);
- vi) amendment to Clause 8.6 of the Trust Deed (99.98%);
- vii) insertion of a new paragraph Clause 16.1A to the Trust Deed (99.98%);
- viii) amendment to Clause 19.2.12 of the Trust Deed and Paragraph 2 of the Second Schedule to the Trust Deed (99.98%);
- ix) amendment to Clause 8.2.2 of the Trust Deed and insertion of new paragraph Clause 8.2.2A to the Trust Deed (99.99%);
- x) amendment to Clause 8.1.4 of the Trust Deed and insertion of new paragraphs Clause 8.1.4A and Clause 8.1.4B to the Trust Deed (99.98%);
- xi) amendment to Clause 1.1 of the Trust Deed (99.98%);
- xii) amendment to Clause 9.2 of the Trust Deed and insertion of new paragraph Clause 9.2.2 to the Trust Deed (99.98%);
- xiii) amendment to Clause 12.4.5 of the Trust Deed (99.99%);

## Corporate Governance Report (continued)

- xiv) amendment to Clause 7.5 of the Trust Deed (99.99%); and
- xv) approval of the long-term incentive plan and grant of awards and issue of units to connected persons pursuant to the Plan (99.20%).

All resolutions put to unitholders at the meeting were passed. Items (v) to (xiv) were approved by special resolutions and other items were approved by ordinary resolutions. 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 (2) 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 to 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 in 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 of 20% of the number of units in issue at the end of the previous financial year; or
- ii) 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.

Pursuant to unitholders' election under the distribution reinvestment schemes, The Link REIT has issued 10,980,317 units at HK\$17.09 per unit on 22 August 2007 and 10,243,450 units at HK\$16.84 per unit on 15 January 2008.

## Corporate Governance Report (continued)

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

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

Pursuant to the circular issued by the SFC dated 31 January 2008, SFC-authorized real estate investment trusts are permitted to repurchase their units subject to the fulfillment of the requirements as set out in the said circular. The Link REIT is proposing to adopt a general mandate regarding the repurchase of units by passing an ordinary resolution at the forthcoming Annual General Meeting. An explanatory statement of the repurchase mandate will be despatched to the unitholders together with the notice of Annual General Meeting of The Link REIT.

### 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 which contains rules on dealings, 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 situations 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 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 unless 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 (1) 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 of the Manager 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.

The Directors of the Manager 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.

## Corporate Governance Report (continued)

### Directors' Interests in Contracts

Save as disclosed on pages 100–104 under “Connected Party Transactions”, 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;
- 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 (5) largest customers combined and the five (5) largest suppliers combined are less than 30% of the Group’s total turnover and purchases, respectively.

## Corporate Governance Report (continued)

### Unitholders Information

As at 31 March 2008, an analysis of the unitholders according to information available from the register of The Link REIT is as follows:

| Range of Units Held | Number of Holders | Number of Units      | Percentage     |
|---------------------|-------------------|----------------------|----------------|
| 0–1,000             | 9,553             | 6,691,593            | 0.31%          |
| 1,001–5,000         | 17,037            | 35,042,729           | 1.62%          |
| 5,001–10,000        | 787               | 5,304,419            | 0.25%          |
| 10,001–100,000      | 310               | 6,992,754            | 0.32%          |
| 100,001 or over     | 19                | 2,104,646,272        | 97.50%         |
| <b>Total</b>        | <b>27,706</b>     | <b>2,158,677,767</b> | <b>100.00%</b> |

### Compliance

During the year ended 31 March 2008, 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 (save as some minor departure hereinbefore stated). 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 2008.



# Long Term Incentive Plan

The Long Term Incentive Plan (the "LTI Plan") was approved by unitholders on 23 July 2007 and pursuant to which equity incentives, in the form of Restricted Unit Awards (a conditional right to receive units) and Unit Options (an option to subscribe for units), and cash incentives, in the form of Conditional Cash Awards (which is granted in conjunction with the grant of Restricted Unit Awards, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to unitholders during the vesting period, multiplied by the number of units that will vest) (each individually referred to as an "Award" and collectively as "Awards"), may be granted to the Directors and key employees of the Manager.

The principal purposes of the LTI Plan are to:

- (i) align the interests of the participants of the LTI Plan (the "Participants") with the achievement of the strategic long-term goals of the Manager and with the interests of the unitholders as a whole;
- (ii) enhance The Link REIT's ability to attract and retain talented management and key employees of the Manager whose contributions are essential to the long-term growth and prosperity of The Link REIT and the creation of value for unitholders; and
- (iii) provide The Link REIT with the ability to incentivise and/or reward the management and key employees of the Manager so as to motivate them to achieve superior performance.

Directors and key employees of the Manager who, in the sole opinion of the Human Resources and Compensation Committee ("HRC"), have contributed or have the potential to contribute to the success of The Link REIT are eligible to participate in the LTI Plan.

The total number of new units which may be issued pursuant to all Restricted Unit Awards and Unit Options granted under the LTI Plan shall not in aggregate exceed 10% of the number of units in issue as at the date of the adoption of the LTI Plan which is 213,745,400 Units. As at the date of this report, the total number of units available for issue under the LTI Plan is 201,982,400, represented approximately 9.36% of the total units in issue.

Unless approved by the unitholders by way of an ordinary resolution, no Participant (other than an Independent Non-Executive Director or a significant holder of The Link REIT, or any of their respective associates) shall be granted an Award which, if accepted and vested and/or exercised (as the case may be) in full, would result in such Participant becoming entitled to receive such number of units that, when aggregated with the total number of units already issued or which may be issued upon the vesting of a Restricted Unit Award and/or the exercise of a Unit Option granted or to be granted (including Awards vested or exercised (as the case may be), cancelled and outstanding) to him within the 12-month period immediately preceding the proposed date of the grant of the Award, would exceed 1% of the number of units in issue as at the proposed date of the grant of the Award.

Where any proposed grant of an Award to an Independent Non-Executive Director or a significant holder of The Link REIT or any of their respective associates would result in the units issued and to be issued upon vesting of all Restricted Unit Awards and/or exercise of all Unit Options granted or to be granted (including Awards vested or exercised (as the case may be), cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant, (i) representing in aggregate over 0.1% of all units in issue; and (ii) having an aggregate value, based on the closing price of the units at the date of such grant, in excess of HK\$5 million, such further grant of Awards must be approved by unitholders by way of an ordinary resolution.

## Long Term Incentive Plan (continued)

A Unit Option may be exercised by the grantee at any time during the option period, which shall be notified by the HRC to a Participant at the time of the grant of the Unit Option. The option period shall be determined by the HRC in its absolute discretion but shall not exceed 10 years from the date of the grant of the Unit Option.

A Unit Option may, if so determined by the HRC in its absolute discretion, become exercisable, (a) where applicable, if the grantee ceases to be an employee of the Manager or a Director (as the case may be) by reason of his death, ill health, injury or disability; or (b) in any other event approved by the HRC.

The exercise price of a Unit Option shall be determined by the HRC in its absolute discretion and shall be notified to a Participant at the time of the grant of the Unit Option. The exercise price of the Unit Option shall not be less than the higher of: (i) the closing price of the units as stated in the Hong Kong Stock Exchange daily quotation sheets on the date of grant (which must be a trading day); and (ii) the average of the closing prices of the units as stated in the Hong Kong Stock Exchange daily quotation sheets for the five trading days immediately preceding the date of grant.

The vesting period of a Restricted Unit Award is three years or such other period(s) as may be determined by the HRC and stated in the relevant award agreement.

The HRC may, in its absolute discretion, impose any performance targets and/or other conditions, or vesting stages and/or the number of units to be vested as it considers appropriate with respect to any Restricted Unit Award and such performance targets and/or conditions will have to be satisfied or waived (at the HRC's sole discretion) before vesting.

As a Conditional Cash Award is only granted in conjunction with the grant of a Restricted Unit Award, the Conditional Cash Award shall be subject to the same vesting conditions and the same vesting period as the Restricted Unit Award that it is granted in conjunction with.

A Restricted Unit Award and Conditional Cash Award may, if so determined by the HRC in its absolute discretion, become vested, (a) where applicable, if the grantee ceases to be an employee of the Manager or a Director (as the case may be) by reason of his death, ill health, injury or disability; or (b) in any other event approved by the HRC.

The form and amount of consideration payable (if any) on acceptance of an Award shall be determined by the HRC in its sole discretion and specified to the grantee at the time of the Award.

A grantee shall have 14 days (or such other period as the HRC may otherwise specify), from the date on which an Award is granted, to accept the Award. Payment of the consideration (if any) by the grantee will have to be made to the Manager before an Award will be deemed to be accepted.

Save and except in the case of early termination in the circumstances provided for under the LTI Plan, the term of the LTI Plan is 10 years commencing on the date of adoption of the LTI Plan, which was 23 July 2007.

## Long Term Incentive Plan (continued)

During the year ended 31 March 2008, no Unit Options were granted. Set out below is information relating to the Restricted Unit Awards and Conditional Cash Awards which were granted and remained outstanding during the said period:

### Restricted Unit Awards

| Name (Position)                             | Date of Grant    | Vesting Period                   | Outstanding at 1 April 2007 | Granted during the year <sup>1</sup> | Vested during the year | Cancelled during the year | Lapsed during the year | Outstanding at 31 March 2008 <sup>1</sup> | Closing price of the units immediately before the date of grant <sup>2</sup> |
|---|------------------|----------------------------------|-----------------------------|--------------------------------------|------------------------|---------------------------|------------------------|---|--|
| Nicholas Robert SALLNOW-SMITH<br>(Director) | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 294,000                              | —                      | —                         | —                      | 294,000                                   | HK\$16.78  |
| Ian David Murray ROBINS<br>(Director)       | 24 December 2007 | 24 December 2007 to 23 July 2010 | N/A                         | 2,292,000                            | —                      | —                         | —                      | 2,292,000                                 | HK\$16.98  |
|   | 24 December 2007 | 24 December 2007 to 23 July 2011 | N/A                         | 1,635,000                            | —                      | —                         | —                      | 1,635,000                                 | HK\$16.98  |
|   | 24 December 2007 | 24 December 2007 to 23 July 2012 | N/A                         | 1,635,000                            | —                      | —                         | —                      | 1,635,000                                 | HK\$16.98  |
| CHEW Fook Aun<br>(Director)                 | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 573,000                              | —                      | —                         | —                      | 573,000                                   | HK\$16.78  |
| Michael Ian ARNOLD<br>(Director)            | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 103,500                              | —                      | —                         | —                      | 103,500                                   | HK\$16.78  |
| Leslie CHAO Tse Hou<br>(Director)           | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 78,000                               | —                      | —                         | —                      | 78,000                                    | HK\$16.78  |
| Anthony CHOW Wing Kin<br>(Director)         | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 85,500                               | —                      | —                         | —                      | 85,500                                    | HK\$16.78  |
| Patrick FUNG Yuk Bun<br>(Director)          | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 103,500                              | —                      | —                         | —                      | 103,500                                   | HK\$16.78  |
| Stanley KO Kam Chuen<br>(Director)          | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 78,000                               | —                      | —                         | —                      | 78,000                                    | HK\$16.78  |
| Allan ZEMAN<br>(Director)                   | 24 July 2007     | 24 July 2007 to 23 July 2010     | N/A                         | 85,500                               | —                      | —                         | —                      | 85,500                                    | HK\$16.78  |

## Long Term Incentive Plan (continued)

| Name (Position)                 | Date of Grant   | Vesting Period                  | Outstanding at 1 April 2007 | Granted during the year <sup>1</sup> | Vested during the year | Cancelled during the year | Lapsed during the year | Outstanding at 31 March 2008 <sup>1</sup> | Closing price of the units immediately before the date of grant <sup>2</sup> |
|---------------------------------|-----------------|---------------------------------|-----------------------------|--------------------------------------|------------------------|---------------------------|------------------------|---|--|
| Other Participants in aggregate | 24 July 2007    | 24 July 2007 to 23 July 2010    | N/A                         | 4,710,000                            | —                      | —                         | (526,500)              | 4,183,500                                 | HK\$16.78  |
|                                 | 10 January 2008 | 10 January 2008 to 23 July 2010 | N/A                         | 205,500                              | —                      | —                         | —                      | 205,500                                   | HK\$17.20  |
|                                 | 10 January 2008 | 10 January 2008 to 23 July 2011 | N/A                         | 205,500                              | —                      | —                         | —                      | 205,500                                   | HK\$17.20  |
|                                 | 10 January 2008 | 10 January 2008 to 23 July 2012 | N/A                         | 205,500                              | —                      | —                         | —                      | 205,500                                   | HK\$17.20  |
| Total                           |                 |                                 | N/A                         | 12,289,500                           | —                      | —                         | (526,500)              | 11,763,000                                |  |

## Notes:

- The figures stated are the maximum number of units that may be vested under the respective Restricted Unit Awards. The number of units that will be finally vested can range from zero to the maximum number as stated herein depending on whether, and the extent to which, the relevant vesting conditions are met.
- The figures stated are the closing price of the units on the Hong Kong Stock Exchange trading day immediately before the date of grant of the Restricted Unit Awards.
- Upon vesting of the Restricted Unit Awards, each of the Participants will be entitled to receive a Conditional Cash Award which represents a cash amount equivalent to the aggregate of the distributions per unit to unitholders during the vesting period, multiplied by the number of units that will vest (assuming the vesting conditions are satisfied or waived, as the case may be). At the year end, the weighted average value carried by each of the Conditional Cash Award is HK\$4.37 cents per unit.

Based on the maximum number of units to be issued upon vesting of 11,763,000 units and the last traded price of The Link REIT's units on the Hong Kong Stock Exchange at the year end of HK\$17.26, the value of the units as at 31 March 2008 would be approximately HK\$203 million. Based on the terms for the above grant of Restricted Unit Awards, if the average price of the units for the stipulated period prior to vesting remains at HK\$17.26, none of the Restricted Unit Awards and Conditional Cash Awards will vest.

The Restricted Unit Awards and the Conditional Cash Awards are to be expensed through the Group's consolidated income statement over the vesting periods.

# Disclosure of Interests and Holdings of Connected Persons

## Holdings of Substantial Unitholders and Directors

The Link REIT adopts a disclosure of interests regime which complies with the relevant provisions of Part XV of the SFO. Accordingly, the Trust Deed of The Link REIT was amended to the effect that 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. Pursuant to the Third Schedule to the Trust Deed, any person who is interested in 5% or more of the units of The Link REIT in issue and Director who is interested in the units will have a notifiable interest and a duty of disclosure in respect of any acquisition of, cessation of or changes in such interest. The Manager maintains a register for this purpose and the register is available for inspection by unitholders during business hours upon reasonable notice to the Manager.

According to the disclosure of interests to the Manager and the Hong Kong Stock Exchange made pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, persons having 5% or more interests in the units of The Link REIT as at 31 March 2008 are as follows:

| Persons having 5% or more interests                | Capacity in which interests disclosed are held   | Number of Units<br>Long Position (L)/<br>Short Position (S) | Percentage <sup>4</sup> (%) |
|--|--|---|-----------------------------|
| The Children's Investment Master Fund              | Beneficial owner                                 | (L)392,279,500 <sup>1</sup>                                 | 18.35                       |
| The Children's Investment Fund Management (UK) LLP | Investment manager                               | (L)392,279,500 <sup>1</sup>                                 | 18.35                       |
| UBS AG   | Beneficial owner                                 | (L)34,870,536 <sup>2</sup><br>(S)1,061,200 <sup>2</sup>     | 1.61<br>0.04                |
| UBS AG   | Person having a security interest in units       | (L)224,384,542 <sup>2</sup>                                 | 10.39                       |
| UBS AG   | Corporation controlled by substantial unitholder | (L)172,449 <sup>2</sup><br>(S)4,126,000 <sup>2</sup>        | 0.00<br>0.19                |
| Deutsche Bank Aktiengesellschaft                   | Beneficial owner                                 | (L)8,004,403 <sup>3</sup><br>(S)10,450,672 <sup>3</sup>     | 0.37<br>0.48                |
| Deutsche Bank Aktiengesellschaft                   | Investment manager                               | (L)19,556,104 <sup>3</sup>                                  | 0.90                        |
| Deutsche Bank Aktiengesellschaft                   | Person having a security interest in units       | (L)222,316,900 <sup>3</sup><br>(S)11,088,000 <sup>3</sup>   | 10.29<br>0.51               |
| Franklin Mutual Advisers, LLC                      | Investment manager                               | (L)146,067,480  | 6.76                        |

### Notes:

- According to the register maintained by the Manager pursuant to the Third Schedule to the Trust Deed, The Children's Investment Fund Management (UK) LLP ("TCI") is the investment manager of The Children's Investment Master Fund and is accordingly deemed to be interested in the units of The Link REIT held by The Children's Investment Master Fund. For the purpose of disclosure of interests as a connected person to The Link REIT, The Children's Investment Master Fund and The Children's Investment Fund Management (UK) LLP have separately advised the Manager that they have increased their interest in units of The Link REIT to 400,226,085 units as at 31 March 2008, representing 18.54% of the units in issue on that date.
- UBS AG gave notice on 29 April 2008 that it had an interest in 38,344,340 units of The Link REIT and a short position of 1,222,070 units of The Link REIT on 25 April 2008, representing 1.77% and 0.05% respectively of the units in issue, and ceased to be a substantial unitholder on that date. Regarding the long position of 38,344,340 units, 31,520,592 units were held in the capacity of beneficial owner, 3,117,000 units were held in the capacity of person having a security interest in units, 3,706,748 units were held by corporation controlled by a substantial unitholder. Regarding the short position of 1,222,070 units, 116,070 units were held in the capacity of beneficial owner and 1,106,000 units were held by corporation controlled by a substantial unitholder.

## Disclosure of Interests and Holdings of Connected Persons (continued)

- Deutsche Bank Aktiengesellschaft gave notice on 14 May 2008 that it had a long position of 180,792,165 units of The Link REIT and a short position of 5,853,237 units of The Link REIT on 7 May 2008, representing 8.37% and 0.27% respectively of the units in issue on that date. Regarding the long position of 180,792,165 units, 12,042,123 units were held in the capacity of beneficial owner, 21,439,604 units were held in the capacity of investment manager and 147,310,438 units were held in the capacity of person having a security interest in units. Regarding the short position of 5,853,237 units, 5,307,172 units were held in the capacity of beneficial owner and 546,065 units were held in the capacity of person having a security interest in units.
- The percentage set out in the table refers to the percentage as specified in the respective disclosure of interests forms or as calculated based on the units in issue on the date of relevant event (as specified in the respective disclosure of interests forms).

According to the disclosure of interests to the Manager and the Hong Kong Stock Exchange made pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, directors' interests acquired pursuant to the LTI Plan are set out in "Long Term Incentive Plan" section on pages 95–96.

Save as disclosed above and 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 to be interested in 100,000 units as at 31 March 2008 by virtue of his association with Wing Hang Bank Limited as disclosed below.

## Holdings of Connected Persons

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 set out below as at 31 March 2008:

| Name   | Number of Units | Percentage (%) |
|--|-----------------|----------------|
| The Children's Investment Master Fund <sup>1</sup> | 400,226,085     | 18.54          |
| HSBC Group <sup>2</sup>                            | 783,363         | 0.04           |
| CapitaLand Limited <sup>3</sup>                    | 68,155,500      | 3.16           |
| Wing Hang Bank Limited <sup>4</sup>                | 100,000         | 0.00           |
| Wong Sin Yee <sup>5</sup>                          | 1,000           | 0.00           |

### Notes:

- 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 currently a Director of The Children's Investment Fund Management (Asia) Limited. He heads up TCI's office in Hong Kong and is responsible for TCI's Asia-Pacific investment activities. According to information available to the Manager, unitholding of The Children's Investment Master Fund as at 31 March 2008 increased by 7,946,585 units as compared with 31 March 2007.
- The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries ("HSBC Group") are connected persons of The Link REIT as HSBC Institutional Trust Services (Asia) Limited, the Trustee of The Link REIT, is an indirect subsidiary of The Hongkong and Shanghai Banking Corporation Limited. According to information available to the Manager, HSBC Group's unitholding as at 31 March 2008, decreased by 5,517,237 units as compared with 31 March 2007.
- CapitaLand Limited is a connected person as Mr LIEW Mun Leong is a common director of CapitaLand Limited and the Manager until he resigned as Director of the Manager on 3 September 2007. According to information available to the Manager, its unitholding as at 31 March 2008 remains unchanged as compared with the position as at 31 March 2007.
- 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 2008 remains unchanged as compared with the position as at 31 March 2007.
- Ms Wong Sin Yee declared her holding as a senior executive of Knight Frank Petty Limited, the Principal Valuer of The Link REIT.

## Disclosure of Interests and Holdings of Connected Persons (continued)

### Holdings of Management Staff

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 2008 except for the interest in the units of the LTI Plan.

# 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

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 and on 26 October 2007. The Waivers have been granted subject to stipulated terms and conditions including, inter alia, that transactions should be entered into at arm's length on normal commercial terms, with specific caps on transaction amounts or fees paid, to be reviewed by auditors and the Audit Committees and approved by the Board (the "Waiver Conditions"). During the year under review, The Link REIT has complied with the Waiver Conditions.

## Income

The following table sets out the income derived from connected party transactions during the reporting year.

| Name of Connected Person   | Relationship with The Link REIT        | Nature of the Transaction        | Income Derived<br>HK\$'M |
|----------------------------|--|----------------------------------|--------------------------|
| HSBC Group <sup>(1)</sup>  | Trustee's connected person             | Tenancy contracts <sup>(3)</sup> | 13.2 <sup>(4)</sup>      |
| HSBC Group <sup>(1)</sup>  | Trustee's connected person             | Interest income                  | 6.6                      |
| ICBC (Asia) <sup>(2)</sup> | Associate of a Director of the Manager | Tenancy contracts <sup>(3)</sup> | 3.3 <sup>(4)</sup>       |

(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. The Hongkong and Shanghai Banking Corporation Limited is the indirect holding company of the Trustee and therefore HSBC Group is a connected person to The Link REIT.

(2) Professor Richard Wong Yue Chim is a common director of Industrial and Commercial Bank (Asia) Limited ("ICBC (Asia)") and the Manager. ICBC (Asia) has, therefore, become a connected person to The Link REIT upon Professor Wong's appointment as an Independent Non-Executive Director of the Manager on 3 September 2007.

(3) For shops and ATM installation at various locations.

(4) Amount excluding deposit received.



## Connected Party Transactions (continued)

### Expenses

The following table sets out the expenses incurred on connected party transactions during the reporting year.

| Name of Connected Person                         | Relationship with The Link REIT                               | Nature of the Transaction                             | Expenses Incurred<br>HK\$'M |
|--|---|---|-----------------------------|
| The Link Management Limited                      | The Manager <sup>(1)</sup>                                    | Management fee  | 203.0                       |
| HSBC Institutional Trust Services (Asia) Limited | The Trustee <sup>(2)</sup>                                    | Trustee's fee   | 3.2                         |
| CB Richard Ellis Limited                         | Principal Valuer until 14 February 2008 <sup>(3)</sup>        | Valuation fee   | 0.6                         |
| Knight Frank Petty Limited                       | Principal Valuer starting from 21 January 2008 <sup>(4)</sup> | Valuation fee   | 3.5                         |
| CapitaLand Limited                               | Strategic Partner <sup>(5)</sup>                              | Performance fee                                       | 2.6                         |
| HSBC Group                                       | Trustee's connected person                                    | Loan interest and bank charges                        | 28.9                        |
|  |   | Staff benefit consultation fees                       | 2.6                         |
| ICBC (Asia)                                      | Associate of a Director of the Manager                        | Loan interest and bank charges                        | 8.5                         |
| Aedas Limited                                    | Associate of a Director of the Manager <sup>(6)</sup>         | Architectural and renovation consultancy service fees | 4.1                         |

(1) The Manager, as an internalised 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 independent valuer, subject to a minimum of HK\$150,000 per month.

(3) CB Richard Ellis Limited was a connected person to The Link REIT until it retired as the Principal Valuer of The Link REIT on 14 February 2008 upon the expiration of its contract.

(4) Knight Frank Petty Limited was appointed the Principal Valuer of The Link REIT on 21 January 2008 replacing the out-going Principal Valuer, CB Richard Ellis Limited, and it has, therefore, become a connected person to The Link REIT since 21 January 2008.

(5) CapitaLand Limited was a connected person to The Link REIT as Mr. Liew Mun Leong was a common director of CapitaLand Limited and the Manager until he resigned as Director of the Manager on 3 September 2007.

(6) Mr. Ian Keith Griffiths, a Non-Executive Director of the Manager, is the chairman of Aedas Limited. Aedas Limited has, therefore, become a connected person to The Link REIT upon Mr. Griffiths' appointment as a Non-Executive Director of the Manager on 3 September 2007.

## Connected Party Transactions (continued)

## Lease Transactions with Connected Persons

The Link REIT, through its subsidiary, has during the reporting year entered into tenancy agreements with the HSBC Group and ICBC (Asia) for lease of retail shops and/or space for the installation of ATMs at various properties of The Link REIT.

The following table sets out information on lease transactions with connected persons with annual rent that 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><br>HK\$'M | Rental Deposit Received as at 31 March 2008<br>HK\$'M |
|--|--|---|---|--|---|
| The Hongkong and Shanghai Banking Corporation Limited <sup>(2)</sup> | Trustee's connected person             | Tenancy for shop T036 at Lok Fu Shopping Centre           | Extension of original tenancy and expires on 31/07/2008 | 2.1                                    | Nil   |
| Hang Seng Bank Limited <sup>(3)</sup>                                | Trustee's connected person             | Tenancy for shop S031D at Lok Fu Shopping Centre          | Term of 9.5 months and had expired on 15/11/2007        | 1.1                                    | 0.3   |
|  |  | Tenancy for shop G202 at Lok Fu Shopping Centre           | Term of 3 years and expires on 31/10/2010               | 1.9                                    | 0.5   |
| ICBC (Asia)  | Associate of a Director of the Manager | Tenancy for shops F18 & F19 A-C at Oi Man Shopping Centre | Term of 3 years and expires on 31/08/2009               | 1.0                                    | Nil   |
|  |  | Tenancy for shop No. 216 at Tai Wo Shopping Centre        | Term of 3 year and expires on 15/09/2009                | 1.2                                    | Nil   |

(1) The annual income stated refers to the rental income that would have been received for a twelve-month period starting from the beginning of the financial year (i.e. 1 April 2007) which ended 31 March 2008 or in accordance with the tenure of the tenancy agreement if that agreement is shorter than 12 months.

(2) The Hongkong and Shanghai Banking Corporation Limited is the indirect holding company of the Trustee and therefore a connected person to The Link REIT.

(3) Hang Seng Bank Limited is a subsidiary of The Hongkong and Shanghai Banking Corporation Limited and therefore a connected person to The Link REIT.

## Connected Party Transactions (continued)

### Provision of Ordinary Course of Banking Services from the Relevant Banking Group

The Link REIT and its subsidiaries have engaged The Hongkong and Shanghai Banking Corporation Limited, the indirect holding company of the Trustee, and its subsidiaries to provide ordinary course banking and financial services, namely, bank loans and deposits, payment and receipt arrangements, MPF accounts and medical benefits for staff during the year. Subsidiaries of The Link REIT have also maintained bank accounts with ICBC (Asia), an associate of a Director of the Manager as defined under the REIT Code, for rent collection purpose.

The Audit Committee has reviewed the general nature and types of these banking and financial service transactions and is satisfied that the general nature and types of such transactions are of the type that are contemplated in the Waivers granted by the SFC and are of the nature and a type that would be entered into in the ordinary and usual course of business at arm's length on normal commercial terms and there are no material inconsistencies with the internal procedures of the Manager that should be drawn to the attention of unitholders.

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.

### Corporate Finance Transactions

The Hongkong and Shanghai Banking Corporation Limited and ICBC (Asia) were the lenders of a syndicated loan facility made available to The Link Finance Limited, an indirect and wholly owned subsidiary of The Link REIT in August 2006. The outstanding balances due to The Hongkong and Shanghai Banking Corporation Limited and ICBC (Asia) pursuant to this syndicated loan were HK\$598 million and HK\$184 million, respectively as at 31 March 2008.

Save as disclosed above, there is no corporate finance transaction entered into with the HSBC Group during the reporting year.

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

Pursuant to the Waiver Conditions, 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 (continued)

### 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 interest of the unitholders as a whole.

### Confirmation by the Manager

The Board (including 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 the HSBC Group;
- (b) the basis of the cap amount in relation to the corporate finance advisory transactions set out in the 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 interests of the unitholders; and
- (d) the Manager is not bound to enter into corporate finance transactions with the HSBC Group despite the Waivers granted.

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

The Audit Committee has reviewed the terms of the Waivers. The Audit Committee and the full Board (including Independent Non-Executive Directors) are satisfied that (on the basis of the terms of the Waivers and the internal controls and procedures in place) it is fair and reasonable and in the best interests of the unitholders that the Waivers be continued 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. Reference is also made to the announcement of The Link REIT relating to the title transfer progress of the properties dated 6 June 2008.

## I. Properties with both legal and beneficial title held by the scheme as at 6 June 2008

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

## Progress Report on the Title Transfer of the Properties (continued)

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
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
112. Siu Sai Wan Shopping Centre
113. Wong Tai Sin Shopping Centre
114. Chuk Yuen Shopping Centre
115. Tin Tsz Shopping Centre
116. Tai Yuen Commercial Centre
117. Tin Shui Shopping Centre
118. Lek Yuen Commercial Complex
119. Lok Fu Shopping Centre
120. Tsz Lok (Tsz Wan Shan Shopping Centre)
121. Carpark within Tsz Man Estate
122. Sun Tin Wai Commercial Centre

## Progress Report on the Title Transfer of the Properties (continued)

### II. Properties with beneficial title held by the scheme as at 6 June 2008

123. Retail and Carpark within Ap Lei Chau Estate  
124. Cheung Hang Shopping Centre  
125. Cheung Hong Commercial Centre  
126. Retail and Carpark within Cheung Wang Estate  
127. Retail and Carpark within Choi Fai Estate  
128. Choi Wan Commercial Complex  
129. Chun Shek Shopping Centre  
130. Fortune Shopping Centre  
131. Fu Tung Shopping Centre  
132. Hing Man Commercial Centre  
133. Hing Tung Shopping Centre  
134. Retail and Carpark within Hung Hom Estate  
135. Ka Fuk Shopping Centre  
136. Kai Tin Shopping Centre  
137. Kai Yip Commercial Centre  
138. Carpark within Kin Ming Estate  
139. Retail and Carpark within Ko Yee Estate  
140. Kwai Fong Shopping Centre  
141. Kwai Shing East Shopping Centre  
142. Kwong Fuk Commercial Centre  
143. Lai Kok Shopping Centre  
144. Carpark within Lai On Estate  
145. Lee On Shopping Centre  
146. Lok Wah Commercial Centre  
147. Retail and Carpark within Lok Wah (South) Estate  
148. Lung Hang Commercial Centre  
149. Stanley Plaza  
150. Mei Lam Commercial Centre  
151. Ming Tak Shopping Centre

152. On Ting Commercial Complex  
153. Ping Tin Shopping Centre  
154. Po Tat Shopping Centre  
155. Po Tin Shopping Centre  
156. Sam Shing Commercial Centre  
157. Sha Kok Commercial Centre  
158. Shek Lei Shopping Centre Phase I  
159. Shek Lei Shopping Centre Phase II  
160. Shek Wai Kok Commercial Centre  
161. Shek Yam Shopping Centre  
162. Shun Lee Commercial Centre  
163. Shun On Commercial Centre  
164. Retail and Carpark within Shun Tin Estate  
165. Sun Chui Shopping Centre  
166. Tai Hing Commercial Centre  
167. Tai Wo Hau Commercial Centre  
168. Retail and Carpark within Tin Wah Estate  
169. Tin Wan Shopping Centre  
170. Retail and Carpark within Tin Yat Estate  
171. Carpark within Tin Yuet Estate  
172. Carpark within Tsui Ping South 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, the Fourth Supplemental Deed dated 21 November 2006, the Fifth Supplemental Deed dated 13 July 2007 and the Sixth Supplemental Deed dated 23 July 2007 for the financial year ended 31 March 2008.

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

Hong Kong, 6 June 2008



# 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 111 to 153, which comprise the consolidated balance sheet as at 31 March 2008, the consolidated income statement, the consolidated statement of changes in equity and net assets attributable to unitholders, the consolidated statement of cash flows 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 six Supplemental Deeds (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 controls 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 (continued)

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 judgement, 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 of The Link REIT, 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 state of affairs of the Group as at 31 March 2008 and of the Group's results and cash flows for the 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, 6 June 2008

# Consolidated Income Statement

For the year ended 31 March 2008

|   | Note | 2008<br>HK\$'M | 2007<br>HK\$'M |
|---|------|----------------|----------------|
| Revenues  | 6    | 4,199          | 3,954          |
| Property operating expenses   | 8    | (1,662)        | (1,593)        |
| Net property income   |      | 2,537          | 2,361          |
| General and administrative expenses   |      | (102)          | (88)           |
| Change in fair values of investment properties                                  |      | 4,265          | 3,514          |
| Operating profit  | 9    | 6,700          | 5,787          |
| Interest income   |      | 78             | 60             |
| Finance costs on interest bearing liabilities                                   | 10   | (604)          | (578)          |
| Profit before taxation and transactions with unitholders                        |      | 6,174          | 5,269          |
| Taxation  | 12   | (1,035)        | (915)          |
| Profit for the year, before transactions with unitholders                       | 13   | 5,139          | 4,354          |
| Distributions paid to unitholders   |      |                |                |
| 2006 final distribution   |      | —              | (467)          |
| 2007 interim distribution   |      | —              | (702)          |
| 2007 final distribution   |      | (739)          | —              |
| 2008 interim distribution   |      | (776)          | —              |
|   |      | 3,624          | 3,185          |
| Represented by:   |      |                |                |
| Change in net assets attributable to unitholders, excluding issues of new units |      | 3,408          | 3,074          |
| Amount arising from cash flow hedging reserve movement                          | 24   | 216            | 111            |
|   |      | 3,624          | 3,185          |

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Notes:

- (i) Total Distributable Income is determined in the Statement of Distributions. The final distribution declared in respect of this year as set out in the Statement of Distributions will be paid to unitholders on or about 19 August 2008.
- (ii) Earnings per unit, based upon profit after taxation and before transactions with unitholders and the average number of units in issue, is set out in Note 13 to the consolidated financial statements.

# Statement of Distributions

For the year ended 31 March 2008

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

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to unitholders (equivalent to profit for the year, before transactions with unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year.
- (ii) Pursuant to the Trust Deed, The Link Real Estate Investment Trust is required to ensure that the total amount distributed to unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the distributions for the year ended 31 March 2008. The interim distribution was paid to unitholders on 15 January 2008. The final distribution will be paid to unitholders on or about 19 August 2008.
- (iii) The interim distribution per unit of HK36.11 cents for the six months ended 30 September 2007 is calculated based on the interim distribution paid of HK\$776 million for the period and 2,148,434,317 units in issue as at 30 September 2007. The interim distribution per unit of HK32.81 cents for the six months ended 30 September 2006 is calculated based on the interim distribution paid of HK\$702 million for the period and 2,137,454,000 units in issue as at 30 September 2006.
- (iv) The final distribution per unit of HK38.29 cents (2007: HK34.62 cents) is calculated based on the final distribution to be paid to the unitholders of HK\$826 million for the period and 2,158,677,767 units in issue as at 31 March 2008 (2007: HK\$739 million and 2,137,454,000 units).

# Consolidated Balance Sheet

As at 31 March 2008

|  | Note | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|------|----------------|----------------|
| <b>Non-current assets</b>  |      |                |                |
| Goodwill   |      | 3,988          | 3,988          |
| Investment properties  | 14   | 44,307         | 39,557         |
| Property, plant and equipment  | 15   | 46             | 52             |
|  |      | 48,341         | 43,597         |
| <b>Current assets</b>  |      |                |                |
| Trade and other receivables  | 16   | 112            | 92             |
| Deposits and prepayments   |      | 25             | 18             |
| Short-term bank deposits   | 17   | 1,753          | 1,475          |
| Cash and cash equivalents  | 17   | 117            | 53             |
|  |      | 2,007          | 1,638          |
| <b>Total assets</b>  |      |                |                |
|  |      | 50,348         | 45,235         |
| <b>Current liabilities</b>   |      |                |                |
| Trade payables, receipts in advance and accruals                                 | 18   | 858            | 738            |
| Security deposits  |      | 376            | 318            |
| Provision for taxation   |      | 48             | —              |
| Interest bearing liabilities   | 19   | 2,199          | —              |
|  |      | 3,481          | 1,056          |
| <b>Net current (liabilities)/assets</b>  |      |                |                |
|  |      | (1,474)        | 582            |
| <b>Total assets less current liabilities</b>                                     |      |                |                |
|  |      | 46,867         | 44,179         |
| <b>Non-current liabilities, excluding net assets attributable to unitholders</b> |      |                |                |
| Interest bearing liabilities   | 19   | 9,986          | 12,177         |
| Deferred tax liabilities   | 20   | 5,976          | 5,102          |
| Long-term incentive plan payable   | 21   | 20             | —              |
| Other non-current liabilities  | 22   | 327            | 111            |
|  |      | 16,309         | 17,390         |
| <b>Total liabilities, excluding net assets attributable to unitholders</b>       |      |                |                |
|  |      | 19,790         | 18,446         |
| <b>Net assets attributable to unitholders</b>                                    |      |                |                |
|  |      | 30,558         | 26,789         |
| Units in issue   | 23   | 2,158,677,767  | 2,137,454,000  |
| Net assets per unit attributable to unitholders                                  |      | HK\$14.16      | HK\$12.53      |

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

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

**Nicholas Robert SALLNOW-SMITH**  
Chairman  
6 June 2008

**Ian David Murray ROBINS**  
Chief Executive Officer  
6 June 2008

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

For the year ended 31 March 2008

|   | Note | Total reserves<br>HK\$'M | Net assets<br>attributable<br>to unitholders<br>HK\$'M | Total<br>HK\$'M |
|---|------|--------------------------|--|-----------------|
| Net assets attributable to unitholders at 1 April 2006  |      | —                        | 23,715   | 23,715          |
| Profit for the year ended 31 March 2007,<br>before transactions with unitholders                                    |      | —                        | 4,354  | 4,354           |
| Distributions paid to unitholders   |      |                          |  |                 |
| 2006 final distribution   |      | —                        | (467)  | (467)           |
| 2007 interim distribution   |      | —                        | (702)  | (702)           |
| Change in fair values of cash flow hedges   | 24   | (111)                    | —  | (111)           |
| Amount arising from cash flow hedging reserve movement  | 24   | 111                      | (111)  | —               |
| Change in net assets attributable to unitholders for the year<br>ended 31 March 2007                                |      | —                        | 3,074  | 3,074           |
| Net assets attributable to unitholders at 31 March 2007   |      | —                        | 26,789   | 26,789          |
| Net assets attributable to unitholders at 1 April 2007  |      | —                        | 26,789   | 26,789          |
| Issuance of units under distribution reinvestment scheme  |      | —                        | 361  | 361             |
| Profit for the year ended 31 March 2008,<br>before transactions with unitholders                                    |      | —                        | 5,139  | 5,139           |
| Distributions paid to unitholders   |      |                          |  |                 |
| 2007 final distribution   |      | —                        | (739)  | (739)           |
| 2008 interim distribution   |      | —                        | (776)  | (776)           |
| Change in fair values of cash flow hedges   | 24   | (247)                    | —  | (247)           |
| Amount transferred to the consolidated income statement   | 24   | 31                       | —  | 31              |
| Amount arising from cash flow hedging reserve movement  | 24   | 216                      | (216)  | —               |
| Change in net assets attributable to unitholders for the year<br>ended 31 March 2008, excluding issues of new units |      | —                        | 3,408  | 3,408           |
| Net assets attributable to unitholders at 31 March 2008   |      | —                        | 30,558   | 30,558          |

The notes on pages 116 to 153 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2008

|   | Note  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|---|-------|----------------|----------------|
| <b>Operating activities</b>   |       |                |                |
| <b>Net cash generated from operating activities</b>                                   | 25(a) | 2,517          | 2,756          |
| <b>Investing activities</b>   |       |                |                |
| Additions to investment properties  | 14    | (485)          | (271)          |
| Additions to property, plant and equipment  | 15    | (10)           | (29)           |
| Interest income received  |       | 78             | 50             |
| Increase in short-term bank deposits with original maturity of more than three months |       | (278)          | (1,022)        |
| <b>Net cash used in investing activities</b>  |       | (695)          | (1,272)        |
| <b>Financing activities</b>   |       |                |                |
| Proceeds from interest bearing liabilities, net of transaction costs                  |       | —              | 12,173         |
| Repayment of interest bearing liabilities   |       | —              | (12,169)       |
| Interest expenses paid on interest bearing liabilities                                |       | (604)          | (580)          |
| Distributions paid to unitholders   |       | (1,154)        | (1,169)        |
| <b>Net cash used in financing activities</b>  |       | (1,758)        | (1,745)        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                           |       | 64             | (261)          |
| Cash and cash equivalents at the beginning of the year                                |       | 53             | 314            |
| <b>Cash and cash equivalents at the end of the year</b>                               |       | 117            | 53             |

The notes on pages 116 to 153 are an integral part of 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 an authorised unit trust under section 104 of the Securities and Futures Ordinance. The Link REIT is governed by a trust deed ("Trust Deed") entered into on 6 September 2005 (as amended and supplemented by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005, the Third Supplemental Deed dated 16 January 2006, the Fourth Supplemental Deed dated 21 November 2006, the Fifth Supplemental Deed dated 13 July 2007 and the Sixth Supplemental Deed dated 23 July 2007).

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

### (a) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), the relevant provisions 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.

### (b) ACCOUNTING CONVENTION AND FUNCTIONAL CURRENCY

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

### (c) APPLICATION OF NEW AND REVISED HKFRS

For the year ended 31 March 2008, the Group has adopted all the new standards, amendments and interpretations that are currently in issue and effective for the Group's accounting period beginning on 1 April 2007. 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.



## Notes to the Consolidated Financial Statements (continued)

## 2 Basis of preparation (continued)

**(c) APPLICATION OF NEW AND REVISED HKFRS (continued)**

In addition, the following new standards, amendments and interpretations which have been published but are not yet effective, have not been early adopted in these consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2008.

|                     |  |
|---------------------|--|
| HKAS 1 (Revised)    | Presentation of Financial Statements, effective for accounting periods beginning on or after 1 January 2009;   |
| HKAS 23 (Revised)   | Borrowing Costs, effective for accounting periods beginning on or after 1 January 2009;  |
| HKAS 27 (Revised)   | Consolidated and Separate Financial Statements, effective for accounting periods beginning on or after 1 July 2009;  |
| HKFRS 2 (Amendment) | Share-based Payment — Vesting Conditions and Cancellations, effective for accounting periods beginning on or after 1 January 2009;   |
| HKFRS 3 (Revised)   | Business Combinations, effective for accounting periods beginning on or after 1 July 2009;   |
| HKFRS 8             | Operating Segments, effective for accounting periods beginning on or after 1 January 2009;   |
| HK(IFRIC)-Int 12    | Service Concession Arrangements, effective for accounting periods beginning on or after 1 January 2008;  |
| HK(IFRIC)-Int 13    | Customer Loyalty Programmes, effective for accounting periods beginning on or after 1 July 2008; and   |
| HK(IFRIC)-Int 14    | HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, effective for accounting periods beginning on or after 1 January 2008. |

The Group will adopt the above when they become effective. The Manager is not yet in a position to state whether these would have a significant impact on the Group's results of operations and financial position.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies**

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(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 2008 and the results for the year then ended.

Subsidiaries are all entities over which The Link REIT has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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 a particular type of services (business segment), or in providing 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 year.

**(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 consolidated income statement.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies (continued)****(c) INVESTMENT PROPERTIES (continued)**

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 consolidated income statement during the 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 costs are expensed in the consolidated income statement during the 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 | 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.

**(e) TRADE AND OTHER RECEIVABLES**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade 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 consolidated 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.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies (continued)****(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 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 Total 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: Presentation. It is shown on the balance sheet as the net assets attributable to unitholders. Distributions to unitholders are recognised in the consolidated income statement.

**(i) TRADE PAYABLES AND PROVISIONS****(i) Trade payables**

Trade payables are 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.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies (continued)****(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, 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 consolidated income statement over the period of the interest bearing liabilities using the effective interest method.

**(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. Contingent rental income (representing income over and above base rent) such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which they are earned. 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.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies (continued)****(n) REVENUE RECOGNITION (continued)****(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.

**(q) EMPLOYEES' LONG-TERM INCENTIVE PLAN**

Incentives in the form of a Long-term incentive plan are provided to eligible employees (including directors).

Employee services received in exchange for the grant of the Long-term incentive plan awards are recognised as an expense, with a corresponding increase in the liability incurred, at fair value as the employees render services. This expense is charged to the consolidated income statement over the vesting periods. Until the liability is settled, the fair value of the liability is re-measured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the consolidated income statement for the year. At each balance sheet date, estimates of the number of Long-term incentive plan awards that are expected to become vested will be revised and the impact of the revision is recognised in the consolidated income statement.

## Notes to the Consolidated Financial Statements (continued)

**3 Summary of significant accounting policies (continued)****(r) 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 re-measured 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 consolidated income statement.

Amounts accumulated in hedging reserve are transferred to the consolidated 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 consolidated 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 consolidated income statement.

## Notes to the Consolidated Financial Statements (continued)

## 4 Financial risk management

### 4.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

Risk management is carried out by the Manager. 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. The Group uses derivative financial instruments such as interest rate swaps to manage financial risk.

#### (a) Market risk

##### (i) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will impact the earnings of the Group. The Group is exposed to interest rate risk through the impact of rate changes in interest bearing liabilities and assets.

The Group's cash flow interest rate risk arises predominantly from its long-term floating rate borrowings whilst the borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with counterparties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts.

If interest rates on floating rate interest bearing liabilities during the year had been 100 basis points higher/lower with all other variables held constant, profit for the year, before transactions with unitholders would have been HK\$45 million (2007: HK\$31 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. As at 31 March 2008, if interest rates had been 100 basis points higher/lower, the hedging reserve would have been HK\$132/135 million (2007: HK\$137/141 million) higher/lower mainly as a result of an increase/decrease in the fair values of the cash flow hedges as described above.

##### (ii) Currency risk

Currency risk arises on account of monetary assets and liabilities denominated in a currency that is not the functional currency. At 31 March 2008, there are no significant monetary balances that are held in a non-functional currency.

#### (b) Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its cash and cash equivalents and deposits with banks and financial institutions, as well as trade and other receivables.



## Notes to the Consolidated Financial Statements (continued)

### 4 Financial risk management (continued)

#### 4.1 FINANCIAL RISK FACTORS (continued)

##### (b) Credit risk (continued)

Credit risk is managed on a group basis. The Group manages its deposits with banks and financial institutions by limiting the level of deposits to be placed with any counterparties of credit ratings lower than "A". In addition, deposits placed with any individual counterparty cannot exceed a pre-defined percentage to limit the aggregate risk to any individual counterparty. At 31 March 2008, deposits with banks amounted to HK\$1,870 million (2007: HK\$1,526 million), of which 82.2% (2007: 91.9%) were placed with financial institutions with external credit ratings of no less than "A".

In respect of credit exposures to tenants, credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit reviews on prospective tenants. The Group also has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for impairment losses is made for irrecoverable amounts. The Group has no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group's exposure to credit risk arising from trade receivables amounted to HK\$58 million (2007: HK\$51 million) and is set out in Note 16. The Group's exposure to credit risk arising from bank deposits amounted to HK\$1,870 million (2007: HK\$1,526 million) and is set out in Note 17.

##### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from committed credit facilities and operating cashflow.

The Group has cash and cash equivalents of HK\$117 million as at 31 March 2008 (2007: HK\$53 million). In addition to the cash resources, the Group has total available borrowing facilities amounted to HK\$12.6 billion (2007: HK\$12.6 billion), of which HK\$12.2 billion (2007: HK\$12.2 billion) was drawn as at 31 March 2008. The undrawn committed facility in the form of revolving bank loan, totalled HK\$0.4 billion as at 31 March 2008 (2007: HK\$0.4 billion).

At 31 March 2008, the Group's current liabilities exceed its current assets by HK\$1,474 million (2007: Nil) mainly as the interest bearing liabilities of HK\$2,199 million will fall due within 12 months of the balance sheet date. The Group is currently undertaking reviews to assess the various alternatives available for the refinancing of the amount. The Group will keep watching market conditions to assess the possibility of arranging longer term refinancing at favourable rates and extending the maturity profile of its debt.

## Notes to the Consolidated Financial Statements (continued)

## 4 Financial risk management (continued)

## 4.1 FINANCIAL RISK FACTORS (continued)

## (c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows which comprise both interest and principal cash flows.

|                                  | Less than 1<br>year<br>HK\$'M | Between 1<br>and 2 years<br>HK\$'M | Between 2<br>and 5 years<br>HK\$'M | Over 5 years<br>HK\$'M |
|----------------------------------|-------------------------------|------------------------------------|------------------------------------|------------------------|
| <b>At 31 March 2008</b>          |                               |                                    |                                    |                        |
| Interest bearing liabilities     | 2,522                         | 1,641                              | 8,839                              | —                      |
| Derivative financial instruments | 126                           | 126                                | 198                                | —                      |
| Trade payables and accruals      | 797                           | —                                  | —                                  | —                      |
| Security deposits                | 376                           | —                                  | —                                  | —                      |
| Unitholders' funds               | —                             | —                                  | —                                  | 30,558                 |
| <b>At 31 March 2007</b>          |                               |                                    |                                    |                        |
| Interest bearing liabilities     | 559                           | 2,709                              | 10,703                             | —                      |
| Derivative financial instruments | 35                            | 35                                 | 90                                 | —                      |
| Trade payables and accruals      | 679                           | —                                  | —                                  | —                      |
| Security deposits                | 318                           | —                                  | —                                  | —                      |
| Unitholders' funds               | —                             | —                                  | —                                  | 26,789                 |

## 4.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to unitholders.

The Group monitors capital on a regular basis and observes the REIT Code's limit on the gearing ratio of not exceeding 45%. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total asset value as shown in the consolidated balance sheet.

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Interest bearing liabilities (Note 19) | 12,185         | 12,177         |
| Total asset value                      | 50,348         | 45,235         |
| Gearing ratio                          | 24.2%          | 26.9%          |

## Notes to the Consolidated Financial Statements (continued)

### 4 Financial risk management (continued)

#### 4.3 FAIR VALUE ESTIMATION

The carrying values less impairment provision of trade and other receivables and the carrying values of trade payables, accruals, bank deposits and short-term interest bearing liabilities are a reasonable approximation of their fair values due to their short-term maturities.

The fair values of long-term interest bearing liabilities are based on market prices or are estimated by using the expected future payments discounted at market interest rates.

The fair values of interest rate swaps are calculated by reference to the present value of the estimated future cash flows, taking into account current interest rates as observed from the market.

### 5 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 the Manager 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 year are discussed below.

#### (a) INVESTMENT PROPERTIES

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.

#### (b) FINANCIAL INSTRUMENTS

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.

## Notes to the Consolidated Financial Statements (continued)

## 5 Critical accounting estimates and judgements (continued)

**(c) LONG-TERM INCENTIVE PLAN VALUATION**

The fair value of awards granted is estimated based on valuations performed by management. The valuations are based on various assumptions on unit prices, life of awards and distribution pay-out rate, which management consider as representing the best estimate of the fair value of the liability for such awards at the balance sheet date.

**(d) GOODWILL**

Goodwill is recorded as a separate asset and it is subject to the annual impairment test. The results of the tests undertaken as at 31 March 2008 and 2007 indicated that no impairment provision was necessary.

For the purposes of impairment tests, the recoverable amount of goodwill is determined based on the cash flow projections in the valuation of investment properties by the Principal Valuer. Judgement was required to determine key assumptions for adoption in the cash flow projections, such as income and expenditure growth rate, discount rate, income capitalisation rate, etc. The income and expenditure growth rates were driven by the forecast occupancy rate, reversion rate, progress on asset enhancement projects and inflation. Discount rates and income capitalisation rates in the range of 8.25% to 11.5% and 5.85% to 9.5% respectively were used in the cash flow projections. Changes to these key assumptions can significantly affect the cash flow projections and therefore the results of the impairment tests.

## 6 Revenues

Revenues recognised during the year comprise:

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

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

## Notes to the Consolidated Financial Statements (continued)

## 7 Segment information

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

## Notes to the Consolidated Financial Statements (continued)

## 7 Segment information (continued)

|  | Retail<br>properties<br>HK\$'M | Carparks<br>HK\$'M | Head office<br>HK\$'M | Total<br>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<br>properties                      | 2,914                          | 600                | —                     | 3,514           |
| Interest income  |                                |                    |                       | 60              |
| Finance costs on interest bearing liabilities                          |                                |                    |                       | (578)           |
| Profit before taxation and transactions with<br>unitholders            |                                |                    |                       | 5,269           |
| Taxation   |                                |                    |                       | (915)           |
| Profit for the year, before transactions with<br>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              |
| Total assets   |                                |                    |                       | 45,235          |
| Segment liabilities  | 830                            | 112                | 114                   | 1,056           |
| Interest bearing liabilities   |                                |                    |                       | 12,177          |
| Deferred tax liabilities   |                                |                    |                       | 5,102           |
| Other non-current liabilities  |                                |                    |                       | 111             |
| Total liabilities, excluding net assets<br>attributable to unitholders |                                |                    |                       | 18,446          |
| Net assets attributable to unitholders                                 |                                |                    |                       | 26,789          |

## Notes to the Consolidated Financial Statements (continued)

## 8 Property operating expenses

|  | <b>2008</b>   | 2007         |
|--|---------------|--------------|
|  | <b>HK\$'M</b> | HK\$'M       |
| Property managers' fees, security and cleaning | 563           | 581          |
| Staff costs (Note 11)                          | 122           | 101          |
| Government rent and rates                      | 106           | 113          |
| Repairs and maintenance                        | 227           | 236          |
| Utilities                                      | 363           | 370          |
| Promotion and marketing expenses               | 86            | 62           |
| Estate common area costs                       | 104           | 55           |
| Other property operating expenses              | 91            | 75           |
|  | <b>1,662</b>  | <b>1,593</b> |

## 9 Operating profit before finance costs, taxation and transactions with unitholders

|   | <b>2008</b>   | 2007   |
|---|---------------|--------|
|   | <b>HK\$'M</b> | HK\$'M |
| Operating profit before finance costs, taxation and transactions with unitholders is stated after charging: |               |        |
| Staff costs (Note 11)   | 176           | 136    |
| Depreciation of property, plant and equipment   | 14            | 9      |
| Loss on disposal of property, plant and equipment   | 2             | —      |
| Strategic partner fee   | 3             | 1      |
| Trustee's fee   | 3             | 3      |
| Valuation fee   | 4             | 4      |
| Auditor's remuneration  |               |        |
| — audit service   | 3             | 3      |
| — non-audit service   | 1             | 1      |
| Bank charges  | 1             | —      |
| Operating lease charges   | 5             | 4      |
| Other legal and professional fees   | 3             | 6      |

## Notes to the Consolidated Financial Statements (continued)

## 10 Finance costs on interest bearing liabilities

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Interest expenses on interest bearing liabilities wholly repayable within five years (Note 19) | 604            | 578            |

## 11 Staff Costs

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Wages and salaries                               | 152            | 133            |
| Contributions to mandatory provident fund scheme | 4              | 3              |
| Long-term incentive plan awards (Note 21)        | 20             | —              |
|  | 176            | 136            |

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

|   | 2008<br>HK\$'M | 2007<br>HK\$'M |
|---|----------------|----------------|
| Included under property operating expenses (Note 8) | 122            | 101            |
| Included under general and administrative expenses  | 54             | 35             |
|   | 176            | 136            |



## Notes to the Consolidated Financial Statements (continued)

## 11 Staff Costs (continued)

## (b) DIRECTORS' EMOLUMENTS

The remunerations of directors are set out below:

| Name of Director                         | Fees<br>HK\$'000 | Base pay,<br>allowance<br>and other<br>benefits (i)<br>HK\$'000 | Contribution<br>to pension<br>scheme (ix)<br>HK\$'000 | Variable<br>remuneration<br>related to<br>performance<br>HK\$'000 | Subtotal<br>HK\$'000 | Long-term<br>incentive<br>plan<br>awards (x)<br>HK\$'000 | Total<br>2008<br>HK\$'000 | Total<br>2007<br>HK\$'000 |
|--|------------------|---|---|---|----------------------|--|---------------------------|---------------------------|
| Mr Nicholas Robert<br>SALLNOW-SMITH (ii) | 1,785            | —   | —   | —   | 1,785                | 605  | 2,390                     | —                         |
| Mr Paul CHENG Ming<br>Fun (iii)          | —                | —   | —   | —   | —                    | —  | —                         | 1,000                     |
| Mr Ian David Murray<br>ROBINS (iv)       | —                | 1,850   | 5   | —   | 1,855                | 4,886  | 6,741                     | —                         |
| Mr Victor SO Hing Woh<br>(v)             | —                | 3,693   | 8   | 1,803   | 5,504                | —  | 5,504                     | 6,866                     |
| Mr CHEW Fook Aun                         | —                | 4,257   | 12  | 170   | 4,439                | 1,162  | 5,601                     | 708                       |
| Mr Ian Keith GRIFFITHS<br>(vi)           | 260              | —   | —   | —   | 260                  | —  | 260                       | —                         |
| Mr John HO Chi On                        | —                | —   | —   | —   | —                    | —  | —                         | —                         |
| Mr KEE Teck Koon (vi)                    | —                | —   | —   | —   | —                    | —  | —                         | —                         |
| Mr PUA Seck Guan                         | —                | —   | —   | —   | —                    | —  | —                         | —                         |
| Mr LIEW Mun Leong (vii)                  | —                | —   | —   | —   | —                    | —  | —                         | —                         |
| Mr Michael Ian ARNOLD                    | 600              | —   | —   | —   | 600                  | 210  | 810                       | 400                       |
| Mr Leslie CHAO Tse Hou                   | 450              | —   | —   | —   | 450                  | 158  | 608                       | 325                       |
| Mr Anthony CHOW Wing<br>Kin              | 500              | —   | —   | —   | 500                  | 174  | 674                       | 301                       |
| Dr Patrick FUNG Yuk Bun                  | 600              | —   | —   | —   | 600                  | 210  | 810                       | 400                       |
| Mr Stanley KO Kam<br>Chuen               | 525              | —   | —   | —   | 525                  | 158  | 683                       | 325                       |
| Prof Richard WONG Yue<br>Chim (vi)       | 317              | —   | —   | —   | 317                  | —  | 317                       | —                         |
| Dr Allan ZEMAN                           | 500              | —   | —   | —   | 500                  | 174  | 674                       | 350                       |
| Dr Harry LEE Nai Shee<br>(viii)          | 172              | —   | —   | —   | 172                  | —  | 172                       | 375                       |
| Mr Patrick SUN (viii)                    | 172              | —   | —   | —   | 172                  | —  | 172                       | 375                       |
|  | 5,881            | 9,800   | 25  | 1,973   | 17,679               | 7,737  | 25,416                    | 11,425                    |

## 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 21 December 2007. Emoluments included remuneration before appointment to Board.
- (v) Resigned on 30 November 2007.
- (vi) Appointed on 3 September 2007.
- (vii) Resigned on 3 September 2007.
- (viii) Retired on 23 July 2007.
- (ix) For the year ended 31 March 2007, total contributions to pension scheme were HK\$14,000.
- (x) As at 31 March 2008, no Long-term incentive plan awards have vested and no units of The Link REIT have been issued under the plan. The amounts recognised as expenses represent the provision recognised as set out in the accounting policy Note 3 (q). The eventual amounts to be paid depend on the scale of achievement against certain performance and service related vesting conditions. If the awards do not vest on the vesting dates, the amounts charged to the consolidated income statement will be reversed. Details on the Long-term incentive plan of the Group are set out in Note 21.

## Notes to the Consolidated Financial Statements (continued)

## 11 Staff Costs (continued)

**(c) FIVE HIGHEST PAID INDIVIDUALS**

The five individuals whose emoluments were the highest in the Group for the year include three (2007: one) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2007: four) individuals during the year are as follows:

|   | 2008<br>HK\$'M | 2007<br>HK\$'M |
|---|----------------|----------------|
| Basic salaries, other allowances and benefits in kind | 5              | 7              |
| Discretionary bonus                                   | —              | 1              |
| Long-term incentive plan awards                       | 1              | —              |
| <b>Total</b>  | <b>6</b>       | <b>8</b>       |

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

|                             | 2008<br>Number of<br>individuals | 2007<br>Number of<br>individuals |
|-----------------------------|----------------------------------|----------------------------------|
| Emoluments bands            |                                  |                                  |
| HK\$1,500,001–HK\$2,000,000 | —                                | 2                                |
| HK\$2,000,001–HK\$2,500,000 | —                                | 1                                |
| HK\$2,500,001–HK\$3,000,000 | 2                                | 1                                |
| HK\$5,500,001–HK\$6,000,000 | 2                                | —                                |
| HK\$6,500,001–HK\$7,000,000 | 1                                | 1                                |

**(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 (continued)

## 12 Taxation

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

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

|                   | <b>2008</b><br><b>HK\$'M</b> | 2007<br>HK\$'M |
|-------------------|------------------------------|----------------|
| Current taxation  | 161                          | —              |
| Deferred taxation | 874                          | 915            |
|                   | <b>1,035</b>                 | <b>915</b>     |

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

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

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

## Notes to the Consolidated Financial Statements (continued)

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

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

## 14 Investment properties

## (a) DETAILS OF THE MOVEMENTS OF INVESTMENT PROPERTIES ARE AS FOLLOWS:

|                       | Retail properties | Carparks | Total  |
|-----------------------|-------------------|----------|--------|
|                       | HK\$'M            | HK\$'M   | HK\$'M |
| At 1 April 2006       | 29,098            | 6,674    | 35,772 |
| Additions             | 239               | 32       | 271    |
| Change in fair values | 2,914             | 600      | 3,514  |
| At 31 March 2007      | 32,251            | 7,306    | 39,557 |
| At 1 April 2007       | 32,251            | 7,306    | 39,557 |
| Additions             | 439               | 46       | 485    |
| Change in fair values | 3,415             | 850      | 4,265  |
| At 31 March 2008      | 36,105            | 8,202    | 44,307 |

## (b) GOVERNMENT LEASES

The properties included as investment properties on the consolidated 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. As at 31 March 2008, legal title for 120 properties out of 180 properties has been granted to the Group. The remaining lease periods of the government lease profile of these properties with government leases granted range from 35 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.

## Notes to the Consolidated Financial Statements (continued)

## 14 Investment properties (continued)

**(c) FAIR VALUES**

The investment properties were revalued on an open market value basis by Knight Frank Petty Limited, an independent firm of professional qualified valuers, which was newly appointed as the Principal Valuer of The Link REIT for the valuation as at 31 March 2008. The independent valuation for the year ended 31 March 2007 was performed by CB Richard Ellis Limited.

To arrive at the market valuation of the investment properties, Knight Frank Petty Limited 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 5(a). In arriving at the market values, Knight Frank Petty Limited 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. As at 31 March 2008, none of the investment properties are subject to this restriction.

**(e) SECURITY FOR THE GROUP'S LOAN FACILITIES**

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

## Notes to the Consolidated Financial Statements (continued)

## 15 Property, plant and equipment

|                                  | Leasehold<br>improvements<br>HK\$'M | Motor<br>vehicles<br>HK\$'M | Equipment<br>HK\$'M | Total<br>HK\$'M |
|----------------------------------|-------------------------------------|-----------------------------|---------------------|-----------------|
| At 1 April 2006                  | 4                                   | 2                           | 26                  | 32              |
| Additions                        | 16                                  | 2                           | 11                  | 29              |
| Depreciation charge for the year | (1)                                 | (1)                         | (7)                 | (9)             |
| At 31 March 2007                 | 19                                  | 3                           | 30                  | 52              |
| At 31 March 2007                 |                                     |                             |                     |                 |
| Cost                             | 21                                  | 4                           | 39                  | 64              |
| Accumulated depreciation         | (2)                                 | (1)                         | (9)                 | (12)            |
| Net book value                   | 19                                  | 3                           | 30                  | 52              |
| At 1 April 2007                  | 19                                  | 3                           | 30                  | 52              |
| Additions                        | 3                                   | 1                           | 6                   | 10              |
| Disposals                        | —                                   | —                           | (2)                 | (2)             |
| Depreciation charge for the year | (3)                                 | (1)                         | (10)                | (14)            |
| At 31 March 2008                 | 19                                  | 3                           | 24                  | 46              |
| At 31 March 2008                 |                                     |                             |                     |                 |
| Cost                             | 24                                  | 4                           | 42                  | 70              |
| Accumulated depreciation         | (5)                                 | (1)                         | (18)                | (24)            |
| Net book value                   | 19                                  | 3                           | 24                  | 46              |

## 16 Trade and other receivables

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

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

## Notes to the Consolidated Financial Statements (continued)

## 16 Trade and other receivables (continued)

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

The ageing analysis of trade receivables is as follows:

|              | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--------------|----------------|----------------|
| 0–30 days    | 53             | 47             |
| 31–90 days   | 3              | 3              |
| Over 90 days | 7              | 3              |
|              | 63             | 53             |

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.

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

The ageing analysis of the past due but not impaired trade receivables is as follows:

|              | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--------------|----------------|----------------|
| 0–30 days    | 10             | 9              |
| 31–90 days   | 3              | 3              |
| Over 90 days | 2              | 1              |
|              | 15             | 13             |

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

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

|              | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--------------|----------------|----------------|
| Over 90 days | 5              | 2              |

## Notes to the Consolidated Financial Statements (continued)

## 16 Trade and other receivables (continued)

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

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

The creation and release of provision for impaired receivables have been included in property operating expenses in the consolidated income statement (Note 8). Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

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

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

## 17 Cash and cash equivalents and short-term bank deposits

|   | <b>2008</b><br><b>HK\$'M</b> | 2007<br>HK\$'M |
|---|------------------------------|----------------|
| Cash in hand  | —                            | 2              |
| Cash at bank  | 10                           | 22             |
| Short-term bank deposits with original maturity of less than three months | 107                          | 29             |
| Cash and cash equivalents   | 117                          | 53             |
| Short-term bank deposits with original maturity of more than three months | 1,753                        | 1,475          |
|   | 1,870                        | 1,528          |

Cash and cash equivalents are denominated in Hong Kong Dollars. Short-term bank deposits at the balance sheet date mature approximately 94 days (2007: 96 days) from the balance sheet date. The effective interest rate at the balance sheet date was 2.92% (2007: 4.09%) per annum.



## Notes to the Consolidated Financial Statements (continued)

## 18 Trade payables, receipts in advance and accruals

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

The ageing analysis of trade payables is as follows:

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

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

## 19 Interest bearing liabilities

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

## Notes to the Consolidated Financial Statements (continued)

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

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

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

## Notes to the Consolidated Financial Statements (continued)

## 20 Deferred tax liabilities

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 17.5% (2007: 17.5%).

Analysis of net deferred tax liabilities:

|                          | <b>2008</b>   | 2007         |
|--------------------------|---------------|--------------|
|                          | <b>HK\$'M</b> | HK\$'M       |
| Deferred tax assets      | —             | (21)         |
| Deferred tax liabilities | 5,976         | 5,123        |
|                          | <b>5,976</b>  | <b>5,102</b> |

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

|  | <b>Temporary differences</b> | <b>Tax losses</b> | <b>Total</b> |
|--|------------------------------|-------------------|--------------|
|  | HK\$'M                       | HK\$'M            | HK\$'M       |
| At 1 April 2006                                  | 4,360                        | (173)             | 4,187        |
| Recognised in the consolidated income statement: |                              |                   |              |
| Increase in fair values of investment properties | 614                          | —                 | 614          |
| Accelerated depreciation allowances claimed      | 149                          | —                 | 149          |
| Tax losses utilised                              | —                            | 152               | 152          |
|  |                              |                   | 915          |
| At 31 March 2007                                 | 5,123                        | (21)              | 5,102        |
| At 1 April 2007                                  | 5,123                        | (21)              | 5,102        |
| Recognised in the consolidated income statement: |                              |                   |              |
| Increase in fair values of investment properties | 747                          | —                 | 747          |
| Accelerated depreciation allowances claimed      | 106                          | —                 | 106          |
| Tax losses utilised                              | —                            | 21                | 21           |
|  |                              |                   | 874          |
| At 31 March 2008                                 | 5,976                        | —                 | 5,976        |

## Notes to the Consolidated Financial Statements (continued)

## 21 Long-term incentive plan payable

During the year, the Manager adopted the Long-term incentive plan (the "Plan"), which was approved by an ordinary resolution on 23 July 2007 at the Annual General Meeting of the unitholders. The Plan shall be valid and effective for 10 years commencing on the adoption date.

Under the Plan, the Manager may grant three types of awards, the Restricted Unit Awards ("RUA"), Unit Options and Conditional Cash Awards ("CCA") (collectively the "Awards") to eligible employees of the Group. Awards are approved by the Human Resources and Compensation Committee.

During the year, certain employees were granted the RUA and CCA at nil consideration. The RUA granted under the Plan, in general, are fully vested in three to five years from the date of grant. The eventual units to be issued under the RUA, which are linked to the performance of The Link REIT based on the total unitholders return ("TUR") and certain vesting conditions, will range from 20% to 300% of the units granted. CCA is granted in conjunction with the grant of RUA, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to unitholders during the vesting period, multiplied by the number of units that will eventually be vested.

During the vesting period, a liability is recognised representing the estimated fair value of the awards granted and the portion of the vesting period expired as at the balance sheet date. As a result, an expense of HK\$20 million (2007: Nil) was charged to the consolidated income statement for the current year. In the event that the vesting conditions are not met, the amount previously charged to the consolidated income statement will be written back accordingly.

Upon the vesting of RUA, units are to be issued to the employees on a sliding scale, depending on the scale of achievement against the TUR, providing that the minimum criteria for the performance measure determined by the Human Resources and Compensation Committee has been met.

## Notes to the Consolidated Financial Statements (continued)

## 21 Long-term incentive plan payable (continued)

Movements in the number of units of awards granted during the year and maximum number to be issued are as follows:

| Date of Grant    | Vesting Period                   | Outstanding as at 1 April 2007 | Granted during the year | Lapsed during the year | Outstanding as at 31 March 2008 | Maximum number to be issued on vesting date |
|------------------|----------------------------------|--------------------------------|-------------------------|------------------------|---------------------------------|---|
| 24 July 2007     | 24 July 2007 to 23 July 2010     | —                              | 2,038,500               | (175,500)              | 1,863,000                       | 5,584,500                                   |
| 24 December 2007 | 24 December 2007 to 23 July 2010 | —                              | 764,000                 | —                      | 764,000                         | 2,292,000                                   |
|                  | 24 December 2007 to 23 July 2011 | —                              | 545,000                 | —                      | 545,000                         | 1,635,000                                   |
|                  | 24 December 2007 to 23 July 2012 | —                              | 545,000                 | —                      | 545,000                         | 1,635,000                                   |
| 10 January 2008  | 10 January 2008 to 23 July 2010  | —                              | 68,500                  | —                      | 68,500                          | 205,500                                     |
|                  | 10 January 2008 to 23 July 2011  | —                              | 68,500                  | —                      | 68,500                          | 205,500                                     |
|                  | 10 January 2008 to 23 July 2012  | —                              | 68,500                  | —                      | 68,500                          | 205,500                                     |
| <b>Total</b>     |                                  | <b>—</b>                       | <b>4,098,000</b>        | <b>(175,500)</b>       | <b>3,922,500</b>                | <b>11,763,000</b>                           |

The weighted average fair value per unit of the RUA awarded by The Link REIT for the year ended 31 March 2008 was HK\$24.17 (2007: Nil).

## Notes to the Consolidated Financial Statements (continued)

## 22 Other non-current liabilities

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Interest rate swaps — cash flow hedges | 327            | 111            |

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. Any change in fair value of the effective portion of the cash flow hedges is recognised in the hedging reserve. An amount of HK\$216 million has been debited to the hedging reserve during the year (2007: HK\$111 million).

Derivative financial instruments qualifying as cash flow hedges as at 31 March 2008 have an average maturity of 3.6 years (2007: 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 2008 were HK\$4 billion (2007: HK\$4 billion) and 5.05% (2007: 5.05%) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 24) as at 31 March 2008 will be continuously released to the consolidated income statement until the repayment of the interest bearing liabilities (Note 19).

## 23 Units in issue

|   | Number of Units |
|---|-----------------|
| At 1 April 2006 and 1 April 2007                    | 2,137,454,000   |
| Units issued under distribution reinvestment scheme | 21,223,767      |
| At 31 March 2008                                    | 2,158,677,767   |

Traded market value of the units as at 31 March 2008 was HK\$17.26 (2007: HK\$18.80) per unit. Based on 2,158,677,767 units in issue as at 31 March 2008 (2007: 2,137,454,000 units), market capitalisation was HK\$37,259 million (2007: HK\$40,184 million).

## Notes to the Consolidated Financial Statements (continued)

## 24 Reserves

|   | Hedging reserve | Earnings retained<br>for cash flow<br>hedge adjustments | Total reserves |
|---|-----------------|---|----------------|
|   | HK\$'M          | HK\$'M  | HK\$'M         |
| At 1 April 2006   | —               | —   | —              |
| Cash flow hedges:   |                 |   |                |
| — Change in fair values   | (111)           | —   | (111)          |
|   | (111)           | —   | (111)          |
| Amount arising from cash flow hedging reserve<br>movement           | —               | 111   | 111            |
| At 31 March 2007  | (111)           | 111   | —              |
| At 1 April 2007   | (111)           | 111   | —              |
| Cash flow hedges:   |                 |   |                |
| — Change in fair values   | (247)           | —   | (247)          |
| — Amount transferred to the consolidated<br>income statement (Note) | 31              | —   | 31             |
|   | (216)           | —   | (216)          |
| Amount arising from cash flow hedging reserve<br>movement           | —               | 216   | 216            |
| At 31 March 2008  | (327)           | 327   | —              |

Note: Amount transferred to the consolidated income statement in respect of cash flow hedges was included in "Finance costs on interest bearing liabilities" (Note 10).

## Notes to the Consolidated Financial Statements (continued)

## 25 Note to the consolidated statement of cash flows

## (a) NET CASH GENERATED FROM OPERATING ACTIVITIES

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Profit before taxation and transactions with unitholders                     | 6,174          | 5,269          |
| Loss on disposal of property, plant and equipment                            | 2              | —              |
| Depreciation expenses  | 14             | 9              |
| Interest income  | (78)           | (60)           |
| Finance costs on interest bearing liabilities                                | 604            | 578            |
| Change in fair values of investment properties                               | (4,265)        | (3,514)        |
| (Increase)/decrease in trade and other receivables, deposits and prepayments | (27)           | 32             |
| Increase in trade payables, receipts in advance and accruals                 | 128            | 412            |
| Increase in security deposits  | 58             | 30             |
| Increase in long-term incentive plan payable                                 | 20             | —              |
| Hong Kong profits tax paid   | (113)          | —              |
| Net cash generated from operating activities                                 | 2,517          | 2,756          |

## (b) MAJOR NON-CASH TRANSACTION

During the year, distributions amounted to HK\$361 million were paid to unitholders in the form of additional units under the distribution reinvestment scheme.

## 26 Commitments

## (a) CAPITAL COMMITMENTS

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Improvement projects to existing investment properties |                |                |
| Authorised but not contracted for                      | 695            | 752            |
| Contracted but not provided for                        | 302            | 422            |
|  | 997            | 1,174          |



## Notes to the Consolidated Financial Statements (continued)

## 26 Commitments (continued)

**(b) OPERATING LEASE COMMITMENTS**

At 31 March 2008, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable operating leases is as follows:

|                            | 2008<br>HK\$'M | 2007<br>HK\$'M |
|----------------------------|----------------|----------------|
| Within one year            | 3              | 2              |
| Between one and five years | 4              | —              |
|                            | 7              | 2              |

## 27 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 summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 "Related Party Disclosures", and nature of their relationship with The Link REIT as at 31 March 2008:

| 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 |
| Knight Frank Petty Limited (the "Principal Valuer")  | The Principal Valuer of The Link REIT (i)                  |
| The Children's Investment Master Fund  | A significant unitholder of The Link REIT                  |
| The Wing Hang Bank Limited*  | Common director  |

## Notes to the Consolidated Financial Statements (continued)

## 27 Connected party transactions and significant related party transactions and balances (continued)

## (a) NATURE OF RELATIONSHIP WITH CONNECTED/RELATED PARTIES (continued)

| Connected/related party  | Relationship with the Group |
|--|-----------------------------|
| Industrial and Commercial Bank of China (Asia) Limited ("ICBC")*           | Common director             |
| Aedas 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.

Note:

(i) The Principal Valuer of The Link REIT for the period ended 30 September 2007 was CB Richard Ellis Limited.

## (b) TRANSACTIONS WITH CONNECTED/RELATED PARTIES

The following transactions were carried out with connected/related parties:

|  | 2008<br>HK\$'M | 2007<br>HK\$'M |
|--|----------------|----------------|
| Trustee fee paid and payable to the Trustee (ii)   | (3)            | (3)            |
| Fee paid and payable to the Strategic Partner (iii)                                      | (3)            | (1)            |
| Valuation fee paid and payable to the Principal Valuer (iv)                              | (4)            | (4)            |
| Consultancy fee paid to Boyden (v)   | —              | (1)            |
| Transactions with the HSBC Group (vi)  |                |                |
| Interest expense to the HSBC Group on interest bearing liabilities                       | (29)           | (323)          |
| Staff expense to the HSBC Group on medical/group life insurance                          | (3)            | —              |
| Rental income from the HSBC Group on leasing of retail units                             | 13             | 13             |
| Interest income from the HSBC Group on short-term bank deposits                          | 7              | 53             |
| Transactions with ICBC (vi)  |                |                |
| Interest expense to ICBC on interest bearing liabilities                                 | (8)            | —              |
| Rental income from ICBC on leasing of retail units                                       | 3              | —              |
| Architectural/renovation consultancy services fees paid and payable to Aedas Limited (v) | (4)            | —              |

## Notes to the Consolidated Financial Statements (continued)

## 27 Connected party transactions and significant related party transactions and balances (continued)

**(b) TRANSACTIONS WITH CONNECTED/RELATED PARTIES (continued)**

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreement governing the transactions and in the ordinary course of business.
- (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 and also a performance fee under the Co-operation Agreement from the listing date until the termination of its appointment under the Co-operation Agreement.
- (iv) Knight Frank Petty Limited replaced CB Richard Ellis Limited as the Principal Valuer with effect from 21 January 2008. Valuation fee paid and payable to CB Richard Ellis Limited and Knight Frank Petty Limited for the current year amounted to HK\$0.6 million and HK\$3.5 million respectively (2007: HK\$3.5 million was paid to CB Richard Ellis Limited).
- (v) The transactions with Boyden and Aedas Limited were entered into at mutually agreed rates.
- (vi) The transactions with the HSBC Group and ICBC were in accordance with market rates.

**(c) BALANCES WITH RELATED PARTIES**

Balances with related parties are set out below:

|   | 2008<br>HK\$'M | 2007<br>HK\$'M |
|---|----------------|----------------|
| Interest bearing liabilities with the HSBC Group                | (598)          | (598)          |
| Security deposits from the HSBC Group                           | (1)            | —              |
| Short-term bank deposits and savings placed with the HSBC Group | 34             | 497            |
| Net interest receivable from the HSBC Group                     | —              | 6              |
| Interest bearing liabilities with ICBC                          | (184)          | —              |
| Strategic Partner fee payable to CapitaLand Limited (Note)      | (3)            | (1)            |

Note:

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

## Notes to the Consolidated Financial Statements (continued)

## 27 Connected party transactions and significant related party transactions and balances (continued)

**(d) KEY MANAGEMENT COMPENSATION**

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

|   | <b>2008</b><br><b>HK\$'M</b> | 2007<br>HK\$'M |
|---|------------------------------|----------------|
| Fees  | 6                            | 4              |
| Basic salaries, allowances and other benefits | 22                           | 16             |
| Long-term incentive plan awards               | 10                           | —              |
|   | <b>38</b>                    | <b>20</b>      |

## 28 Future minimum rental receivables

As at 31 March 2008, the Group had future minimum rental income receivables under non-cancellable operating leases as follows:

|                            | <b>2008</b><br><b>HK\$'M</b> | 2007<br>HK\$'M |
|----------------------------|------------------------------|----------------|
| Within one year            | 1,884                        | 1,807          |
| Between one and five years | 1,476                        | 1,585          |
| Beyond five years          | 11                           | 20             |
|                            | <b>3,371</b>                 | <b>3,412</b>   |

Most of the operating leases are on fixed terms and for terms of 3 years (2007: 3 years).

## Notes to the Consolidated Financial Statements (continued)

## 29 Subsidiaries

The Link REIT held the following wholly owned subsidiaries as at 31 March 2008:

| <b>Name</b>                            | <b>Place of establishment and kind of legal entity/place of operations</b> | <b>Principal activities</b> | <b>Particulars of issued share capital</b> | <b>Interest held</b> |
|--|--|-----------------------------|--|----------------------|
| <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%                 |

## 30 Approval of the financial statements

The consolidated financial statements were authorised for issue by the Manager and the Trustee on 6 June 2008.

# Performance Table

As at 31 March 2008

|  | <b>Year ended<br/>31 March 2008</b> | Year ended<br>31 March 2007 | Period ended<br>31 March 2006 |
|--|-------------------------------------|-----------------------------|-------------------------------|
| Net assets attributable to unitholders                                 | HK\$30,558 million                  | HK\$26,789 million          | HK\$23,715 million            |
| Net assets per unit attributable to unitholders                        | HK\$14.16                           | HK\$12.53                   | HK\$11.09                     |
| The highest premium of the traded price<br>to net asset value (Note a) | HK\$6.04                            | HK\$7.47                    | HK\$6.96                      |
| Distribution per unit  | HK74.40 cents                       | HK67.43 cents               | HK21.81 cents                 |
| Market price as at year/period end                                     | HK\$17.26                           | HK\$18.80                   | HK\$16.80                     |
| Net yield per unit (Note b)  | 4.31%                               | 3.59%                       | 3.73%                         |
| Number of units in issue at year/period end                            | 2,158,677,767                       | 2,137,454,000               | 2,137,454,000                 |

Notes:

- (a) The highest premium is calculated based on the highest traded price of HK\$20.20 (2007: HK\$20.00) on The Stock Exchange of Hong Kong Limited during the year. The lowest traded price during the year was HK\$14.20 (2007: HK\$14.50) which is higher than the net assets per unit attributable to unitholders as at year end date. Accordingly, no discount of the traded price to net assets per unit attributable to unitholders is presented.
- (b) Net yield per unit is calculated based on distribution per unit for the year ended 31 March 2008 of HK74.40 cents (2007: HK67.43 cents) over the last traded price as at 31 March 2008 of HK\$17.26 (2007: HK\$18.80).

# Three Years Summary

## FINANCIAL DATA

|   | Year ended<br>31 March<br>2008<br>HK\$'M | Six months<br>ended<br>31 March<br>2008<br>HK\$'M | Six months<br>ended<br>30 September<br>2007<br>HK\$'M | Year ended<br>31 March<br>2007<br>HK\$'M | Six months<br>ended<br>31 March<br>2007<br>HK\$'M | Six months<br>ended<br>30 September<br>2006<br>HK\$'M | Period ended<br>31 March<br>2006 <sup>(1)</sup><br>HK\$'M |
|---|--|---|---|--|---|---|---|
| <b>Revenue</b>  |  |   |   |  |   |   |   |
| Retail  | 2,346                                    | 1,199   | 1,147   | 2,166                                    | 1,099   | 1,067   | 736   |
| Market  | 466                                      | 235   | 231   | 460                                      | 230   | 230   | 159   |
| Cooked food stalls  | 36                                       | 18  | 18  | 40                                       | 20  | 20  | 14  |
| Education/welfare   | 46                                       | 23  | 23  | 47                                       | 24  | 23  | 16  |
| HD offices and ancillary  | 74                                       | 37  | 37  | 86                                       | 41  | 45  | 32  |
| Promotional venue   | 49                                       | 28  | 21  | 33                                       | 17  | 16  | 11  |
| Carparks  | 934                                      | 478   | 456   | 881                                      | 446   | 435   | 305   |
| Other revenues  | 248                                      | 125   | 123   | 241                                      | 121   | 120   | 81  |
| <b>Total</b>  | <b>4,199</b>                             | <b>2,143</b>                                      | <b>2,056</b>  | <b>3,954</b>                             | <b>1,998</b>                                      | <b>1,956</b>  | <b>1,354</b>  |
| <b>Consolidated income statement</b>                                |  |   |   |  |   |   |   |
| Revenues  | 4,199                                    | 2,143   | 2,056   | 3,954                                    | 1,998   | 1,956   | 1,354   |
| Property operating expenses   | (1,662)                                  | (849)   | (813)   | (1,593)                                  | (801)   | (792)   | (541)   |
| Net property income   | 2,537                                    | 1,294   | 1,243   | 2,361                                    | 1,197   | 1,164   | 813   |
| General and administrative expenses                                 | (102)                                    | (55)  | (47)  | (88)                                     | (47)  | (41)  | (42)  |
| Change in fair values of investment properties                      | 4,265                                    | 1,610   | 2,655   | 3,514                                    | 2,807   | 707   | 1,949   |
| Operating profit  | 6,700                                    | 2,849   | 3,851   | 5,787                                    | 3,957   | 1,830   | 2,720   |
| Interest income   | 78                                       | 39  | 39  | 60                                       | 32  | 28  | 5   |
| Finance costs on interest bearing liabilities                       | (604)                                    | (294)   | (310)   | (578)                                    | (286)   | (292)   | (201)   |
| Profit before taxation and transactions with unitholders            | 6,174                                    | 2,594   | 3,580   | 5,269                                    | 3,703   | 1,566   | 2,524   |
| Taxation  | (1,035)                                  | (433)   | (602)   | (915)                                    | (641)   | (274)   | (443)   |
| <b>Profit for the year/period</b>                                   | <b>5,139</b>                             | <b>2,161</b>                                      | <b>2,978</b>  | <b>4,354</b>                             | <b>3,062</b>                                      | <b>1,292</b>  | <b>2,081</b>  |
| <b>Statement of Distributions</b>                                   |  |   |   |  |   |   |   |
| Profit for the year/period  | 5,139                                    | 2,161   | 2,978   | 4,354                                    | 3,062   | 1,292   | 2,081   |
| Adjustments:  |  |   |   |  |   |   |   |
| Change in fair values of investment properties                      | (4,265)                                  | (1,610)   | (2,655)   | (3,514)                                  | (2,807)   | (707)   | (1,949)   |
| Deferred taxation on change in fair values of investment properties | 747                                      | 282   | 465   | 614                                      | 490   | 124   | 341   |
| Other non-cash income   | (19)                                     | (7)   | (12)  | (13)                                     | (6)   | (7)   | (6)   |
| <b>Total Distributable Income</b>                                   | <b>1,602</b>                             | <b>826</b>  | <b>776</b>  | <b>1,441</b>                             | <b>739</b>  | <b>702</b>  | <b>467</b>  |
| Distribution per unit for the year/period (HK cents)                | 74.40                                    | 38.29   | 36.11   | 67.43                                    | 34.62   | 32.81   | 21.81   |

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

## Three Years Summary (continued)

|  | <b>As at<br/>31 March<br/>2008<br/>HK\$'M</b> | As at<br>30 September<br>2007<br>HK\$'M | As at<br>31 March<br>2007<br>HK\$'M | As at<br>30 September<br>2006<br>HK\$'M | As at<br>31 March<br>2006<br>HK\$'M |
|--|---|---|-------------------------------------|---|-------------------------------------|
| <b>Assets and liabilities</b>  |   |   |                                     |   |                                     |
| Investment properties  | 44,307  | 42,352                                  | 39,557                              | 36,515                                  | 35,772                              |
| Other non-current assets   | 4,034   | 4,038                                   | 4,040                               | 4,024                                   | 4,020                               |
| Current assets   | 2,007   | 1,885                                   | 1,638                               | 1,570                                   | 899                                 |
| <b>Total assets</b>  | <b>50,348</b>                                 | <b>48,275</b>                           | <b>45,235</b>                       | <b>42,109</b>                           | <b>40,691</b>                       |
| Current liabilities  | 3,481   | 3,335                                   | 1,056                               | 9,519                                   | 12,789                              |
| Non-current liabilities  | 16,309  | 15,681                                  | 17,390                              | 8,050                                   | 4,187                               |
| <b>Total liabilities, excluding net assets<br/>attributable to unitholders</b> | <b>19,790</b>                                 | <b>19,016</b>                           | <b>18,446</b>                       | <b>17,569</b>                           | <b>16,976</b>                       |
| <b>Net assets attributable to unitholders</b>                                  | <b>30,558</b>                                 | <b>29,259</b>                           | <b>26,789</b>                       | <b>24,540</b>                           | <b>23,715</b>                       |
| Units in issue   | 2,158,677,767                                 | 2,148,434,317                           | 2,137,454,000                       | 2,137,454,000                           | 2,137,454,000                       |
| <b>Net assets per unit attributable to<br/>unitholders (HK\$)</b>              | <b>14.16</b>                                  | <b>13.62</b>                            | <b>12.53</b>                        | <b>11.48</b>                            | <b>11.09</b>                        |

## OPERATIONAL DATA

|                                     | <b>Year ended<br/>31 March<br/>2008<br/>%</b> | Six months ended<br>30 September<br>2007<br>% | Year ended<br>31 March<br>2007<br>% | Six months<br>ended<br>30 September<br>2006<br>% | Period ended<br>31 March<br>2006 <sup>(1)</sup><br>% |
|-------------------------------------|---|---|-------------------------------------|--|--|
| <b>Composite Reversion Rate</b>     |   |   |                                     |  |  |
| Retail                              | 24.78   | 15.44   | 11.09                               | 5.36   | 2.62   |
| Market                              | 12.67   | 7.60  | 6.38                                | 5.10   | 5.67   |
| Cooked food stalls                  | 8.88  | 17.67   | 7.21                                | 7.61   | 7.88   |
| Education/welfare                   | 3.03  | 0.58  | 0.82                                | 1.14   | N/A  |
| HD offices and ancillary            | 38.58   | 11.67   | 11.22                               | 9.12   | 6.96   |
| Overall                             | 22.48   | 13.69   | 9.87                                | 4.89   | 3.72   |
| Overall excluding Education/welfare | 22.64   | 13.92   | 10.28                               | 5.22   | 3.72   |

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



# Summary and Particulars of Properties

Summary of the Group's properties held as at 31 March 2008 is as follows:

| Type                     | Approximate<br>internal<br>floor area<br>(square feet) | Approximate<br>No. of<br>carpark<br>spaces |
|--------------------------|--|--|
| Retail                   | 8,661,156  | —  |
| Market                   | 872,648  | —  |
| Cooked food stalls       | 152,677  | —  |
| Education/welfare        | 928,373  | —  |
| HD offices and ancillary | 279,035  | —  |
| Self use offices         | 112,710  | —  |
| Carparks                 | —  | 79,485                                     |
|                          | 11,006,599   | 79,485                                     |

Valuation of the Group's properties as at 31 March 2008 is as follows:

|                   | HK\$'M |
|-------------------|--------|
| Retail properties | 36,105 |
| Carparks          | 8,202  |
|                   | 44,307 |

Further details of the properties as at 31 March 2008 are as follows:

| Centre | Location                    | Lease term  | Lease expiry | Type             | Approximate<br>internal<br>floor area<br>(square feet) | Approximate<br>No. of<br>carpark<br>spaces |       |
|--------|-----------------------------|---|--------------|------------------|--|--|-------|
| 1      | Lok Fu Shopping<br>Centre   | Junction Road<br>Wang Tau Hom<br>Kowloon                                | Medium Lease | 30 December 2057 | Retail   | 359,045                                    | —     |
|        |                             |   |              |                  | Market   | 28,331                                     | —     |
|        |                             |   |              |                  | Cooked food stalls                                     | 10,398                                     | —     |
|        |                             |   |              |                  | Education/welfare                                      | 1,873                                      | —     |
|        |                             |   |              |                  | HD offices and ancillary                               | 4,758                                      | —     |
|        |                             |   |              |                  | Self use offices                                       | 8,880                                      | —     |
|        |                             |   |              |                  | Carparks   | —  | 793   |
|        | 413,285                     | 793   |              |                  |  |  |       |
| 2      | Chung Fu Shopping<br>Centre | 30 & 33 Tin Wah<br>Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories | Medium Lease | 7 January 2049   | Retail   | 203,238                                    | —     |
|        |                             |   |              |                  | Market   | 9,279                                      | —     |
|        |                             |   |              |                  | Education/welfare                                      | 14,722                                     | —     |
|        |                             |   |              |                  | HD offices and ancillary                               | 140  | —     |
|        |                             |   |              |                  | Self use offices                                       | 2,723                                      | —     |
|        |                             |   |              |                  | Carparks   | —  | 1,177 |
|        | 230,102                     | 1,177   |              |                  |  |  |       |

## Summary and Particulars of Properties (continued)

| Centre                   | Location                               | Lease term                                      | Lease expiry | Type             | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |  |
|--------------------------|--|---|--------------|------------------|---|-----------------------------------|--|
| 3                        | Oi Man Shopping Centre                 | 60 Chung Hau Road<br>Ho Man Tin<br>Kowloon      | Medium Lease | 31 March 2043    | Retail  | 152,237                           | —  |
|                          |  |   |              |                  | Market  | 5,952                             | —  |
|                          |  |   |              |                  | Cooked food stalls                            | 5,685                             | —  |
|                          |  |   |              |                  | HD offices and ancillary                      | 39,670                            | —  |
|                          |  |   |              |                  | Self use offices                              | 1,333                             | —  |
|                          |  |   |              |                  | Carparks                                      | —                                 | 808  |
|                          |  |   |              |                  |   | 204,877                           | 808  |
| 4                        | Shun Lee Commercial Centre             | Shun Lee Tsuen Road<br>Kwun Tong<br>Kowloon     | List 2       | See Footnote     | Retail  | 152,510                           | —  |
|                          |  |   |              |                  | Market  | 5,681                             | —  |
|                          |  |   |              |                  | Education/welfare                             | 39,999                            | —  |
|                          |  |   |              |                  | HD offices and ancillary                      | 5,662                             | —  |
|                          |  |   |              |                  | Self use offices                              | 743                               | —  |
|                          |  |   |              |                  | Carparks                                      | —                                 | 731  |
|                          |  |   |              |                  |   | 204,595                           | 731  |
| 5                        | Tsz Lok (Tsz Wan Shan Shopping Centre) | 23 Yuk Wah Street<br>Tsz Wan Shan<br>Kowloon    | Medium Lease | 7 October 2057   | Retail  | 173,817                           | —  |
|                          |  |   |              |                  | Market  | 23,304                            | —  |
|                          |  |   |              |                  | Education/welfare                             | 5,328                             | —  |
|                          |  |   |              |                  | HD offices and ancillary                      | 678                               | —  |
|                          |  |   |              |                  | Self use offices                              | 1,313                             | —  |
|                          |  |   |              |                  | Carparks                                      | —                                 | 940  |
|                          |  |   |              |                  |   | 204,440                           | 940  |
| 6                        | Leung King Shopping Centre             | 31 Tin King Road<br>Tuen Mun<br>New Territories | Medium Lease | 7 February 2051  | Retail  | 170,407                           | —  |
|                          |  |   |              |                  | Market  | 16,727                            | —  |
|                          |  |   |              |                  | HD offices and ancillary                      | 12,831                            | —  |
|                          |  |   |              |                  | Self use offices                              | 2,293                             | —  |
|                          |  |   |              |                  | Carparks                                      | —                                 | 616  |
|                          |  |   |              |                  |   | 202,258                           | 616  |
|                          |  |   |              |                  | 7   | Yat Tung Shopping Centre          | Chung Yan Road<br>Tung Chung<br>Lantau Island<br>New Territories |
| Market                   | 13,337                                 | —   |              |                  |   |                                   |  |
| Education/welfare        | 89,083                                 | —   |              |                  |   |                                   |  |
| HD offices and ancillary | 42                                     | —   |              |                  |   |                                   |  |
| Self use offices         | 1,206                                  | —   |              |                  |   |                                   |  |
| Carparks                 | —                                      | 1,900   |              |                  |   |                                   |  |
|                          | 193,483                                | 1,900   |              |                  |   |                                   |  |
| 8                        | Wo Che Commercial Centre               | Fo Tan Road<br>Shatin<br>New Territories        | Medium Lease | 22 February 2057 | Retail  | 167,897                           | —  |
|                          |  |   |              |                  | Market  | 7,899                             | —  |
|                          |  |   |              |                  | Cooked food stalls                            | 3,789                             | —  |
|                          |  |   |              |                  | HD offices and ancillary                      | 6,971                             | —  |
|                          |  |   |              |                  | Self use offices                              | 549                               | —  |
|                          |  |   |              |                  | Carparks                                      | —                                 | 828  |
|                          |  |   |              |                  |   | 187,105                           | 828  |

## Summary and Particulars of Properties (continued)

|    | Centre                       | Location   | Lease term   | Lease expiry     | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|----|------------------------------|--|--------------|------------------|--------------------------|---|-----------------------------------|
| 9  | Kai Tin Shopping Centre      | Tak Tin Street and Kai Tin Road<br>Lam Tin<br>Kowloon              | List 2       | See Footnote     | Retail                   | 169,108                                       | —                                 |
|    |                              |  |              |                  | Market                   | 14,381  | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 42  | —                                 |
|    |                              |  |              |                  | Self use offices         | 1,076   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 461                               |
|    |                              |  |              |                  | <b>184,607</b>           | <b>461</b>                                    |                                   |
| 10 | Hau Tak (II) Shopping Centre | 2 Sheung Ning Road<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 13 October 2055  | Retail                   | 136,367                                       | —                                 |
|    |                              |  |              |                  | Market                   | 13,111  | —                                 |
|    |                              |  |              |                  | Education/welfare        | 21,397  | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 16  | —                                 |
|    |                              |  |              |                  | Self use offices         | 2,680   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 623                               |
|    |                              |  |              |                  | <b>173,571</b>           | <b>623</b>                                    |                                   |
| 11 | Choi Wan Commercial Complex  | Fung Shing Street<br>Ngau Chi Wan<br>Kowloon                       | List 2       | See Footnote     | Retail                   | 140,158                                       | —                                 |
|    |                              |  |              |                  | Market                   | 13,495  | —                                 |
|    |                              |  |              |                  | Cooked food stalls       | 3,703   | —                                 |
|    |                              |  |              |                  | Education/welfare        | 818   | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 7,965   | —                                 |
|    |                              |  |              |                  | Self use offices         | 5,246   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 859                               |
|    |                              |  |              |                  | <b>171,385</b>           | <b>859</b>                                    |                                   |
| 12 | Butterfly Shopping Centre    | Wu Chui Road<br>Tuen Mun<br>New Territories                        | Medium Lease | 13 October 2055  | Retail                   | 140,330                                       | —                                 |
|    |                              |  |              |                  | Market                   | 18,203  | —                                 |
|    |                              |  |              |                  | Cooked food stalls       | 5,942   | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 215   | —                                 |
|    |                              |  |              |                  | Self use offices         | 1,238   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 313                               |
|    |                              |  |              |                  | <b>165,928</b>           | <b>313</b>                                    |                                   |
| 13 | Sau Mau Ping Shopping Centre | Sau Mau Ping Road<br>Kwun Tong<br>Kowloon                          | Medium Lease | 22 February 2057 | Retail                   | 123,282                                       | —                                 |
|    |                              |  |              |                  | Market                   | 19,547  | —                                 |
|    |                              |  |              |                  | Education/welfare        | 9,300   | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 6,619   | —                                 |
|    |                              |  |              |                  | Self use offices         | 1,989   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 611                               |
|    |                              |  |              |                  | <b>160,737</b>           | <b>611</b>                                    |                                   |
| 14 | Lung Cheung Mall             | Wong Tai Sin Road<br>Wong Tai Sin<br>Kowloon                       | Medium Lease | 22 February 2057 | Retail                   | 157,348                                       | —                                 |
|    |                              |  |              |                  | HD offices and ancillary | 5   | —                                 |
|    |                              |  |              |                  | Self use offices         | 1,798   | —                                 |
|    |                              |  |              |                  | Carparks                 | —   | 473                               |
|    |                              |  |              |                  | <b>159,151</b>           | <b>473</b>                                    |                                   |

## Summary and Particulars of Properties (continued)

| Centre | Location   | Lease term   | Lease expiry     | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------|--|--------------|------------------|--------------------------|---|-----------------------------------|
| 15     | Wong Tai Sin Shopping Centre<br>Wong Tai Sin<br>Kowloon                                      | Medium Lease | 16 May 2057      | Retail                   | 140,909                                       | —                                 |
|        |  |              |                  | Market                   | 6,217   | —                                 |
|        |  |              |                  | Cooked food stalls       | 3,875   | —                                 |
|        |  |              |                  | HD offices and ancillary | —   | —                                 |
|        |  |              |                  | Carparks                 | —   | 688                               |
|        |  |              |                  |                          | 151,001                                       | 688                               |
| 16     | Cheung Fat Shopping Centre<br>Nga Ying Chau Street<br>Tsing Yi<br>New Territories            | Medium Lease | 21 December 2055 | Retail                   | 132,212                                       | —                                 |
|        |  |              |                  | Market                   | 18,331  | —                                 |
|        |  |              |                  | HD offices and ancillary | 161   | —                                 |
|        |  |              |                  | Carparks                 | —   | 590                               |
|        |  |              |                  |                          | 150,704                                       | 590                               |
| 17     | Tai Wo Shopping Centre<br>Tai Po<br>Tai Wo Road<br>New Territories                           | Medium Lease | 9 February 2050  | Retail                   | 135,815                                       | —                                 |
|        |  |              |                  | Market                   | 9,849   | —                                 |
|        |  |              |                  | HD offices and ancillary | 158   | —                                 |
|        |  |              |                  | Self use offices         | 3,714   | —                                 |
|        |  |              |                  | Carparks                 | —   | 454                               |
|        |  |              |                  |                          | 149,536                                       | 454                               |
| 18     | Tin Chak Shopping Centre<br>77 Tin Shui Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories | Medium Lease | 13 October 2055  | Retail                   | 114,583                                       | —                                 |
|        |  |              |                  | Market                   | 19,181  | —                                 |
|        |  |              |                  | Education/welfare        | 8,159   | —                                 |
|        |  |              |                  | HD offices and ancillary | 56  | —                                 |
|        |  |              |                  | Self use offices         | 1,195   | —                                 |
|        |  |              |                  | Carparks                 | —   | 302                               |
|        |  |              |                  |                          | 143,174                                       | 302                               |
| 19     | Chuk Yuen Shopping Centre<br>Chuk Yuen Road<br>Wong Tai Sin<br>Kowloon                       | Medium Lease | 15 August 2057   | Retail                   | 111,720                                       | —                                 |
|        |  |              |                  | Market                   | 17,424  | —                                 |
|        |  |              |                  | Cooked food stalls       | 3,703   | —                                 |
|        |  |              |                  | Education/welfare        | 5,511   | —                                 |
|        |  |              |                  | HD offices and ancillary | —   | —                                 |
|        |  |              |                  | Self use offices         | 807   | —                                 |
|        |  |              |                  | Carparks                 | —   | 1,103                             |
|        |  |              |                  |                          | 139,165                                       | 1,103                             |
| 20     | Cheung Hong Commercial Centre<br>Tsing Hong Road<br>Tsing Yi<br>New Territories              | List 2       | See Footnote     | Retail                   | 105,735                                       | —                                 |
|        |  |              |                  | Market                   | 9,719   | —                                 |
|        |  |              |                  | Cooked food stalls       | 6,415   | —                                 |
|        |  |              |                  | Education/welfare        | 6,006   | —                                 |
|        |  |              |                  | HD offices and ancillary | 8,116   | —                                 |
|        |  |              |                  | Self use offices         | 11  | —                                 |
|        |  |              |                  | Carparks                 | —   | 709                               |
|        | 136,002  | 709          |                  |                          |   |                                   |

## Summary and Particulars of Properties (continued)

|    | Centre                            | Location   | Lease term   | Lease expiry      | Type                     | Approximate<br>internal<br>floor area<br>(square feet) | Approximate<br>No. of<br>carpark<br>spaces |
|----|-----------------------------------|--|--------------|-------------------|--------------------------|--|--|
| 21 | Sheung Tak Shopping<br>Centre     | Tong Ming Street<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 25 March 2057     | Retail                   | 109,325  | —  |
|    |                                   |  |              |                   | Market                   | 13,046   | —  |
|    |                                   |  |              |                   | HD offices and ancillary | 3,531  | —  |
|    |                                   |  |              |                   | Self use offices         | 6,286  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 1,280                                      |
|    |                                   |  |              |                   | <b>132,188</b>           | <b>1,280</b>   |  |
| 22 | Shek Wai Kok<br>Commercial Centre | Shek Wai Kok Road<br>Kwai Chung<br>New Territories               | List 2       | See Footnote      | Retail                   | 95,477   | —  |
|    |                                   |  |              |                   | Market                   | 4,775  | —  |
|    |                                   |  |              |                   | Education/welfare        | 30,161   | —  |
|    |                                   |  |              |                   | HD offices and ancillary | 53   | —  |
|    |                                   |  |              |                   | Self use offices         | 560  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 578  |
|    |                                   |  |              |                   | <b>131,026</b>           | <b>578</b>   |  |
| 23 | Choi Yuen Shopping<br>Centre      | Choi Yuen Road<br>Sheung Shui<br>New Territories                 | Medium Lease | 16 September 2055 | Retail                   | 126,638  | —  |
|    |                                   |  |              |                   | Market                   | 3,348  | —  |
|    |                                   |  |              |                   | Self use offices         | 474  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 536  |
|    |                                   |  |              |                   | <b>130,460</b>           | <b>536</b>   |  |
| 24 | Shan King<br>Commercial Centre    | 1 Ming Kum Road<br>Tuen Mun<br>New Territories                   | Medium Lease | 19 August 2054    | Retail                   | 88,866   | —  |
|    |                                   |  |              |                   | Market                   | 8,135  | —  |
|    |                                   |  |              |                   | Cooked food stalls       | 3,961  | —  |
|    |                                   |  |              |                   | Education/welfare        | 28,249   | —  |
|    |                                   |  |              |                   | HD offices and ancillary | —  | —  |
|    |                                   |  |              |                   | Self use offices         | 280  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 638  |
|    |                                   |  |              |                   | <b>129,491</b>           | <b>638</b>   |  |
| 25 | Tai Yuen Commercial<br>Centre     | On Cheung Road<br>Tai Po<br>New Territories                      | Medium Lease | 28 June 2057      | Retail                   | 109,299  | —  |
|    |                                   |  |              |                   | Market                   | 7,104  | —  |
|    |                                   |  |              |                   | Education/welfare        | 8,310  | —  |
|    |                                   |  |              |                   | HD offices and ancillary | —  | —  |
|    |                                   |  |              |                   | Self use offices         | 710  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 594  |
|    |                                   |  |              |                   | <b>125,423</b>           | <b>594</b>   |  |
| 26 | Tai Hing Commercial<br>Centre     | Tai Fong Street<br>Tuen Mun<br>New Territories                   | List 2       | See Footnote      | Retail                   | 81,936   | —  |
|    |                                   |  |              |                   | Market                   | 8,870  | —  |
|    |                                   |  |              |                   | Cooked food stalls       | 3,638  | —  |
|    |                                   |  |              |                   | Education/welfare        | 14,574   | —  |
|    |                                   |  |              |                   | HD offices and ancillary | 7,686  | —  |
|    |                                   |  |              |                   | Self use offices         | 420  | —  |
|    |                                   |  |              |                   | Carparks                 | —  | 672  |
|    |                                   |  |              |                   | <b>117,124</b>           | <b>672</b>   |  |

## Summary and Particulars of Properties (continued)

| Centre   | Location   | Lease term   | Lease expiry    | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|----------|--|--------------|-----------------|--------------------------|---|-----------------------------------|
| 27       | Lek Yuen Commercial Complex<br>Shatin<br>New Territories             | Medium Lease | 6 May 2057      | Retail                   | 106,701                                       | —                                 |
|          |  |              |                 | Market                   | 5,257   | —                                 |
|          |  |              |                 | Cooked food stalls       | 969   | —                                 |
|          |  |              |                 | Self use offices         | 431   | —                                 |
|          |  |              |                 | Carparks                 | —   | 438                               |
|          |  |              |                 |                          | 113,358                                       | 438                               |
| 28       | Sha Kok Commercial Centre<br>Shatin<br>New Territories               | List 2       | See Footnote    | Retail                   | 100,643                                       | —                                 |
|          |  |              |                 | Market                   | 6,006   | —                                 |
|          |  |              |                 | Cooked food stalls       | 5,683   | —                                 |
|          |  |              |                 | HD offices and ancillary | 205   | —                                 |
|          |  |              |                 | Self use offices         | 818   | —                                 |
|          |  |              |                 | Carparks                 | —   | 662                               |
|          | 113,355  | 662          |                 |                          |   |                                   |
| 29       | Heng On Commercial Centre<br>Ma On Shan<br>New Territories           | Medium Lease | 7 April 2048    | Retail                   | 99,223  | —                                 |
|          |  |              |                 | Market                   | 11,991  | —                                 |
|          |  |              |                 | Education/welfare        | 581   | —                                 |
|          |  |              |                 | HD offices and ancillary | 97  | —                                 |
|          |  |              |                 | Self use offices         | 635   | —                                 |
|          |  |              |                 | Carparks                 | —   | 585                               |
|          | 112,527  | 585          |                 |                          |   |                                   |
| 30       | Yu Chui Shopping Centre<br>Siu Lek Yuen<br>Shatin<br>New Territories | Medium Lease | 17 May 2051     | Retail                   | 81,774  | —                                 |
|          |  |              |                 | Market                   | 5,188   | —                                 |
|          |  |              |                 | Education/welfare        | 17,804  | —                                 |
|          |  |              |                 | HD offices and ancillary | 22  | —                                 |
|          |  |              |                 | Self use offices         | 7,154   | —                                 |
|          |  |              |                 | Carparks                 | —   | 1,175                             |
|          | 111,942  | 1,175        |                 |                          |   |                                   |
| 31       | Kwai Shing East Shopping Centre<br>Kwai Chung<br>New Territories     | List 2       | See Footnote    | Retail                   | 97,091  | —                                 |
|          |  |              |                 | Market                   | 7,567   | —                                 |
|          |  |              |                 | HD offices and ancillary | 6,126   | —                                 |
|          |  |              |                 | Self use offices         | 484   | —                                 |
|          |  |              |                 | Carparks                 | —   | 583                               |
|          |  |              |                 |                          | 111,268                                       | 583                               |
| 32       | Tsui Ping North Shopping Circuit<br>Kwun Tong<br>Kowloon             | Medium Lease | 23 January 2052 | Retail                   | 79,492  | —                                 |
|          |  |              |                 | Market                   | 12,719  | —                                 |
|          |  |              |                 | Cooked food stalls       | 865   | —                                 |
|          |  |              |                 | Education/welfare        | 11,399  | —                                 |
|          |  |              |                 | HD offices and ancillary | 5,285   | —                                 |
|          |  |              |                 | Self use offices         | 66  | —                                 |
| Carparks | —  | 421          |                 |                          |   |                                   |
|          | 109,826  | 421          |                 |                          |   |                                   |

## Summary and Particulars of Properties (continued)

|    | Centre                                  | Location  | Lease term   | Lease expiry     | Type   | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|----|---|---|--------------|------------------|--|---|-----------------------------------|
| 33 | Lok Wah Commercial Centre               | Chun Wah Road<br>Kwun Tong<br>Kowloon                                   | List 2       | See Footnote     | Retail<br>HD offices and ancillary<br>Self use offices<br>Carparks                                 | 108,264<br>151<br>388<br>—                    | —<br>—<br>—<br>650                |
|    |   |   |              |                  |  | 108,803                                       | 650                               |
| 34 | Ho Man Tin Plaza                        | 1 Sheung Lok Street<br>Homantin<br>Kowloon                              | Medium Lease | 19 November 2048 | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 87,070<br>13,111<br>1,378<br>646<br>—         | —<br>—<br>—<br>—<br>299           |
|    |   |   |              |                  |  | 102,205                                       | 299                               |
| 35 | Yau Oi Commercial Centre                | Yau Oi Road<br>Tuen Mun<br>New Territories                              | List 2       | See Footnote     | Retail<br>Market<br>Cooked food stalls<br>HD offices and ancillary<br>Self use offices<br>Carparks | 81,333<br>7,012<br>5,813<br>6,880<br>753<br>— | —<br>—<br>—<br>—<br>—<br>780      |
|    |   |   |              |                  |  | 101,791                                       | 780                               |
| 36 | On Ting Commercial Complex              | Yau Oi Road<br>Tuen Mun<br>New Territories                              | List 2       | See Footnote     | Retail<br>Market<br>Cooked food stalls<br>Self use offices<br>Carparks                             | 87,533<br>7,078<br>6,458<br>570<br>—          | —<br>—<br>—<br>—<br>546           |
|    |   |   |              |                  |  | 101,639                                       | 546                               |
| 37 | Yau Mei & Ko Cheung (Lei Yue Mun Plaza) | 80 Lei Yue Mun Road<br>Yau Tong<br>Kowloon                              | Medium Lease | 2 June 2055      | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 80,733<br>18,611<br>15<br>966<br>—            | —<br>—<br>—<br>—<br>—             |
|    |   |   |              |                  |  | 100,325                                       | —                                 |
| 38 | Po Lam Shopping Centre                  | 18 Po Lam Road<br>North<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 18 October 2054  | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 81,550<br>11,312<br>7,137<br>323<br>—         | —<br>—<br>—<br>—<br>398           |
|    |   |   |              |                  |  | 100,322                                       | 398                               |
| 39 | Choi Ming Shopping Centre               | 1 Choi Ming Street<br>Tseung Kwan O<br>Sai Kung<br>New Territories      | Medium Lease | 3 May 2051       | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 87,687<br>11,485<br>15<br>915<br>—            | —<br>—<br>—<br>—<br>765           |
|    |   |   |              |                  |  | 100,102                                       | 765                               |

## Summary and Particulars of Properties (continued)

| Centre   | Location   | Lease term   | Lease expiry     | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|----------|--|--------------|------------------|--------------------------|---|-----------------------------------|
| 40       | Siu Sai Wan Shopping Centre<br>Siu Sai Wan<br>Hong Kong                                    | Medium Lease | 25 March 2057    | Retail                   | 79,535  | —                                 |
|          |  |              |                  | Market                   | 13,047  | —                                 |
|          |  |              |                  | HD offices and ancillary | 3,835   | —                                 |
|          |  |              |                  | Self use offices         | 2,874   | —                                 |
|          |  |              |                  | Carparks                 | —   | 558                               |
|          |  |              |                  |                          | 99,291  | 558                               |
| 41       | Lei Tung Commercial Centre<br>5 Lei Tung Estate Road<br>Ap Lei Chau<br>Hong Kong           | Medium Lease | 19 December 2054 | Retail                   | 82,915  | —                                 |
|          |  |              |                  | Market                   | 11,474  | —                                 |
|          |  |              |                  | Cooked food stalls       | 1,894   | —                                 |
|          |  |              |                  | HD offices and ancillary | 86  | —                                 |
|          |  |              |                  | Self use offices         | 1,184   | —                                 |
|          |  |              |                  | Carparks                 | —   | 687                               |
|          | 97,553   | 687          |                  |                          |   |                                   |
| 42       | Fu Shin Shopping Centre<br>12 On Po Road<br>Tai Po<br>New Territories                      | Medium Lease | 13 October 2055  | Retail                   | 73,626  | —                                 |
|          |  |              |                  | Market                   | 10,350  | —                                 |
|          |  |              |                  | Cooked food stalls       | 3,961   | —                                 |
|          |  |              |                  | Education/welfare        | 9,106   | —                                 |
|          |  |              |                  | HD offices and ancillary | —   | —                                 |
|          |  |              |                  | Self use offices         | 386   | —                                 |
|          |  |              |                  | Carparks                 | —   | 525                               |
|          | 97,429   | 525          |                  |                          |   |                                   |
| 43       | Fu Tung Shopping Centre<br>Tat Tung Road<br>Tung Chung<br>Lantau Island<br>New Territories | List 2       | See Footnote     | Retail                   | 42,496  | —                                 |
|          |  |              |                  | Market                   | 7,072   | —                                 |
|          |  |              |                  | Education/welfare        | 43,002  | —                                 |
|          |  |              |                  | HD offices and ancillary | 4,306   | —                                 |
|          |  |              |                  | Self use offices         | 323   | —                                 |
|          |  |              |                  | Carparks                 | —   | 537                               |
|          | 97,199   | 537          |                  |                          |   |                                   |
| 44       | Hin Keng Shopping Centre<br>69 Che Kung Miu Road<br>Shatin<br>New Territories              | Medium Lease | 9 February 2050  | Retail                   | 73,464  | —                                 |
|          |  |              |                  | Market                   | 9,557   | —                                 |
|          |  |              |                  | Cooked food stalls       | 10,168  | —                                 |
|          |  |              |                  | Education/welfare        | 1,830   | —                                 |
|          |  |              |                  | HD offices and ancillary | 194   | —                                 |
|          |  |              |                  | Self use offices         | 538   | —                                 |
| Carparks | —  | 636          |                  |                          |   |                                   |
|          | 95,751   | 636          |                  |                          |   |                                   |
| 45       | Stanley Plaza<br>23 Carmel Road<br>Stanley Bay<br>Hong Kong                                | List 2       | See Footnote     | Retail                   | 87,552  | —                                 |
|          |  |              |                  | Education/welfare        | 5,371   | —                                 |
|          |  |              |                  | HD offices and ancillary | —   | —                                 |
|          |  |              |                  | Self use offices         | 2,196   | —                                 |
|          |  |              |                  | Carparks                 | —   | 426                               |
|          | 95,119   | 426          |                  |                          |   |                                   |



## Summary and Particulars of Properties (continued)

|    | Centre                            | Location   | Lease term   | Lease expiry      | Type   | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|----|-----------------------------------|--|--------------|-------------------|--|---|-----------------------------------|
| 46 | Long Ping Commercial Centre       | 1 Long Ping Road<br>Yuen Long<br>New Territories                 | Medium Lease | 14 March 2056     | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 84,825<br>8,845<br>180<br>700<br>—            | —<br>—<br>—<br>—<br>564           |
|    |                                   |  |              |                   |  | 94,550  | 564                               |
| 47 | Tak Tin Shopping Centre           | 223 Pik Wan Road<br>Lam Tin<br>Kowloon                           | Medium Lease | 17 March 2049     | Retail<br>Market<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks  | 70,972<br>14,381<br>4,618<br>59<br>388<br>—   | —<br>—<br>—<br>—<br>—<br>754      |
|    |                                   |  |              |                   |  | 90,418  | 754                               |
| 48 | Tsui Lam Shopping Centre          | 11 Tsui Lam Road<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 14 February 2056  | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 79,632<br>8,396<br>118<br>280<br>—            | —<br>—<br>—<br>—<br>711           |
|    |                                   |  |              |                   |  | 88,426  | 711                               |
| 49 | Mei Lam Commercial Centre         | Mei Tin Road<br>Shatin<br>New Territories                        | List 2       | See Footnote      | Retail<br>Market<br>Cooked food stalls<br>HD offices and ancillary<br>Self use offices<br>Carparks | 69,557<br>5,523<br>5,683<br>5,511<br>560<br>— | —<br>—<br>—<br>—<br>—<br>375      |
|    |                                   |  |              |                   |  | 86,834  | 375                               |
| 50 | Tin Yiu Shopping Centre           | 2 Tin Wu Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories    | Medium Lease | 16 September 2055 | Retail<br>Market<br>Education/welfare<br>Self use offices<br>Carparks                              | 63,564<br>13,939<br>8,181<br>409<br>—         | —<br>—<br>—<br>—<br>480           |
|    |                                   |  |              |                   |  | 86,093  | 480                               |
| 51 | Shun On Commercial Centre         | Lee On Road<br>Kwun Tong<br>Kowloon                              | List 2       | See Footnote      | Retail<br>Cooked food stalls<br>Education/welfare<br>HD offices and ancillary<br>Carparks          | 46,114<br>1,152<br>33,304<br>4,467<br>—       | —<br>—<br>—<br>—<br>459           |
|    |                                   |  |              |                   |  | 85,037  | 459                               |
| 52 | Shek Lei Shopping Centre Phase II | Shek Pai Street<br>Kwai Chung<br>New Territories                 | List 2       | See Footnote      | Retail<br>HD offices and ancillary<br>Carparks   | 78,965<br>5,415<br>—                          | —<br>—<br>179                     |
|    |                                   |  |              |                   |  | 84,380  | 179                               |

## Summary and Particulars of Properties (continued)

| Centre | Location  | Lease term   | Lease expiry      | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------|---|--------------|-------------------|--------------------------|---|-----------------------------------|
| 53     | Po Tat Shopping Centre<br>Kwun Tong<br>Kowloon  | List 2       | See Footnote      | Retail                   | 73,830  | —                                 |
|        |   |              |                   | Market                   | 9,268   | —                                 |
|        |   |              |                   | HD offices and ancillary | 45  | —                                 |
|        |   |              |                   | Self use offices         | 700   | —                                 |
|        |   |              |                   | Carparks                 | —   | 1,083                             |
|        |   |              |                   |                          | <b>83,843</b>                                 | <b>1,083</b>                      |
| 54     | Chung On Shopping Centre<br>632 Sai Sha Road<br>Ma On Shan<br>New Territories                   | Medium Lease | 13 October 2055   | Retail                   | 67,167  | —                                 |
|        |   |              |                   | Market                   | 11,098  | —                                 |
|        |   |              |                   | HD offices and ancillary | 4,728   | —                                 |
|        |   |              |                   | Self use offices         | 323   | —                                 |
|        |   |              |                   | Carparks                 | —   | 995                               |
|        |   |              |                   |                          | <b>83,316</b>                                 | <b>995</b>                        |
| 55     | Oi Tung Shopping Centre<br>Oi Yin Street<br>Shau Kei Wan<br>Hong Kong                           | Medium Lease | 16 September 2055 | Retail                   | 52,840  | —                                 |
|        |   |              |                   | Education/welfare        | 28,277  | —                                 |
|        |   |              |                   | Self use offices         | 797   | —                                 |
|        |   |              |                   | Carparks                 | —   | 634                               |
|        |   |              |                   |                          | <b>81,914</b>                                 | <b>634</b>                        |
| 56     | Kwong Yuen Shopping Centre<br>68 Siu Lek Yuen Road<br>Shatin<br>New Territories                 | Medium Lease | 7 February 2051   | Retail                   | 71,279  | —                                 |
|        |   |              |                   | Market                   | 9,623   | —                                 |
|        |   |              |                   | HD offices and ancillary | 97  | —                                 |
|        |   |              |                   | Self use offices         | 388   | —                                 |
|        |   |              |                   | Carparks                 | —   | 736                               |
|        |   |              |                   |                          | <b>81,387</b>                                 | <b>736</b>                        |
| 57     | Wan Tsui Commercial Complex<br>Wan Tsui Road<br>Chai Wan<br>Hong Kong                           | List 2       | See Footnote      | Retail                   | 63,994  | —                                 |
|        |   |              |                   | Market                   | 5,952   | —                                 |
|        |   |              |                   | Cooked food stalls       | 2,928   | —                                 |
|        |   |              |                   | Education/welfare        | 7,449   | —                                 |
|        |   |              |                   | Self use offices         | 495   | —                                 |
|        |   |              |                   | Carparks                 | —   | 359                               |
|        |   |              |                   |                          | <b>80,818</b>                                 | <b>359</b>                        |
| 58     | Tin Shing Shopping Centre<br>3 Tin Ching Street<br>Tin Shui Wai<br>Yuen Long<br>New Territories | Medium Lease | 27 November 2047  | Retail                   | 54,509  | —                                 |
|        |   |              |                   | Market                   | 8,687   | —                                 |
|        |   |              |                   | Education/welfare        | 16,652  | —                                 |
|        |   |              |                   | Self use offices         | 657   | —                                 |
|        |   |              |                   | Carparks                 | —   | 1,458                             |
|        |   |              |                   |                          | <b>80,505</b>                                 | <b>1,458</b>                      |
| 59     | Fung Tak Shopping Centre<br>111 Fung Tak Road<br>Diamond Hill<br>Kowloon                        | Medium Lease | 7 April 2048      | Retail                   | 62,738  | —                                 |
|        |   |              |                   | Market                   | 9,365   | —                                 |
|        |   |              |                   | HD offices and ancillary | 188   | —                                 |
|        |   |              |                   | Self use offices         | 7,836   | —                                 |
|        |   |              |                   | Carparks                 | —   | 487                               |
|        |   |              |                   |                          | <b>80,127</b>                                 | <b>487</b>                        |

## Summary and Particulars of Properties (continued)

| Centre | Location  | Lease term   | Lease expiry     | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------|---|--------------|------------------|--------------------------|---|-----------------------------------|
| 60     | Tai Wo Hau Commercial Centre<br>Kwai Chung<br>New Territories                               | List 2       | See Footnote     | Retail                   | 62,388  | —                                 |
|        |   |              |                  | Market                   | 11,976  | —                                 |
|        |   |              |                  | Cooked food stalls       | 3,961   | —                                 |
|        |   |              |                  | Self use offices         | 409   | —                                 |
|        |   |              |                  | Carparks                 | —   | 609                               |
|        |   |              |                  |                          | <b>78,734</b>                                 | <b>609</b>                        |
| 61     | Lei Cheng Uk Shopping Centre<br>Po On Road & Fat Tseung Street<br>Cheung Sha Wan<br>Kowloon | Medium Lease | 23 January 2052  | Retail                   | 51,484  | —                                 |
|        |   |              |                  | Education/welfare        | 27,028  | —                                 |
|        |   |              |                  | Carparks                 | —   | 461                               |
|        |   |              |                  |                          | <b>78,512</b>                                 | <b>461</b>                        |
| 62     | Hing Wah Shopping Centre<br>11 Wan Tsui Road<br>Chai Wan<br>Hong Kong                       | Medium Lease | 27 February 2057 | Retail                   | 52,981  | —                                 |
|        |   |              |                  | Market                   | 8,482   | —                                 |
|        |   |              |                  | Education/welfare        | 16,383  | —                                 |
|        |   |              |                  | Self use offices         | 172   | —                                 |
|        |   |              |                  | Carparks                 | —   | 268                               |
|        |   |              |                  |                          | <b>78,018</b>                                 | <b>268</b>                        |
| 63     | Lai Kok Shopping Centre<br>Lai Chi Kok Road<br>Sham Shui Po<br>Kowloon                      | List 2       | See Footnote     | Retail                   | 71,990  | —                                 |
|        |   |              |                  | Market                   | 5,565   | —                                 |
|        |   |              |                  | Carparks                 | —   | 140                               |
|        |   |              |                  |                          | <b>77,555</b>                                 | <b>140</b>                        |
| 64     | Kai Yip Commercial Centre<br>Kai Yip Road & Wang Chiu Road<br>Kowloon Bay<br>Kowloon        | List 2       | See Footnote     | Retail                   | 66,379  | —                                 |
|        |   |              |                  | Market                   | 5,916   | —                                 |
|        |   |              |                  | Cooked food stalls       | 3,789   | —                                 |
|        |   |              |                  | Self use offices         | 431   | —                                 |
|        |   |              |                  | Carparks                 | —   | 383                               |
|        |   |              |                  |                          | <b>76,515</b>                                 | <b>383</b>                        |
| 65     | Shek Yam Shopping Centre<br>Tai Pak Tin Street<br>Kwai Chung<br>New Territories             | List 2       | See Footnote     | Retail                   | 69,881  | —                                 |
|        |   |              |                  | Market                   | —   | —                                 |
|        |   |              |                  | Education/welfare        | 5,231   | —                                 |
|        |   |              |                  | Self use offices         | 570   | —                                 |
|        |   |              |                  | Carparks                 | —   | 424                               |
|        |   |              |                  |                          | <b>75,682</b>                                 | <b>424</b>                        |
| 66     | Sam Shing Commercial Centre<br>Sam Shing Street<br>Tuen Mun<br>New Territories              | List 2       | See Footnote     | Retail                   | 63,518  | —                                 |
|        |   |              |                  | Market                   | 1,425   | —                                 |
|        |   |              |                  | Cooked food stalls       | 5,425   | —                                 |
|        |   |              |                  | Education/welfare        | 4,284   | —                                 |
|        |   |              |                  | HD offices and ancillary | 25  | —                                 |
|        |   |              |                  | Self use offices         | 517   | —                                 |
|        |   |              |                  | Carparks                 | —   | 176                               |
|        |   |              |                  |                          | <b>75,194</b>                                 | <b>176</b>                        |

## Summary and Particulars of Properties (continued)

| Centre   | Location                    | Lease term  | Lease expiry | Type              | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |     |
|----------|-----------------------------|---|--------------|-------------------|---|-----------------------------------|-----|
| 67       | Tin Shui Shopping Centre    | Tin Shui Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories | Medium Lease | 4 September 2057  | Retail  | 63,331                            | —   |
|          |                             |   |              |                   | Market  | 9,117                             | —   |
|          |                             |   |              |                   | HD offices and ancillary                      | 70                                | —   |
|          |                             |   |              |                   | Self use offices                              | 1,572                             | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 577 |
|          |                             |   |              |                   |   | 74,090                            | 577 |
| 68       | Kwong Fuk Commercial Centre | Plover Cove Road<br>Tai Po<br>New Territories                 | List 2       | See Footnote      | Retail  | 58,947                            | —   |
|          |                             |   |              |                   | Market  | 8,030                             | —   |
|          |                             |   |              |                   | Cooked food stalls                            | 3,789                             | —   |
|          |                             |   |              |                   | HD offices and ancillary                      | 126                               | —   |
|          |                             |   |              |                   | Self use offices                              | 355                               | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 461 |
|          | 71,247                      | 461   |              |                   |   |                                   |     |
| 69       | Lung Hang Commercial Centre | Fu Kin Street<br>Shatin<br>New Territories                    | List 2       | See Footnote      | Retail  | 58,524                            | —   |
|          |                             |   |              |                   | Market  | 6,878                             | —   |
|          |                             |   |              |                   | Cooked food stalls                            | 3,789                             | —   |
|          |                             |   |              |                   | Self use offices                              | 503                               | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 440 |
|          |                             |   |              |                   |   | 69,694                            | 440 |
| 70       | Sun Chui Shopping Centre    | Chui Tin Street<br>Shatin<br>New Territories                  | List 2       | See Footnote      | Retail  | 58,422                            | —   |
|          |                             |   |              |                   | Market  | 3,559                             | —   |
|          |                             |   |              |                   | Cooked food stalls                            | 5,683                             | —   |
|          |                             |   |              |                   | Self use offices                              | 980                               | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 620 |
|          |                             |   |              |                   |   | 68,644                            | 620 |
| 71       | Wah Ming Shopping Centre    | 21 Wah Ming Road<br>Fanling<br>New Territories                | Medium Lease | 17 March 2049     | Retail  | 45,639                            | —   |
|          |                             |   |              |                   | Market  | 6,189                             | —   |
|          |                             |   |              |                   | Education/welfare                             | 6,674                             | —   |
|          |                             |   |              |                   | HD offices and ancillary                      | 7,976                             | —   |
|          |                             |   |              |                   | Self use offices                              | 538                               | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 295 |
|          | 67,016                      | 295   |              |                   |   |                                   |     |
| 72       | Cheung Wah Shopping Centre  | Cheung Wah Estate<br>Fanling<br>New Territories               | Medium Lease | 15 June 2054      | Retail  | 55,047                            | —   |
|          |                             |   |              |                   | Market  | 3,714                             | —   |
|          |                             |   |              |                   | Cooked food stalls                            | 2,971                             | —   |
|          |                             |   |              |                   | Education/welfare                             | 4,629                             | —   |
|          |                             |   |              |                   | HD offices and ancillary                      | 16                                | —   |
|          |                             |   |              |                   | Self use offices                              | 538                               | —   |
| Carparks | —                           | 353   |              |                   |   |                                   |     |
|          | 66,915                      | 353   |              |                   |   |                                   |     |
| 73       | Fu Cheong Shopping Centre   | 19 Sai Chuen Road<br>Sham Shui Po<br>Kowloon                  | Medium Lease | 16 September 2055 | Retail  | 66,177                            | —   |
|          |                             |   |              |                   | HD offices and ancillary                      | 22                                | —   |
|          |                             |   |              |                   | Self use offices                              | 614                               | —   |
|          |                             |   |              |                   | Carparks                                      | —                                 | 547 |
|          | 66,813                      | 547   |              |                   |   |                                   |     |

## Summary and Particulars of Properties (continued)

|    | Centre                                    | Location  | Lease term   | Lease expiry  | Type  | Approximate internal floor area (square feet)          | Approximate No. of carpark spaces |
|----|---|---|--------------|---------------|---|--|-----------------------------------|
| 74 | Yiu Tung Shopping Centre                  | Yiu Hing Road<br>Shau Kei Wan<br>Hong Kong                  | List 2       | See Footnote  | Retail<br>Market<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 25,898<br>5,242<br>27,470<br>7,599<br>527<br>—         | —<br>—<br>—<br>—<br>—<br>685      |
|    |   |   |              |               |   | 66,736   | 685                               |
| 75 | Po Tin Shopping Centre                    | Ming Kum Road<br>Tuen Mun<br>New Territories                | List 2       | See Footnote  | Retail<br>Market<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 25,922<br>7,212<br>22,723<br>7,585<br>646<br>—         | —<br>—<br>—<br>—<br>—<br>62       |
|    |   |   |              |               |   | 64,088   | 62                                |
| 76 | Sui Wo Court Commercial Centre            | 13 Sui Wo Road<br>Sui Wo Court<br>Shatin<br>New Territories | Medium Lease | 30 June 2047  | Retail<br>Market<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 37,523<br>1,287<br>22,518<br>2,110<br>194<br>—         | —<br>—<br>—<br>—<br>—<br>980      |
|    |   |   |              |               |   | 63,632   | 980                               |
| 77 | Fu Tai Shopping Centre                    | 9 Tuen Kwai Road<br>Tuen Mun<br>New Territories             | Medium Lease | 11 March 2051 | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks  | 56,177<br>6,523<br>22<br>635<br>—                      | —<br>—<br>—<br>—<br>635           |
|    |   |   |              |               |   | 63,357   | 635                               |
| 78 | Retail and Carpark within Shun Tin Estate | Shun On Road<br>Kwun Tong<br>Kowloon                        | List 2       | See Footnote  | Retail<br>Market<br>Cooked food stalls<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks | 40,387<br>4,269<br>4,047<br>6,620<br>7,007<br>560<br>— | —<br>—<br>—<br>—<br>—<br>—<br>581 |
|    |   |   |              |               |   | 62,890   | 581                               |
| 79 | Chun Shek Shopping Centre                 | Fung Shek Street<br>Shatin<br>New Territories               | List 2       | See Footnote  | Retail<br>Market<br>Self use offices<br>Carparks  | 56,705<br>4,943<br>506<br>—                            | —<br>—<br>—<br>583                |
|    |   |   |              |               |   | 62,154   | 583                               |

## Summary and Particulars of Properties (continued)

| Centre | Location  | Lease term   | Lease expiry    | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------|---|--------------|-----------------|--------------------------|---|-----------------------------------|
| 80     | Cheung Hang Shopping Centre<br>Tsing Yi<br>New Territories  | List 2       | See Footnote    | Retail                   | 48,126  | —                                 |
|        |   |              |                 | Market                   | 7,093   | —                                 |
|        |   |              |                 | Education/welfare        | 1,711   | —                                 |
|        |   |              |                 | HD offices and ancillary | 3,563   | —                                 |
|        |   |              |                 | Self use offices         | 915   | —                                 |
|        |   |              |                 | Carparks                 | —   | 327                               |
|        |   |              |                 |                          | <b>61,408</b>                                 | <b>327</b>                        |
| 81     | Kwong Tin Shopping Centre<br>Pik Wan Road<br>Lam Tin<br>Kowloon                                     | Medium Lease | 13 October 2055 | Retail                   | 36,673  | —                                 |
|        |   |              |                 | Market                   | 5,016   | —                                 |
|        |   |              |                 | Education/welfare        | 13,057  | —                                 |
|        |   |              |                 | HD offices and ancillary | 4,565   | —                                 |
|        |   |              |                 | Self use offices         | 434   | —                                 |
|        |   |              |                 | Carparks                 | —   | 53                                |
|        |   |              |                 |                          | <b>59,745</b>                                 | <b>53</b>                         |
| 82     | Tin Ping Shopping Centre<br>48 Tin Ping Road<br>Sheung Shui<br>New Territories                      | Medium Lease | 9 February 2050 | Retail                   | 52,464  | —                                 |
|        |   |              |                 | Market                   | 4,420   | —                                 |
|        |   |              |                 | Education/welfare        | 1,539   | —                                 |
|        |   |              |                 | HD offices and ancillary | 108   | —                                 |
|        |   |              |                 | Self use offices         | 592   | —                                 |
|        |   |              |                 | Carparks                 | —   | 471                               |
|        |   |              |                 |                          | <b>59,123</b>                                 | <b>471</b>                        |
| 83     | Yung Shing Shopping Centre<br>Fai Ming Road<br>Fanling<br>New Territories                           | Medium Lease | 15 July 2049    | Retail                   | 31,678  | —                                 |
|        |   |              |                 | Market                   | 5,231   | —                                 |
|        |   |              |                 | Education/welfare        | 21,216  | —                                 |
|        |   |              |                 | HD offices and ancillary | 27  | —                                 |
|        |   |              |                 | Self use offices         | 549   | —                                 |
|        |   |              |                 | Carparks                 | —   | 283                               |
|        |   |              |                 |                          | <b>58,701</b>                                 | <b>283</b>                        |
| 84     | Kwai Fong Shopping Centre<br>Hing Fong Road<br>Kwai Chung<br>New Territories                        | List 2       | See Footnote    | Retail                   | 49,827  | —                                 |
|        |   |              |                 | Market                   | 7,944   | —                                 |
|        |   |              |                 | Self use offices         | 893   | —                                 |
|        |   |              |                 | Carparks                 | —   | 483                               |
|        |   |              |                 |                          | <b>58,664</b>                                 | <b>483</b>                        |
| 85     | King Lam Shopping Centre<br>38 Po Lam Road<br>North<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 7 February 2051 | Retail                   | 43,508  | —                                 |
|        |   |              |                 | Market                   | 7,169   | —                                 |
|        |   |              |                 | HD offices and ancillary | 6,523   | —                                 |
|        |   |              |                 | Self use offices         | 409   | —                                 |
|        |   |              |                 | Carparks                 | —   | 418                               |
|        |   |              |                 |                          | <b>57,609</b>                                 | <b>418</b>                        |

## Summary and Particulars of Properties (continued)

|    | Centre                        | Location  | Lease term   | Lease expiry    | Type   | Approximate<br>internal<br>floor area<br>(square feet) | Approximate<br>No. of<br>carpark<br>spaces |
|----|-------------------------------|---|--------------|-----------------|--|--|--|
| 86 | Ka Fuk Shopping Centre        | Chi Fuk Circuit<br>Fanling<br>New Territories       | List 2       | See Footnote    | Retail<br>Market<br>Education/welfare<br>HD offices and ancillary<br>Self use offices<br>Carparks  | 45,769<br>6,211<br>1,453<br>3,127<br>291<br>—          | —<br>—<br>—<br>—<br>—<br>312               |
|    |                               |   |              |                 |  | 56,851   | 312  |
| 87 | Hing Tung Shopping Centre     | Yiu Hing Road<br>Shau Kei Wan<br>Hong Kong          | List 2       | See Footnote    | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 44,025<br>12,249<br>—<br>258<br>—                      | —<br>—<br>—<br>—<br>420                    |
|    |                               |   |              |                 |  | 56,532   | 420  |
| 88 | Fu Heng Shopping Centre       | 6 Chung Nga Road<br>Tai Po<br>New Territories       | Medium Lease | 9 February 2050 | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 46,770<br>8,934<br>22<br>229<br>—                      | —<br>—<br>—<br>—<br>517                    |
|    |                               |   |              |                 |  | 55,955   | 517  |
| 89 | Sun Tin Wai Commercial Centre | Sha Tin Tau Road<br>Shatin<br>New Territories       | List 2       | See Footnote    | Retail<br>Market<br>Cooked food stalls<br>HD offices and ancillary<br>Self use offices<br>Carparks | 44,371<br>6,732<br>3,789<br>118<br>323<br>—            | —<br>—<br>—<br>—<br>—<br>320               |
|    |                               |   |              |                 |  | 55,333   | 320  |
| 90 | Yiu On Shopping Centre        | 2 Hang Hong Street<br>Ma On Shan<br>New Territories | Medium Lease | 17 March 2049   | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 44,403<br>8,450<br>66<br>431<br>—                      | —<br>—<br>—<br>—<br>547                    |
|    |                               |   |              |                 |  | 53,350   | 547  |
| 91 | Lee On Shopping Centre        | Sai Sha Road<br>Ma On Shan<br>New Territories       | List 2       | See Footnote    | Retail<br>Market<br>HD offices and ancillary<br>Self use offices<br>Carparks                       | 36,587<br>7,276<br>5,578<br>344<br>—                   | —<br>—<br>—<br>—<br>390                    |
|    |                               |   |              |                 |  | 49,785   | 390  |

## Summary and Particulars of Properties (continued)

| Centre  | Location  | Lease term   | Lease expiry    | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|---|---|--------------|-----------------|--------------------------|---|-----------------------------------|
| 92 Retail and Carpark within Ap Lei Chau Estate | Ap Lei Chau Bridge Road<br>Ap Lei Chau<br>Hong Kong | List 2       | See Footnote    | Retail                   | 36,654  | —                                 |
|   |   |              |                 | Market                   | 4,060   | —                                 |
|   |   |              |                 | Cooked food stalls       | 1,087   | —                                 |
|   |   |              |                 | HD offices and ancillary | 6,028   | —                                 |
|   |   |              |                 | Self use offices         | 495   | —                                 |
|   |   |              |                 | Carparks                 | —   | 325                               |
|   |   |              |                 |                          | <b>48,324</b>                                 | <b>325</b>                        |
| 93 Wan Tau Tong Shopping Centre                 | 101 Hiu Wan Road<br>Tai Po<br>New Territories       | Medium Lease | 7 April 2048    | Retail                   | 40,925  | —                                 |
|   |   |              |                 | Market                   | 6,383   | —                                 |
|   |   |              |                 | HD offices and ancillary | 100   | —                                 |
|   |   |              |                 | Self use offices         | 699   | —                                 |
|   |   |              |                 | Carparks                 | —   | 438                               |
|   |   |              |                 |                          | <b>48,107</b>                                 | <b>438</b>                        |
| 94 Un Chau Shopping Centre                      | Cheung Sha Wan Road<br>Cheung Sha Wan<br>Kowloon    | List 2       | See Footnote    | Retail                   | 47,265  | —                                 |
|   |   |              |                 | HD offices and ancillary | 22  | —                                 |
|   |   |              |                 | Self use offices         | 118   | —                                 |
|   |   |              |                 | Carparks                 | —   | 213                               |
|   |   |              |                 |                          | <b>47,405</b>                                 | <b>213</b>                        |
| 95 Kam Tai Shopping Centre                      | 31 Ning Tai Road<br>Ma On Shan<br>New Territories   | Medium Lease | 28 June 2048    | Retail                   | 26,124  | —                                 |
|   |   |              |                 | Education/welfare        | 19,677  | —                                 |
|   |   |              |                 | HD offices and ancillary | 22  | —                                 |
|   |   |              |                 | Self use offices         | 398   | —                                 |
|   |   |              |                 | Carparks                 | —   | 758                               |
|   |   |              |                 |                          | <b>46,221</b>                                 | <b>758</b>                        |
| 96 Tsing Yi Commercial Complex                  | 10 Fung Shue Wo Road<br>Tsing Yi<br>New Territories | Medium Lease | 7 February 2051 | Retail                   | 32,249  | —                                 |
|   |   |              |                 | Market                   | 5,027   | —                                 |
|   |   |              |                 | Cooked food stalls       | 3,875   | —                                 |
|   |   |              |                 | HD offices and ancillary | 97  | —                                 |
|   |   |              |                 | Self use offices         | 4,392   | —                                 |
|   |   |              |                 | Carparks                 | —   | 344                               |
|   |   |              |                 |                          | <b>45,640</b>                                 | <b>344</b>                        |
| 97 Wah Kwai Shopping Centre                     | 3 Wah Kwai Road<br>Aberdeen<br>Hong Kong            | Medium Lease | 7 April 2048    | Retail                   | 31,485  | —                                 |
|   |   |              |                 | Market                   | 4,424   | —                                 |
|   |   |              |                 | HD offices and ancillary | 5,597   | —                                 |
|   |   |              |                 | Self use offices         | 990   | —                                 |
|   |   |              |                 | Carparks                 | —   | 413                               |
|   |   |              |                 |                          | <b>42,496</b>                                 | <b>413</b>                        |
| 98 On Yam Shopping Centre                       | 7 On Chuk Street<br>Kwai Chung<br>New Territories   | Medium Lease | 13 October 2055 | Retail                   | 34,940  | —                                 |
|   |   |              |                 | Market                   | 5,877   | —                                 |
|   |   |              |                 | HD offices and ancillary | 22  | —                                 |
|   |   |              |                 | Carparks                 | —   | 347                               |
|   |   |              |                 |                          | <b>40,839</b>                                 | <b>347</b>                        |



## Summary and Particulars of Properties (continued)

|     | Centre                                    | Location   | Lease term   | Lease expiry    | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |  |  |               |            |
|-----|---|--|--------------|-----------------|--------------------------|---|-----------------------------------|--|--|---------------|------------|
| 99  | Tin Ma Court Commercial Centre            | 55 Chuk Yuen Road<br>Wang Tau Hom<br>Kowloon                                   | Medium Lease | 30 June 2047    | Retail                   | 22,789  | —                                 |  |  |               |            |
|     |   |  |              |                 | Market                   | 4,036   | —                                 |  |  |               |            |
|     |   |  |              |                 | Education/welfare        | 13,154  | —                                 |  |  |               |            |
|     |   |  |              |                 | HD offices and ancillary | —   | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 221   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 585                               |  |  |               |            |
|     |   |  |              |                 | <b>40,200</b>            | <b>585</b>                                    |                                   |  |  |               |            |
| 100 | Shek Lei Shopping Centre Phase I          | Shek Li Street<br>Kwai Chung<br>New Territories                                | List 2       | See Footnote    | Retail                   | 15,898  | —                                 |  |  |               |            |
|     |   |  |              |                 | Market                   | 14,284  | —                                 |  |  |               |            |
|     |   |  |              |                 | Education/welfare        | 8,837   | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 431   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 459                               |  |  |               |            |
|     |   |  |              |                 |                          |   |                                   |  |  | <b>39,450</b> | <b>459</b> |
| 101 | Ming Tak Shopping Centre                  | Chiu Shun Road<br>Tseung Kwan O<br>Sai Kung<br>New Territories                 | List 2       | See Footnote    | Retail                   | 38,550  | —                                 |  |  |               |            |
|     |   |  |              |                 | Education/welfare        | 334   | —                                 |  |  |               |            |
|     |   |  |              |                 | HD offices and ancillary | 24  | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 178   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 383                               |  |  |               |            |
|     |   |  |              |                 |                          |   |                                   |  |  | <b>39,086</b> | <b>383</b> |
| 102 | Kin Sang Shopping Centre                  | 3 Leung Wan Street<br>Tuen Mun<br>New Territories                              | Medium Lease | 7 April 2048    | Retail                   | 34,639  | —                                 |  |  |               |            |
|     |   |  |              |                 | Market                   | 4,144   | —                                 |  |  |               |            |
|     |   |  |              |                 | HD offices and ancillary | 65  | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 172   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 273                               |  |  |               |            |
|     |   |  |              |                 |                          |   |                                   |  |  | <b>39,020</b> | <b>273</b> |
| 103 | Retail and Carpark within Tung Tau Estate | 183 Tung Tau Tsuen Road<br>Wang Tau Hom<br>Kowloon                             | Medium Lease | 23 January 2052 | Retail                   | 27,933  | —                                 |  |  |               |            |
|     |   |  |              |                 | Market                   | 6,492   | —                                 |  |  |               |            |
|     |   |  |              |                 | Cooked food stalls       | 4,187   | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 258   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 493                               |  |  |               |            |
|     |   |  |              |                 |                          |   |                                   |  |  | <b>38,870</b> | <b>493</b> |
| 104 | Tin Tsz Shopping Centre                   | Tin Tsz Road &<br>Tin Fuk Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories | Medium Lease | 28 June 2057    | Retail                   | 32,583  | —                                 |  |  |               |            |
|     |   |  |              |                 | HD offices and ancillary | 5,888   | —                                 |  |  |               |            |
|     |   |  |              |                 | Self use offices         | 366   | —                                 |  |  |               |            |
|     |   |  |              |                 | Carparks                 | —   | 289                               |  |  |               |            |
|     |   |  |              |                 |                          |   |                                   |  |  | <b>38,837</b> | <b>289</b> |

## Summary and Particulars of Properties (continued)

| Centre | Location   | Lease term   | Lease expiry    | Type                     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------|--|--------------|-----------------|--------------------------|---|-----------------------------------|
| 105    | Kam Ying Court Shopping Centre<br>9 Kam Ying Road<br>Ma On Shan<br>New Territories | Medium Lease | 30 June 2047    | Retail                   | 19,278  | —                                 |
|        |  |              |                 | Market                   | 4,316   | —                                 |
|        |  |              |                 | Education/welfare        | 13,132  | —                                 |
|        |  |              |                 | HD offices and ancillary | 161   | —                                 |
|        |  |              |                 | Self use offices         | 188   | —                                 |
|        |  |              |                 | Carparks                 | —   | 492                               |
|        |  |              |                 |                          | <b>37,075</b>                                 | <b>492</b>                        |
| 106    | Tin Wan Shopping Centre<br>Tin Wan Street<br>Aberdeen<br>Hong Kong                 | List 2       | See Footnote    | Retail                   | 31,635  | —                                 |
|        |  |              |                 | HD offices and ancillary | 3,843   | —                                 |
|        |  |              |                 | Self use offices         | 377   | —                                 |
|        |  |              |                 | Carparks                 | —   | 417                               |
|        |  |              |                 |                          | <b>35,855</b>                                 | <b>417</b>                        |
| 107    | Hoi Fu Shopping Centre<br>2 Hoi Ting Road<br>Tai Kok Tsui<br>Kowloon               | Medium Lease | 15 July 2049    | Retail                   | 28,514  | —                                 |
|        |  |              |                 | Market                   | 6,943   | —                                 |
|        |  |              |                 | HD offices and ancillary | 25  | —                                 |
|        |  |              |                 | Self use offices         | 65  | —                                 |
|        |  |              |                 | Carparks                 | —   | 225                               |
|        |  |              |                 |                          | <b>35,547</b>                                 | <b>225</b>                        |
| 108    | Hiu Lai Shopping Centre<br>21 Hiu Kwong Street<br>Kwun Tong<br>Kowloon             | Medium Lease | 30 June 2047    | Retail                   | 20,796  | —                                 |
|        |  |              |                 | Education/welfare        | 12,712  | —                                 |
|        |  |              |                 | HD offices and ancillary | 1,862   | —                                 |
|        |  |              |                 | Carparks                 | —   | 637                               |
|        |  |              |                 |                          | <b>35,370</b>                                 | <b>637</b>                        |
| 109    | Hing Man Commercial Centre<br>Chai Wan Road<br>Chai Wan<br>Hong Kong               | List 2       | See Footnote    | Retail                   | 25,414  | —                                 |
|        |  |              |                 | Market                   | 2,562   | —                                 |
|        |  |              |                 | Cooked food stalls       | —   | —                                 |
|        |  |              |                 | Education/welfare        | 388   | —                                 |
|        |  |              |                 | HD offices and ancillary | 3,929   | —                                 |
|        |  |              |                 | Self use offices         | 614   | —                                 |
|        |  |              |                 | Carparks                 | —   | 226                               |
|        |  |              |                 |                          | <b>32,907</b>                                 | <b>226</b>                        |
| 110    | Siu Lun Shopping Centre<br>3 Siu Hing Lane<br>Tuen Mun<br>New Territories          | Medium Lease | 30 June 2047    | Retail                   | 10,689  | —                                 |
|        |  |              |                 | Education/welfare        | 17,524  | —                                 |
|        |  |              |                 | HD offices and ancillary | 3,805   | —                                 |
|        |  |              |                 | Self use offices         | 113   | —                                 |
|        |  |              |                 | Carparks                 | —   | 463                               |
|        |  |              |                 |                          | <b>32,131</b>                                 | <b>463</b>                        |
| 111    | Hing Tin Commercial Centre<br>8 Lin Tak Road<br>Lam Tin<br>Kowloon                 | Medium Lease | 7 February 2051 | Retail                   | 20,667  | —                                 |
|        |  |              |                 | Market                   | 4,611   | —                                 |
|        |  |              |                 | Cooked food stalls       | 3,789   | —                                 |
|        |  |              |                 | Self use offices         | 624   | —                                 |
|        |  |              |                 | Carparks                 | —   | 387                               |
|        |  |              |                 |                          | <b>29,691</b>                                 | <b>387</b>                        |

## Summary and Particulars of Properties (continued)

|     | Centre                                    | Location  | Lease term   | Lease expiry    | Type  | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|---|---|--------------|-----------------|---|---|-----------------------------------|
| 112 | Wah Sum Shopping Centre                   | Yat Ming Road<br>Fanling<br>New Territories                         | List 2       | See Footnote    | Retail<br>HD offices and ancillary<br>Carparks                        | 23,756<br>2,939<br>—                          | —<br>—<br>356                     |
|     |   |   |              |                 |   | 26,695  | 356                               |
| 113 | Kwai Hing Shopping Centre                 | 2 Wo Kwai Lane<br>Kwai Chung<br>New Territories                     | Medium Lease | 23 January 2052 | Retail<br>Market<br>Self use offices<br>Carparks                      | 20,742<br>4,618<br>431<br>—                   | —<br>—<br>—<br>277                |
|     |   |   |              |                 |   | 25,791  | 277                               |
| 114 | Siu Hei Commercial Centre                 | 201 Wu Chui Road<br>Tuen Mun<br>New Territories                     | Medium Lease | 30 June 2047    | Retail<br>Market<br>Education/welfare<br>Self use offices<br>Carparks | 6,135<br>3,001<br>14,284<br>1,582<br>—        | —<br>—<br>—<br>—<br>560           |
|     |   |   |              |                 |   | 25,002  | 560                               |
| 115 | Fortune Shopping Centre                   | Po On Road &<br>Fat Tsueng Street<br>Cheung Sha Wan<br>Kowloon      | List 2       | See Footnote    | Retail<br>HD offices and ancillary<br>Self use offices<br>Carparks    | 24,241<br>—<br>538<br>—                       | —<br>—<br>—<br>153                |
|     |   |   |              |                 |   | 24,779  | 153                               |
| 116 | Wang Tau Hom (Wang Fai Centre)            | Wang Tau Hom North<br>Road<br>Wang Tau Hom<br>Kowloon               | List 2       | See Footnote    | Retail<br>Market<br>Self use offices<br>Carparks                      | 13,175<br>8,612<br>140<br>—                   | —<br>—<br>—<br>290                |
|     |   |   |              |                 |   | 21,927  | 290                               |
| 117 | Ping Tin Shopping Centre                  | On Tin Street<br>Lam Tin<br>Kowloon                                 | List 2       | See Footnote    | Retail<br>Carparks  | 21,872<br>—                                   | —<br>406                          |
|     |   |   |              |                 |   | 21,872  | 406                               |
| 118 | Retail and Carpark within Choi Ha Estate  | 18 Choi Ha Road<br>Kowloon Bay<br>Kowloon                           | Medium Lease | 9 February 2050 | Retail<br>Education/welfare<br>HD offices and ancillary<br>Carparks   | 5,414<br>15,027<br>990<br>—                   | —<br>—<br>—<br>205                |
|     |   |   |              |                 |   | 21,431  | 205                               |
| 119 | Retail and Carpark within Tong Ming Court | 15 Tong Ming Street<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 30 June 2047    | Retail<br>Education/welfare<br>Carparks                               | 2,164<br>19,117<br>—                          | —<br>—<br>291                     |
|     |   |   |              |                 |   | 21,281  | 291                               |

## Summary and Particulars of Properties (continued)

|     | Centre   | Location  | Lease term   | Lease expiry     | Type  | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|--|---|--------------|------------------|---|---|-----------------------------------|
| 120 | Tsz Ching Shopping Centre (I) & (II)             | Tsz Wan Shan Road<br>Tsz Wan Shan<br>Kowloon      | Medium Lease | 27 February 2057 | Retail<br>Carparks  | 18,073<br>—                                   | —<br>882                          |
|     |  |   |              |                  |   | 18,073  | 882                               |
| 121 | Retail and Carpark within Hong Pak Court         | 139 Pik Wan Road<br>Lam Tin<br>Kowloon            | Medium Lease | 30 June 2047     | Education/welfare<br>HD offices and ancillary<br>Carparks | 17,954<br>—<br>—                              | —<br>—<br>549                     |
|     |  |   |              |                  |   | 17,954  | 549                               |
| 122 | Retail and Carpark within Siu On Court           | 2 Tuen Hing Road<br>Tuen Mun<br>New Territories   | Medium Lease | 30 June 2047     | Education/welfare<br>Carparks                             | 17,082<br>—                                   | —<br>273                          |
|     |  |   |              |                  |   | 17,082  | 273                               |
| 123 | Retail and Carpark within Lok Wah (South) Estate | Chun Wah Road<br>Ngau Tau Kok<br>Kowloon          | List 2       | See Footnote     | Retail<br>Market<br>Cooked food stalls<br>Carparks        | 3,950<br>7,046<br>5,813<br>—                  | —<br>—<br>—<br>226                |
|     |  |   |              |                  |   | 16,809  | 226                               |
| 124 | Yin Lai Court Shopping Centre                    | Lai Cho Road<br>Kwai Chung<br>New Territories     | Medium Lease | 30 June 2047     | Retail<br>HD offices and ancillary<br>Carparks            | 10,559<br>5,716<br>—                          | —<br>—<br>150                     |
|     |  |   |              |                  |   | 16,275  | 150                               |
| 125 | Retail and Carpark within Po Nga Court           | 2 Tai Po Tai Wo Road<br>Tai Po<br>New Territories | Medium Lease | 30 June 2047     | Education/welfare<br>Carparks                             | 13,950<br>—                                   | —<br>246                          |
|     |  |   |              |                  |   | 13,950  | 246                               |
| 126 | Po Hei Court Commercial Centre                   | 225 Po On Road<br>Cheung Sha Wan<br>Kowloon       | Medium Lease | 30 June 2047     | Retail<br>Carparks  | 13,681<br>—                                   | —<br>—                            |
|     |  |   |              |                  |   | 13,681  | —                                 |
| 127 | Retail and Carpark within Tsui Wan Estate        | 3 Tsui Wan Street<br>Chai Wan<br>Hong Kong        | Medium Lease | 17 March 2049    | Retail<br>HD offices and ancillary<br>Carparks            | 8,514<br>5,070<br>—                           | —<br>—<br>182                     |
|     |  |   |              |                  |   | 13,584  | 182                               |
| 128 | Retail and Carpark within Tsz Oi Court           | 122 Tsz Wan Shan Road<br>Tsz Wan Shan<br>Kowloon  | Medium Lease | 6 May 2049       | Education/welfare<br>Carparks                             | 13,304<br>—                                   | —<br>199                          |
|     |  |   |              |                  |   | 13,304  | 199                               |
| 129 | Retail and Carpark within Lok Nga Court          | Chun Wah Road<br>Kwun Tong<br>Kowloon             | Medium Lease | 30 June 2047     | Education/welfare<br>Carparks                             | 12,615<br>—                                   | —<br>265                          |
|     |  |   |              |                  |   | 12,615  | 265                               |

## Summary and Particulars of Properties (continued)

|     | Centre                                       | Location   | Lease term   | Lease expiry     | Type  | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|--|--|--------------|------------------|---|---|-----------------------------------|
| 130 | Retail and Carpark within Ching Wah Court    | 22 Tsing Chin Street<br>Tsing Yi<br>New Territories              | Medium Lease | 30 June 2047     | Retail<br>Education/welfare<br>HD offices and ancillary<br>Carparks | 861<br>8,256<br>2,745<br>—                    | —<br>—<br>—<br>348                |
|     |  |  |              |                  |   | 11,862  | 348                               |
| 131 | Retail and Carpark within Yan Shing Court    | 15 Wah Ming Road<br>Fanling<br>New Territories                   | Medium Lease | 30 June 2047     | Retail<br>Education/welfare<br>HD offices and ancillary<br>Carparks | 1,023<br>8,310<br>2,476<br>—                  | —<br>—<br>—<br>252                |
|     |  |  |              |                  |   | 11,809  | 252                               |
| 132 | Retail and Carpark within Cheung Wang Estate | Liu To Road<br>Tsing Yi<br>New Territories                       | List 2       | See Footnote     | Retail<br>HD offices and ancillary<br>Carparks                      | 11,485<br>22<br>—                             | —<br>—<br>333                     |
|     |  |  |              |                  |   | 11,507  | 333                               |
| 133 | Retail and Carpark within Tin Wang Court     | 51 Chuk Yuen Road<br>Wang Tau Hom<br>Kowloon                     | Medium Lease | 30 June 2047     | Education/welfare<br>HD offices and ancillary<br>Carparks           | 7,965<br>1,980<br>—                           | —<br>—<br>79                      |
|     |  |  |              |                  |   | 9,945   | 79                                |
| 134 | Retail and Carpark within Fung Wah Estate    | 4 & 6 Fung Ha Road<br>Chai Wan<br>Hong Kong                      | Medium Lease | 9 February 2050  | Retail<br>HD offices and ancillary<br>Carparks                      | 8,977<br>840<br>—                             | —<br>—<br>161                     |
|     |  |  |              |                  |   | 9,817   | 161                               |
| 135 | Retail and Carpark within Tin Yat Estate     | Tin Sau Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories     | List 2       | See Footnote     | Education/welfare<br>Carparks                                       | 8,783<br>—                                    | —<br>446                          |
|     |  |  |              |                  |   | 8,783   | 446                               |
| 136 | Retail and Carpark within Nam Cheong Estate  | 3 Cheong San Lane<br>Sham Shui Po<br>Kowloon                     | Medium Lease | 16 August 2055   | Retail<br>Carparks  | 8,105<br>—                                    | —<br>156                          |
|     |  |  |              |                  |   | 8,105   | 156                               |
| 137 | Retail and Carpark within Wo Ming Court      | Sheung Ning Road<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 27 November 2047 | Education/welfare<br>Carparks                                       | 7,341<br>—                                    | —<br>379                          |
|     |  |  |              |                  |   | 7,341   | 379                               |
| 138 | Retail and Carpark within Ko Chun Court      | 23 Ko Chiu Road<br>Yau Tong<br>Kowloon                           | Medium Lease | 30 June 2047     | Retail<br>Education/welfare<br>Carparks                             | 1,625<br>5,705<br>—                           | —<br>—<br>323                     |
|     |  |  |              |                  |   | 7,330   | 323                               |

## Summary and Particulars of Properties (continued)

|     | Centre  | Location   | Lease term   | Lease expiry     | Type   | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|---|--|--------------|------------------|--|---|-----------------------------------|
| 139 | Retail and Carpark within Hong Yat Court            | 1 Tak Tin Street<br>Lam Tin<br>Kowloon                                   | Medium Lease | 4 February 2051  | Education/welfare<br>Carparks                            | 7,040<br>—                                    | —<br>355                          |
|     |   |  |              |                  |  | 7,040   | 355                               |
| 140 | Retail and Carpark within Yan Ming Court            | 100 Po Lam Road<br>North<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 30 June 2047     | Retail<br>Education/welfare<br>Carparks                  | 1,076<br>5,942<br>—                           | —<br>—<br>262                     |
|     |   |  |              |                  |  | 7,018   | 262                               |
| 141 | Retail and Carpark within Tung Hei Court            | 38 Yiu Hing Road<br>Shau Kei Wan<br>Hong Kong                            | Medium Lease | 30 June 2047     | Education/welfare<br>Carparks                            | 6,340<br>—                                    | —<br>146                          |
|     |   |  |              |                  |  | 6,340   | 146                               |
| 142 | Carpark within Tsui Ping South Estate               | Tsui Ping Road<br>Kwun Tong<br>Kowloon                                   | List 2       | See Footnote     | HD offices and ancillary<br>Self use offices<br>Carparks | 5,274<br>635<br>—                             | —<br>—<br>229                     |
|     |   |  |              |                  |  | 5,909   | 229                               |
| 143 | Retail and Carpark within Hung Hom Estate           | Hung Hom Road & Dyer Avenue<br>Hung Hom<br>Kowloon                       | List 2       | See Footnote     | Retail<br>Carparks                                       | 3,993<br>—                                    | —<br>45                           |
|     |   |  |              |                  |  | 3,993   | 45                                |
| 144 | Retail and Carpark within Cheung On Estate          | 1 Tam Kon Shan Road<br>Tsing Yi<br>New Territories                       | Medium Lease | 7 April 2048     | Retail<br>Carparks                                       | 3,907<br>—                                    | —<br>484                          |
|     |   |  |              |                  |  | 3,907   | 484                               |
| 145 | Retail and Carpark within Tai Ping Estate           | 8 Po Ping Road<br>Sheung Shui<br>New Territories                         | Medium Lease | 23 January 2052  | Retail<br>Carparks                                       | 3,337<br>—                                    | —<br>101                          |
|     |   |  |              |                  |  | 3,337   | 101                               |
| 146 | Retail and Carpark within Sau Mau Ping (III) Estate | Sau Ming Road<br>Kwun Tong<br>Kowloon                                    | Medium Lease | 22 February 2057 | Retail<br>Carparks                                       | 1,507<br>—                                    | —<br>205                          |
|     |   |  |              |                  |  | 1,507   | 205                               |
| 147 | Retail and Carpark within Tin Wah Estate            | Tin Wah Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories             | List 2       | See Footnote     | Retail<br>Carparks                                       | 1,475<br>—                                    | —<br>287                          |
|     |   |  |              |                  |  | 1,475   | 287                               |
| 148 | Carpark within Yue On Court                         | 3 Yue On Court Road<br>Aberdeen<br>Hong Kong                             | Medium Lease | 31 January 2057  | HD offices and ancillary<br>Carparks                     | 1,323<br>—                                    | —<br>296                          |
|     |   |  |              |                  |  | 1,323   | 296                               |

## Summary and Particulars of Properties (continued)

|     | Centre                                    | Location  | Lease term   | Lease expiry     | Type                         | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|---|---|--------------|------------------|------------------------------|---|-----------------------------------|
| 149 | Retail and Carpark within Mei Chung Court | 25 Mei Tin Road<br>Shatin<br>New Territories                  | Medium Lease | 30 June 2047     | Retail<br>Carparks           | 1,076<br>—                                    | —<br>385                          |
|     |   |   |              |                  |                              | 1,076   | 385                               |
| 150 | Retail and Carpark within Choi Fai Estate | Ngau Chi Wan<br>Kowloon                                       | List 2       | See Footnote     | Retail<br>Carparks           | 1,044<br>—                                    | —<br>93                           |
|     |   |   |              |                  |                              | 1,044   | 93                                |
| 151 | Retail and Carpark within Ko Yee Estate   | Ko Chiu Road<br>Lam Tin<br>Kowloon                            | List 2       | See Footnote     | Retail<br>Carparks           | 969<br>—                                      | —<br>38                           |
|     |   |   |              |                  |                              | 969   | 38                                |
| 152 | Retail and Carpark within Ying Fuk Court  | 17 Wing Chuk Street<br>Wong Tai Sin<br>Kowloon                | Medium Lease | 6 May 2049       | Retail<br>Carparks           | 786<br>—                                      | —<br>163                          |
|     |   |   |              |                  |                              | 786   | 163                               |
| 153 | Retail and Carpark within Hong Shui Court | 133 Pik Wan Road<br>Lam Tin<br>Kowloon                        | Medium Lease | 13 May 2048      | Retail<br>Carparks           | 344<br>—                                      | —<br>102                          |
|     |   |   |              |                  |                              | 344   | 102                               |
| 154 | Carpark within Hong Keung Court           | 23 Heng Lam Street<br>Wong Tai Sin<br>Kowloon                 | Medium Lease | 7 January 2049   | Self use offices<br>Carparks | 43<br>—                                       | —<br>93                           |
|     |   |   |              |                  |                              | 43  | 93                                |
| 155 | Carpark within Kin Ming Estate            | Tiu Keng Leng<br>Tseung Kwan O<br>Sai Kung<br>New Territories | List 2       | See Footnote     | Carparks                     | —   | 763                               |
| 156 | Carpark within Tin Yuet Estate            | Tin Yuet Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories | List 2       | See Footnote     | Carparks                     | —   | 560                               |
| 157 | Carpark within Wah Lai Estate             | Lai King Hill Road<br>Lai Chi Kok<br>Kowloon                  | Medium Lease | 24 May 2051      | Carparks                     | —   | 411                               |
| 158 | Carpark within Wang Fuk Court             | 3821 Tai Po Road<br>Tai Po<br>New Territories                 | Medium Lease | 30 June 2047     | Carparks                     | —   | 408                               |
| 159 | Carpark within Sau Mau Ping (I) Estate    | Sau Mau Ping Road<br>Kwun Tong<br>Kowloon                     | Medium Lease | 22 February 2057 | Carparks                     | —   | 395                               |
| 160 | Carpark within Tin King Estate            | Tin King Road<br>Tuen Mun<br>New Territories                  | Medium Lease | 17 March 2049    | Carparks                     | —   | 380                               |

## Summary and Particulars of Properties (continued)

|     | Centre                                   | Location  | Lease term   | Lease expiry    | Type     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|-----|--|---|--------------|-----------------|----------|---|-----------------------------------|
| 161 | Carpark within Tsz Man Estate            | 55 Tsz Wan Shan Road<br>Tsz Wan Shan<br>Kowloon                   | List 2       | See Footnote    | Carparks | —   | 364                               |
| 162 | Carpark within Ka Tin Court              | 8 Hin Keng Road<br>Tai Wai<br>New Territories                     | Medium Lease | 30 June 2047    | Carparks | —   | 348                               |
| 163 | Carpark within Ming Nga Court            | 7–9 On Po Lane<br>Tai Po<br>New Territories                       | Medium Lease | 30 June 2047    | Carparks | —   | 345                               |
| 164 | Carpark within Ning Fung Court           | 99 Lei Muk Road<br>Kwai Chung<br>New Territories                  | Medium Lease | 14 October 2049 | Carparks | —   | 299                               |
| 165 | Carpark within Po Pui Court              | Tsui Ping Road<br>Kwun Tong<br>Kowloon                            | Medium Lease | 30 June 2047    | Carparks | —   | 277                               |
| 166 | Carpark within Ying Ming Court           | Po Lam North Road<br>Tseung Kwan O<br>Sai Kung<br>New Territories | Medium Lease | 30 June 2047    | Carparks | —   | 274                               |
| 167 | Carpark within Yee Kok Court             | 329–343<br>Cheung Sha Wan Road<br>Cheung Sha Wan<br>Kowloon       | Medium Lease | 30 June 2047    | Carparks | —   | 240                               |
| 168 | Carpark within Kam On Court              | 20 Hang Kam Street<br>Ma On Shan<br>New Territories               | Medium Lease | 30 June 2047    | Carparks | —   | 238                               |
| 169 | Carpark within Upper Ngau Tau Kok Estate | Ngau Tau Kok Road<br>Ngau Tau Kok<br>Kowloon                      | List 2       | See Footnote    | Carparks | —   | 228                               |
| 170 | Carpark within Tin Yau Court             | Tin Shui Road<br>Tin Shui Wai<br>Yuen Long<br>New Territories     | Medium Lease | 30 June 2047    | Carparks | —   | 192                               |
| 171 | Carpark within San Wai Court             | 23 Tin King Road<br>Tuen Mun<br>New Territories                   | Medium Lease | 30 June 2047    | Carparks | —   | 185                               |
| 172 | Carpark within Lai On Estate             | Lai Chi Kok Road<br>Sham Shui Po<br>Kowloon                       | List 2       | See Footnote    | Carparks | —   | 181                               |



## Summary and Particulars of Properties (continued)

|                          | Centre                                       | Location   | Lease term   | Lease expiry    | Type     | Approximate internal floor area (square feet) | Approximate No. of carpark spaces |
|--------------------------|--|--|--------------|-----------------|----------|---|-----------------------------------|
| 173                      | Carpark within Ching Wang Court              | 1 Nga Ying Chau Road<br>Tsing Yi<br>New Territories  | Medium Lease | 19 April 2049   | Carparks | —   | 179                               |
| 174                      | Carpark within Yee Nga Court                 | 15 On Po Road<br>Tai Po<br>New Territories           | Medium Lease | 30 June 2047    | Carparks | —   | 159                               |
| 175                      | Carpark within King Lai Court                | 38 Fung Shing Street<br>Ngau Chi Wan<br>Kowloon      | Medium Lease | 30 June 2047    | Carparks | —   | 158                               |
| 176                      | Carpark within Fung Lai Court                | 8 Fung Lai Road<br>Diamond Hill<br>Kowloon           | Medium Lease | 30 June 2047    | Carparks | —   | 134                               |
| 177                      | Carpark within Kwai Hong Court               | 150 Tai Wo Hau Road<br>Kwai Chung<br>New Territories | Medium Lease | 30 June 2047    | Carparks | —   | 88                                |
| 178                      | Carpark within Lower Wong Tai Sin (I) Estate | 3 Tai Shing Street<br>Wong Tai Sin<br>Kowloon        | Medium Lease | 7 February 2051 | Carparks | —   | 70                                |
| 179                      | Carpark within Pang Ching Court              | 6 Chui Chuk Street<br>Wong Tai Sin<br>Kowloon        | Medium Lease | 30 June 2047    | Carparks | —   | 67                                |
| 180                      | Carpark within Chuk Yuen (North) Estate      | 8 Wing Chuk Street<br>Wong Tai Sin<br>Kowloon        | Medium Lease | 17 March 2049   | Carparks | —   | 61                                |
| <b>Total Portfolio :</b> |  |  |              |                 |          | <b>11,006,599</b>                             | <b>79,485</b>                     |

Footnote:

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

# Valuation Report



4/F Shui On Centre, 6–8 Harbour Road  
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26 May 2008

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 2008

### INSTRUCTIONS

In accordance with the instructions from The Link Management Limited (for it as the manager of The Link REIT and for and on behalf of The Link REIT; “LML”) for us to value The Link REIT portfolio (i.e. a total of 180 retail and/or carparking properties; “Properties”) owned by The Link REIT, we confirm that we have carried out inspections, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 March 2008 (the “Valuation Date”) for corporate reporting purposes.

### BASIS OF VALUATION

Our valuation is our opinion of the market value of the Properties which we would define as intended to mean “the estimated amount for which a property 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”.

## Valuation Report (continued)



The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

We have conducted the valuation of the Properties pursuant to Chapter 6.8 of the Code on Real Estate Investment Trusts and The HKIS Valuation Standards on Properties (1<sup>st</sup> edition) published by the Hong Kong Institute of Surveyors and have on that basis prepared this summary report and the comprehensive valuation report for the Properties.

### VALUATION METHODOLOGIES

In undertaking our valuation of the Properties, we have had regard to income capitalisation, discounted cash flow and direct comparison approaches. However, having regard to the nature of the Properties and the existing tenancy profiles, we have adopted, as our primary valuation methods, the discounted cash flow and income capitalisation approaches.

#### Income Capitalisation Approach

The existing rental income from all lettable retail space, car parking space and miscellaneous uses is capitalised in respect of the unexpired term of each contractual tenancy. Upon reversion, i.e. the expiry of an existing tenancy, each of the leased areas is assumed to be let at the market rent as at the Valuation Date; this in turn is capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewal of Government leases upon their expiry. Any vacant units are assumed to be let at their respective market rents at the Valuation Date, and, where appropriate a vacancy factor has been allowed for in the assessment. The market value of the Properties is the total of the capitalised value of the term income and the capitalised value of the reversion income, as appropriately deferred.

The market rentals are assessed by reference to the rentals achieved by the Properties and other retail lettings in the locality. The Capitalisation Rate adopted is determined by reference to the yields achieved in analyzed market sales of retail space/car parking spaces and our knowledge of the market. This expected rate of return reflects implicitly the quality of the investment, the expectation of the potential future rental growth, capital appreciation and risk factors.

The range of Capitalisation Rates adopted in our valuation is as follow:

|         |                  |
|---------|------------------|
| Retail  | : 5.78% to 8.25% |
| Carpark | : 6.75% to 9.5%  |
| Blended | : 5.85% to 9.5%  |

#### Discounted Cash Flow ("DCF") Approach

In preparing the DCF Analysis, the income and expenses over the period of ten years from the Valuation Date are itemised and projected annually taking into account the existing contractual tenancies and the expected growth (or decline) of income and expenses. The net cash flow over the ten-year period is discounted at a Discount Rate.

## Valuation Report (continued)



The net cash flow of the 11th year is capitalised at a yield for a period from the 11th year onward and due consideration has been given to the market expectations on the renewal of Government leases upon expiry. This capitalised future value is discounted to present value as at the Valuation Date at a Discount Rate.

The Discount Rates adopted in our valuation range from 8.25% to 11.5%.

Our 10-year cash flow analysis contains a number of assumptions which, inter alia, include the following:

- Growth and or inflation rates for retail rents, carpark rents, other income, management fees, air-conditioning charges, etc. where applicable for each of the Properties;
- Outgoings such as operating expenses, government rates and rent, legal and professional fees, stamp duty, agency fees;
- Bad debt allowances;
- Capital expenditure as forecast by LML or where appropriate, according to our projections;
- Marketing periods, rent-free periods, tenancy retention rates, vacancy allowances, etc.

### Direct Comparison Approach

As a cross-reference, sales evidence of bulk retail and car parking space transaction records have been collected and analyzed in terms of unit price per square foot and unit rate per space respectively.

### ACKNOWLEDGEMENT OF INFORMATION

In conducting the valuation of the Properties, a significant volume of information is directly derived from other sources without verification by us including, but not limited to:

- A tenancy schedule as at 31 March 2008 and other ancillary schedules provided by LML or their duly authorised representatives;
- Car park and other income, management and air-conditioning charges, Government rates, Government rents, operating costs, capital expenditure and budgets, as provided by LML;
- Searches of title and tenure have been obtained from the Land Registry of the HKSAR Government;
- Licence information, waiver information, land titles and information on the progress of the assignment of the legal titles for List 2 Properties as at the Valuation Date as provided by LML;
- Assignment plans, divestment plans, layout plans, asset enhancement plans, etc. as provided by LML.

## Valuation Report (continued)



We have relied to a very considerable extent on information given by LML and have accepted advice given to us on such matters as planning approvals, waivers or statutory notices, easements, tenure, occupancies, lettings, incomes, actual expenditures, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation reports are based on information contained in the documents and leases provided to us and are therefore only approximations.

We confirm that we have not been instructed to verify the information provided to us and we have assumed that this information is true and correct. We do not undertake to certify the authenticity of the information provided to us and we have no reason to doubt the truth and accuracy of this information which is material to the valuation. We were also advised by LML that no material facts have been omitted from the information provided.

### **VALUATION ASSUMPTIONS**

Our valuation is subject to the following assumptions and principles.

#### **Inspection and Measurement**

We have inspected the exterior and, where possible, the interior of the Properties. However, we have not carried out on-site measurement to verify the correctness of the site area and/or floor areas of the Properties valued and have assumed that the site area and floor areas shown on the documents handed to us are correct.

#### **Title Documents and Encumbrances**

We have not been provided with extracts from title documents to the Properties but we have caused searches to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us.

As per the information provided by LML, as at the Valuation Date, 120 of the Properties have both legal and beneficial titles whilst the remainder, which fall within List 2 Properties classification, are held by Vesting Orders granted by the Hong Kong Special Administration Region (HKSAR) to the Hong Kong Housing Authority (HKHA). We are advised that the assignment of their legal titles is in progress at the Valuation Date.

In the course of our valuation, we have assumed that the List 2 Properties have good and proper legal title that is freely transferable at the Valuation Date. In addition, we have assumed that each of the List 2 Properties has a lease term of 50 years from the Valuation Date and are subject to a Government rent at 3% of the Rateable Value for the time being of the respective Properties.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the Properties. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, premiums, restrictions and outgoings of an onerous nature which could affect their values.

Whilst we have taken every care to investigate the titles of the Properties valued, we do not accept liability for any interpretation which we have placed on such information, which is more properly within the sphere of your legal advisers.

## Valuation Report (continued)



### Lease Documents

Our valuation is carried out subject to the existing tenancy arrangements and tenancy renewal agreements. In accordance with the tenancy schedule provided by LML, all tenancies are exclusive of air-conditioning charges, if any, whilst the majority of the tenancies are inclusive of Government rent and management fees but exclusive of rates.

In accordance with the standard tenancy agreement, the landlord is responsible for structural repairs and the landlord's fixtures and fittings and to keep the conduits in tenantable repair whilst the tenants are responsible for internal repairs to the Properties.

We have not examined the lease documentation for each specific tenancy and our assessment is based on the assumption that all leases are executed and are in accordance with the provisions stated in the tenancy schedule provided to us.

### DCF Calculations

Our DCF calculations comprise assumptions such as rental growth rate, inflation, vacancy allowance, retention rate, expenditure, etc. throughout a defined cash flow period. These assumptions are based on our understanding of the prevailing economic and market conditions as at the Valuation Date, but are not a guarantee of future performance.

### Structural Condition

We have not undertaken any structural survey or tested the services of the Properties. Our valuation has therefore been undertaken on the basis that the Properties were all in satisfactory repair and condition with services functioning satisfactorily and are free from rot, infestation or any other structural defect.

### Contamination

We have not arranged for any investigation to be carried out to determine whether any deleterious or hazardous material has been used in the construction of the Properties and have therefore assumed in our valuation that none of the said material was contained in the Properties.

### VALUER'S INTEREST

We hereby certify that each of the valuers taking part in the valuation is authorised under law to practice as a valuer, has at least 5 years continuous experience in valuation, is independent as per the REIT code and does not have a pecuniary interest that could conflict with the proper valuation of the Properties.

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. We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the REIT Manager, the Trustee or any other party or parties who The Link REIT is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the case of its vendor, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

### SUMMARY OF VALUES

A summary of Internal Floor Area ("IFA"), number of car parking spaces, assessed market values, initial yield, indicated IRR, etc. of the Properties is shown in the attached Schedule of Values.

## Valuation Report (continued)



### VALUATION

Based on our comprehensive valuation report, we are of the opinion that the aggregate market value of the unencumbered leasehold interest in the Properties as at the Valuation Date, subject to all existing and proposed lease agreements and occupancy arrangements, is

**HK\$44,306,700,000 (HONG KONG DOLLARS FORTY FOUR BILLION THREE HUNDRED AND SIX MILLION SEVEN HUNDRED THOUSAND)**

Refer to the attached Schedule of Values for individual property values.

The notional apportionment of the Retail Facilities and Carparking Facilities of the Properties is as follows:

#### Retail Facilities

- Retail value is HK\$36,104,600,000 (Hong Kong Dollars Thirty Six Billion One Hundred and Four Million Six Hundred Thousand)
- Indicating HK\$35,309 per square metre (HK\$3,280 per square foot) of IFA
- Initial yield of 6.37%

#### Carparking Facilities

- Carpark value is HK\$8,202,100,000 (Hong Kong Dollars Eight Billion Two Hundred and Two Million One Hundred Thousand)
- Indicating HK\$103,191 per carparking space
- Initial yield of 7.16%

#### Total Portfolio

- Total portfolio value is HK\$44,306,700,000 (Hong Kong Dollars Forty Four Billion Three Hundred and Six Million Seven Hundred Thousand)
- Initial yield of 6.51%

### LIMITING CONDITIONS

We have prepared this summary report for inclusion in the Annual Report of The Link REIT and we 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 that in respect of the information provided within this valuation report. We do not make any warranty or representation as to the accuracy of the information in any part of the Annual Report other than that as expressly made or given in this valuation report.

## Valuation Report (continued)



This valuation is for the use of LML and the Trustee in connection with corporate reporting purposes of the Properties as required under the Code on Real Estate Investment Trusts. No responsibility is accepted to any other party for the whole or any part of its contents.

This summary report alone does not contain the comprehensive data and support information included in our comprehensive valuation report. For further information to that contained therein, reference should be made to the comprehensive valuation report, a copy of which is held by LML.

The reports and valuation have been prepared on the basis of information available as at 31 March 2008. Knight Frank Petty Limited accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

**CONVERSION FACTORS**

Conversion factors used in this report are

1 square metre = 10.764 square feet

1 metre = 3.2808 feet

Yours faithfully

For and on behalf of

**Knight Frank Petty Limited**

Yours faithfully

For and on behalf of

**Knight Frank Petty Limited**

**Alan Child** FRICS FHKIS RPS(GP)

*Executive Chairman*

**Alex S L Ng** MRICS MHKIS RPS(GP)

*Executive Director*

Enc

Notes:

Alan Child, FRICS, FHKIS, RPS(GP), has been a qualified valuer with Knight Frank Petty Limited since 1990 and has 40 years' experience in the valuation of properties of which 28 years has been in Hong Kong.

Alex S L Ng, MRICS, MHKIS, RPS(GP), has been a qualified valuer with Knight Frank Petty Limited since 1995 and has 22 years' experience in the valuation of properties in Hong Kong.



## Valuation Report (continued)



## Schedule of Values

| No. | Property Name                          | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach     |                  | Assessment<br>as at<br>31 March 2008 |                  | Analysis         |  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|------------------|------------------|--------------------------------------|------------------|------------------|--|
|     |  |  |                 |                                     |                        |                                    | Discount<br>Rate | Value<br>(HK\$M) | Value<br>(HK\$M)                     | Initial<br>Yield | Indicated<br>IRR |  |
| 1.  | Lok Fu Shopping Centre (Lok Fu SC)     | 38,395.10<br>(413,285)   | 793             | 90.48                               | 5.85%                  | 2,096.0                            | 8.25%            | 2,106.0          | 2,103.0                              | 4.30%            | 8.25%            |  |
|     | Brief Description:                     | Lok Fu SC, completed between 1983 and 1991, comprises a 6-storey (including basement) commercial building ("Commercial Centre I"), a 7-storey (including basement) commercial building ("Commercial Centre II"), a 5-storey carpark building ("Carpark I") and a 2-storey carpark building ("Carpark II") in Lok Fu Estate. There are a total of 793 car parking spaces in Lok Fu SC.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|     | Title Details:                         | The property is held by The Link Properties Limited. It comprises 107,428/335,530th equal and undivided shares of and in New Kowloon Inland Lot No 6451 and is held under a Government Lease for a term of 50 years from 31 December 2007.   |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
| 2.  | Chung Fu Shopping Centre (Chung Fu SC) | 21,377.00<br>(230,102)   | 1,177           | 80.35                               | 6.62%                  | 1,300.0                            | 9.25%            | 1,304.7          | 1,303.0                              | 6.17%            | 8.92%            |  |
|     | Brief Description:                     | Chung Fu SC comprises a 9-storey commercial/carpark building (Chung Fu SC Phase 1) and a 3-storey commercial building (Chung Fu SC Phase 2) connected by a footbridge on 1st floor, a kindergarten and day nursery respectively on ground floor and 1st floor of the Ancillary Facilities Block and open car park spaces in Tin Chung Court. There are a total of 1,177 parking spaces in Chung Fu SC. Phases 1 of Chung Fu SC was completed in 1999 and Phase 2 in 2000.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|     | Title Details:                         | The property is held by The Link Properties Limited. Part of the property is classified as List 1 property and part of the property is classified as List 2 property. Chung Fu SC Phase 1 is classified as List 1 property that is held by The Link Properties Limited. It comprises the entire Section A and 2,021/363,535th equal and undivided shares of and in the Remaining Portion of Tin Shui Wai Town Lot No 18 that is held under a Government Lease for a term of 50 years from 8 January 1999. Chung Fu SC Phase 2 is classified as List 2 property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |

## Valuation Report (continued)



| No. | Property Name  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 3.  | Oi Man Shopping Centre (Oi Man SC)                       | 19,033.54<br>(204,877)   | 808             | 32.61                               | 6.92%                  | 484.3                              | 9.25%                            | 492.2            | 489.6                                      | 6.66%            | 8.98%                        |
|     | Brief Description:                                       | Oi Man SC, completed in 1975, comprises a 3-storey retail building linked with four 3-storey garage buildings namely Garages A to D (Multi-storey Commercial/Car Park Accommodation), various cooked food stalls (Commercial Block 1), a single storey wet market (Commercial Block 2), various open car parking areas, various shop units located on ground floors of Chiu Man House, Hong Man House and Chung Man House and the associated areas within Oi Man Estate. There are a total of 808 car parking spaces within Oi Man SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:   | The property is held by The Link Properties Limited. It comprises 54,395/204,983rd equal and undivided shares of and in the Remaining Portion of Kowloon Inland Lot No 9826 and is held under Conditions of Grant No. UB10562 for a term of 75 years commencing from 1 April 1968.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 4.  | Shun Lee Commercial Centre (Shun Lee CC)                 | 19,007.30<br>(204,595)   | 731             | 29.40                               | 7.13%                  | 398.3                              | 9.50%                            | 394.8            | 396.0                                      | 7.42%            | 9.10%                        |
|     | Brief Description:                                       | Shun Lee CC, completed in 1978, comprises a 4-storey retail building (Commercial Complex I), a 3-storey retail building (Commercial Complex II), a 3-storey carpark building (Carpark Block A), another 3-storey carpark building (Carpark Block C) and retail units on Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House as well as open car parking area within Shun Lee Estate. There are a total of 731 car parking spaces in Shun Lee CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 5.  | Tsz Lok (Tsz Wan Shan Shopping Centre) (Tsz Wan Shan SC) | 18,992.94<br>(204,440)   | 940             | 81.93                               | 6.50%                  | 1,249.0                            | 8.75%                            | 1,303.0          | 1,285.0                                    | 6.38%            | 8.60%                        |
|     | Brief Description:                                       | Tsz Wan Shan SC, completed in 1997, comprises an 8-storey commercial centre with carparking facility (Commercial/Car Park Block), a 3-storey carpark podium of a 7-storey ancillary facilities block (Phase 3), a 3-storey carpark building (Phase 2), another split-level 4-storey carpark building (Phase 1) and various open private car or lorry parking spaces next to Phase 2 or scattered within Tsz Wan Shan Estate (Open Car Parks). There are a total of 940 car parking spaces in Tsz Wan Shan SC.                          |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:   | The property is held by The Link Properties Limited. It comprises 81,055/481,546th equal and undivided shares of and in The Remaining Portion of New Kowloon Inland Lot No 6442 and is held under a Government Lease for a term of 50 years from 8 October 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 6.  | Leung King Shopping Centre (Leung King SC) | 18,790.24<br>(202,258)   | 616             | 48.50                               | 6.74%                  | 845.6                              | 9.00%                            | 834.3            | 838.1                                      | 5.79%            | 8.59%                        |
|     | Brief Description:                         | Leung King SC, completed in 1988, comprises a 4-storey commercial/carpark building (Commercial/Car Park Block), H.A. Open Car Parks and H.A. Road in Leung King Estate. There are a total of 616 parking spaces in Leung King SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 54,922/426,295th equal and undivided shares of and in Tuen Mun Town Lot No 458 and is held under a Government Lease for a term of 50 years from 8 February 2001.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 7.  | Yat Tung Shopping Centre (Yat Tung SC)     | 17,975.01<br>(193,483)   | 1,900           | 34.35                               | 6.85%                  | 581.7                              | 9.25%                            | 561.3            | 568.1                                      | 6.05%            | 8.72%                        |
|     | Brief Description:                         | Yat Tung SC, completed in phases between 2001 and 2003, comprises a 3-storey Retail Building (Shopping Complex I), a 4-storey Retail Building (Shopping Complex II), a 6-storey Carport Building (CP 1), a second 6-storey Carport Building (CP 2), a third 6-storey Carport Building (CP 3) and Open Car Parking Areas in Yat Tung Estate. At the time of our inspection, CP 3 is not in use. There are a total of 1,900 car parking spaces in Yat Tung SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 8.  | Wo Che Commercial Centre (Wo Che CC)       | 17,382.48<br>(187,105)   | 828             | 35.35                               | 6.97%                  | 514.0                              | 9.00%                            | 544.0            | 534.0                                      | 6.62%            | 8.88%                        |
|     | Brief Description:                         | Wo Che CC, completed in 1977, comprises a 4-storey retail/carpark building (Commercial/Car Park Block), various retail units on ground floors of Tai Wo House, Foo Wo House, King Wo House, Hau Wo House and Chi Wo House (Integrated Commercial/Car Park Accommodation), associated areas and open car parks in Wo Che Estate. There are total of 828 car parking spaces in Wo Che CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 55,437/474,742nd equal and undivided shares of and in Sha Tin Town Lot No 549 and is held under a Government Lease for a term of 50 years from 23 February 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                             | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment<br>as at               |                  | Analysis         |  |
|-----|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|-----------------------------------|------------------|------------------|--|
|     |   |  |                 |                                     |                        |                                    |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Indicated<br>IRR |  |
| 9.  | Kai Tin Shopping Centre (Kai Tin SC)      | 17,150.43<br>(184,607)   | 461             | 62.52                               | 6.50%                  | 1,011.8                            | 8.50%                            | 1,062.5          | 1,046.0                           | 5.98%            | 8.38%            |  |
|     | Brief Description:                        | Kai Tin SC, completed by phases in 1999 & 2003, comprises a 5-storey shopping centre (Commercial Block), a 6-storey annexed car park building (Carpark Block) and a 4-storey retail/carpark building (Extension Block) in Kai Tin Estate. There are a total of 461 car parking spaces in Kai Tin SC.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |
|     | Title Details:                            | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |
| 10. | Hau Tak (II) Shopping Centre (Hau Tak SC) | 16,125.14<br>(173,571)   | 623             | 56.58                               | 6.50%                  | 1,032.0                            | 8.75%                            | 1,055.0          | 1,047.0                           | 5.40%            | 8.52%            |  |
|     | Brief Description:                        | Hau Tak SC, completed in 1993, comprises a 5-storey commercial/carpark block (East Wing) and a 5-storey commercial/car park block (West Wing) (collectively known as Commercial/Car Park Blocks), Associated Areas and open car parks in Hau Tak Estate. There are a total of 623 car parking spaces in Hau Tak SC.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |
|     | Title Details:                            | The property is held by The Link Properties Limited. It comprises 49,962/324,918th equal and undivided shares of and in Tseung Kwan O Town Lot No 99 and is held under a Government Lease for a term of 50 years from 14 October 2005.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |
| 11. | Choi Wan Commercial Complex (Choi Wan CC) | 15,922.10<br>(171,385)   | 859             | 27.95                               | 6.99%                  | 445.8                              | 9.25%                            | 430.8            | 435.8                             | 6.41%            | 8.73%            |  |
|     | Brief Description:                        | Choi Wan CC, completed in 1980, comprises a 5-storey (with split levels on lower ground, ground and first floors) retail/carpark building standing beside Block 6 (Commercial Centre 1), a 7-storey retail/carpark building beside Block 15 (Commercial Centre 2), a 5-storey (with split levels on ground floor) carpark building beside Block 16 (Carpark Block) that is interlinked with Commercial Centre 2 on second and third floors, a 2-storey market building (Market), various shop units on ground and first floors of Fei Fung House, various free standing cooked food stalls (Cooked Food Stalls) and various open car parking spaces within Choi Wan Estate (Open Car Parks). There are a total of 859 car parking spaces in Choi Wan CC. |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |
|     | Title Details:                            | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                  |  |

## Valuation Report (continued)



| No. | Property Name                                  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 12. | Butterfly Shopping Centre (Butterfly SC)       | 15,415.10<br>(165,928)   | 313             | 41.20                               | 7.01%                  | 650.2                              | 9.25%                            | 626.0            | 634.1                                      | 6.50%            | 8.72%                        |
|     | Brief Description:                             | Butterfly SC, completed in 1983, comprises a 4-storey commercial building (Commercial Complex), various shop units on ground and first floors of Tip Sum House (Integrated Commercial/Car Park Accommodation of Tip Sum House (Block 4)) and Tip Ling House (Integrated Commercial/Car Park Accommodation of Tip Ling House (Block 5)), a 4-storey carpark building (Multi-storey Car Park), cooked food stalls at the Commercial Area near Block 6, various open parking spaces, open loading and unloading spaces and associate area within Butterfly Estate. There are a total of 313 parking spaces in Butterfly SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 38,316/248,783rd equal and undivided shares of and in Tuen Mun Town Lot No 473 and is held under a Government Lease for a term of 50 years from 14 October 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 13. | Sau Mau Ping Shopping Centre (Sau Mau Ping SC) | 14,932.83<br>(160,737)   | 611             | 79.98                               | 6.74%                  | 1,171.6                            | 9.00%                            | 1,215.0          | 1,201.0                                    | 6.66%            | 8.82%                        |
|     | Brief Description:                             | Sau Mau Ping SC, completed in 2002, comprises a 5-storey retail/car parking building (Commercial/Car Park Block), a 4-storey carpark podium of the Ancillary Facilities Building (Multi-storey Car Park A) and some associated areas on ground floor of Multi-storey Carpark A in Sau Mau Ping Estate. There are a total of 611 car parking spaces in Sau Mau Ping SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 57,670/833,450th equal and undivided shares of and portion of 10/833,450th equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under a Government Lease for a term of 50 years from 23 February 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 14. | Lung Cheung Mall (Lung Cheung M)               | 14,785.50<br>(159,151)   | 473             | 62.61                               | 6.12%                  | 944.3                              | 8.50%                            | 965.6            | 959.0                                      | 6.53%            | 8.26%                        |
|     | Brief Description:                             | Lung Cheung M, completed in 2001, comprises a 5-storey (including a basement level) commercial podium, the adjacent 4-storey carpark podium (together known as Multi-storey Commercial/Carpark Accommodation) and some ancillary areas within Upper Wong Tai Sin Estate. There are a total of 473 car parking spaces in Lung Cheung M.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 53,974/311,854th equal and undivided shares of and in New Kowloon Inland Lot No 6439 and is held under a Government Lease for a term of 50 years from 23 February 2007.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                                  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 15. | Wong Tai Sin Shopping Centre (Wong Tai Sin SC) | 14,028.36<br>(151,001)   | 688             | 46.69                               | 6.25%                  | 1,046.0                            | 8.75%                            | 1,034.0          | 1,038.0                                    | 4.50%            | 8.36%                        |
|     | Brief Description:                             | Wong Tai Sin SC, completed in phases between 1982 and 1983, comprises a 3-storey (plus a basement) commercial/carpark podium within Lung Kwong House, Lung Fai House and Non-domestic Block between Lung Fai House and Lung Kwong House and various cooked food stalls next to Lung Kwong House (Commercial Complex), various shop units on ground floor of Lung Lok House and Lung On House (Integrated Commercial/Car Park Accommodation within Lung Lok House and Lung On House), an adjoining 5-storey carpark building with office on 4th floor (Multi-storey Commercial/Car Park Accommodation), a single-storey carpark building sandwiched between Lung Tai House and Lung Hei House (Commercial/Car Park Block), various open car parking spaces at the side of Lung Tai House (Open Car Parks) and various free standing cooked food stalls within Lower Wong Tai Sin (II) Estate. There are a total of 688 car parking spaces in Wong Tai Sin SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 51,200/323,235th equal and undivided shares of and in New Kowloon Inland Lot No 6438 and is held under a Government Lease for a term of 50 years commencing from 17 May 2007.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 16. | Cheung Fat Shopping Centre (Cheung Fat SC)     | 14,000.74<br>(150,704)   | 590             | 47.60                               | 6.97%                  | 718.0                              | 9.50%                            | 678.0            | 691.0                                      | 6.89%            | 8.90%                        |
|     | Brief Description:                             | Cheung Fat SC, completed in 1987, comprises a 7-storey (including basement) shopping centre and an Electricity Substation in Cheung Fat Estate. There are a total of 590 car parking spaces in Cheung Fat SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 49,331/171,904th equal and undivided shares of and in Tsing Yi Town Lot No. 172 and is held under a Government Lease for a term of 50 years from 22 December 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                            | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 17. | Tai Wo Shopping Centre (Tai Wo SC)       | 13,892.23<br>(149,536)   | 454             | 45.11                               | 6.54%                  | 756.8                              | 8.75%                            | 802.5            | 787.3                                      | 5.73%                        | 8.65%            |
|     | Brief Description:                       | Tai Wo SC, completed in 1989, comprises two Commercial/Car Park Blocks (Phase 1: 3-storey plus a Basement level and Phase 2: 2-storey plus a Basement level), a single storey Cooked Food Centre and Portions of the Integrated HA Accommodation comprising shops, stores, offices and clinics on ground, second and third floors of Oi Wo House and shops, offices and clinics on ground, second and third floors of On Wo House and the entrance access on ground floor of Hei Wo House that leads to ground floor of Phase 1 Commercial Block in Tai Wo Estate. There are a total of 454 car parking spaces in Tai Wo SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 40,117/414,930 equal and undivided shares of and in Tai Po Town Lot No 176 and is held under a Government Lease for a term of 50 years from 10 February 2000.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 18. | Tin Chak Shopping Centre (Tin Chak SC)   | 13,301.19<br>(143,174)   | 302             | 47.10                               | 6.68%                  | 776.4                              | 9.00%                            | 767.0            | 770.1                                      | 6.12%                        | 8.59%            |
|     | Brief Description:                       | Tin Chak SC, completed in 2001, comprises a 4-storey commercial building, a 4-storey carpark building, kiosk at the entrance of the commercial block and associate areas within Tin Chak Estate. There are a total of 302 car parking spaces in Tin Chak SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 38,810/272,897th equal and undivided shares of and in Tin Shui Wai Town Lot No 37 and is held under a Government Lease for a term of 50 years from 14 October 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 19. | Chuk Yuen Shopping Centre (Chuk Yuen SC) | 12,928.70<br>(139,165)   | 1,103           | 36.30                               | 6.85%                  | 578.3                              | 8.75%                            | 577.3            | 577.6                                      | 6.28%                        | 8.40%            |
|     | Brief Description:                       | Chuk Yuen SC, completed in 1984, comprises a 5-storey commercial block with basement carpark (Commercial/Car Park Block), a 4-storey carpark podium of Chui Yuen House (Multi-storey Car Park Accommodation), various shop units on ground and second floors of Sau Yuen House, various free standing cooked food stalls (Cooked Food Stalls) and various open car parking spaces (Open Car Parks) in Chuk Yuen South Estate. There are a total of 1,103 car parking spaces in Chuk Yuen SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 62,072/354,665th equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No 6452 and is held under a Government Lease for a term of 50 years from 16 August 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                                  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                        |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|-----------------------------------|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 20. | Cheung Hong Commercial Centre (Cheung Hong CC) | 12,634.90<br>(136,002)  | 709             | 23.07                               | 7.47%                  | 327.7                              | 9.75%                            | 329.8            | 329.1                             | 7.01%            | 9.42%                        |
|     | Brief Description:                             | Cheung Hong CC, completed in 1980, comprises a 5-storey (including Lower Ground Floor) commercial/carpark building known as Commercial Centre No 1, a 4-storey commercial building known as Commercial Centre No 2, a 3-storey carpark building known as Carpark Block No 1, a 3-storey carpark/market/games area complex known as Carpark Block No 2, various shopstalls and welfare units on ground and 1st floors of Hong Wo House, various shop units at Hong Fu House, Hong Tai House and Hong Kwai House, a 2-storey restaurant block, various cook food stalls and open car parks within Cheng Hong Estate. There are a total of 709 car parking spaces in Cheung Hong CC. |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|     | Title Details:                                 | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
| 21. | Sheung Tak Shopping Centre (Sheung Tak SC)     | 12,280.56<br>(132,188)  | 1,280           | 70.74                               | 6.53%                  | 1,068.0                            | 8.50%                            | 1,115.0          | 1,099.0                           | 6.44%            | 8.35%                        |
|     | Brief Description:                             | Sheung Tak SC, completed in 1998, comprises a 4-storey commercial/carpark block (Commercial/Carpark Block), three 5-storey carpark buildings (Car Parks A, B and C), Associated Areas on ground floor, Integrated Commercial/Car Park Accommodation on ground floor of Sheung Mei House, various open carparks, and such signs, traffic signs, road markings, shroff/kiosk, guard kiosks, control barriers and related electronic and mechanical devices serving exclusively the parking spaces in Sheung Tak Estate. There are a total of 1,280 car parking spaces in Sheung Tak SC.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 95,092/467,545th equal and undivided shares of and in Tseung Kwan O Town Lot No 98 and is held under a Government Lease for a term of 50 years from 26 March 2007.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |



## Valuation Report (continued)



| No. | Property Name                                    | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 22. | Shek Wai Kok Commercial Centre (Shek Wai Kok CC) | 12,172.61<br>(131,026)   | 578             | 12.89                               | 7.56%                  | 187.5                              | 9.50%                            | 188.7            | 188.3                                      | 6.85%                        | 9.17%            |
|     | Brief Description:                               | Shek Wai Kok CC, completed in 1980, comprises a 4-storey commercial block (Shopping Centre 1), a 3-storey (including podium) car park block (Carpark Building A), a 5-storey car park block (Carpark Building B), various shop units on ground, 1st and 2nd floors of Shek Fong House, 1st and 2nd floors of Shek Ho House as well as various open car parks in Shek Wai Kok Estate. There are a total of 578 car parking spaces in Shek Wai Kok CC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                                   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 23. | Choi Yuen Shopping Centre ("Choi Yuen SC")       | 12,120.00<br>(130,460)   | 536             | 29.76                               | 6.62%                  | 505.3                              | 9.00%                            | 503.7            | 504.2                                      | 5.90%                        | 8.64%            |
|     | Brief Description:                               | Choi Yuen SC, completed in 1982, comprises a 6-storey (include a basement level) retail/ carpark building (Commercial/Car Park Block), open car parks, associated areas and various shop units in Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House (Integrated Commercial/Car Park Accommodation) in Choi Yuen Estate. There are a total of 536 car parking spaces in Choi Yuen SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                                   | The property is held by The Link Properties Limited. It comprises 34,746/286,392nd equal and undivided shares of and in Fanling Sheung Shui Town Lot No 230 and is held under a Government Lease for a term of 50 years from 17 September 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 24. | Shan King Commercial Centre (Shan King CC)       | 12,030.05<br>(129,491)   | 638             | 22.37                               | 7.06%                  | 301.5                              | 9.50%                            | 307.0            | 305.2                                      | 7.33%                        | 9.20%            |
|     | Brief Description:                               | Shan King CC, completed in 1983, comprises a 5-storey Carpark/Commercial Block, a 4-storey Carpark/Community Complex, portions of the Integrated HA Accommodation on ground floor of King Wah House, ground floor cooked food stalls and open carparks within Shan King Estate. There are a total of 638 car parking spaces in Shan King CC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                                   | The property is held by The Link Properties Limited. It comprises 41,369/477,867th equal and undivided shares of and in Tuen Mun Town Lot No 469 and is held under a Government Lease for a term of 50 years from 20 August 2004.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                             | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 25. | Tai Yuen Commercial Centre (Tai Yuen CC)  | 11,652.10<br>(125,423)   | 594             | 20.31                               | 6.98%                  | 331.8                              | 9.25%                            | 331.3            | 331.5                                      | 6.13%            | 8.89%                        |
|     | Brief Description:                        | Tai Yuen CC, completed in 1980, comprises a 4-storey commercial building (Commercial Block A), a 3-storey (including basement) commercial building (Commercial Block B), a 4-storey Car Park Block, various commercial accommodations in Tai Wing House, Tai Man House and Tai Tak House, various associated areas, a pump room and various open car parks in Tai Yuen Estate. There are a total of 594 car parking spaces in Tai Yuen CC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                            | The property is held by The Link Properties Limited. It comprises 38,718/353,530th equal and undivided shares of and in Tai Po Town Lot No 192 and is held under a Government Lease for a term of 50 years from 29 June 2007.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 26. | Tai Hing Commercial Centre (Tai Hing CC)  | 10,881.09<br>(117,124)   | 672             | 18.48                               | 7.20%                  | 260.1                              | 9.25%                            | 265.1            | 263.4                                      | 7.02%            | 8.99%                        |
|     | Brief Description:                        | Tai Hing CC, completed in 1977, comprises a 2-storey commercial centre, a 2-storey restaurant building and various car parking spaces in Tai Hing Estate. The 2-storey commercial centre is intersected by Tai Fong Street and connected via a footbridge on 1st floor. There are total of 672 car parking spaces in Tai Hing CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                            | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 27. | Lek Yuen Commercial Complex (Lek Yuen CC) | 10,531.20<br>(113,358)   | 438             | 24.59                               | 7.11%                  | 384.5                              | 9.25%                            | 385.8            | 385.4                                      | 6.38%            | 8.91%                        |
|     | Brief Description:                        | Lek Yuen CC, completed in 1976, comprises a 3-storey retail/carpark building (Commercial/Car Park Block), various retail units and premises on ground to second floors of Wing Shui House, Wah Fung House, Fu Yu House, Fook Hoi House and Kwai Wo House (Portions of the Integrated HA Accommodation) as well as open carparks in Lek Yuen Estate. There are a total of 438 car parking spaces in Lek Yuen CC.                            |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                            | The property is held by The Link Properties Limited. It comprises 28,600/199,774th equal and undivided shares of and in Sha Tin Town Lot No 550 and is held under a Government Lease for a term of 50 years from 7 May 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                          | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 28. | Sha Kok Commercial Centre (Sha Kok CC) | 10,530.94<br>(113,355)   | 662             | 28.00                               | 7.09%                  | 379.2                              | 9.25%                            | 374.2            | 375.9                                      | 7.45%                        | 8.83%            |
|     | Brief Description:                     | Sha Kok CC, completed in 1980, comprises a 4-storey retail/carpark building (Commercial Centre), various shop units on ground floors of Sand Martin House and Osprey House (Portions of the Integrated HA Accommodation), several cooked food stalls and open car parks in Sha Kok Estate. There are total 662 car parking spaces in Sha Kok CC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 29. | Heng On Commercial Centre (Heng On CC) | 10,454.00<br>(112,527)   | 585             | 29.20                               | 7.09%                  | 405.5                              | 9.25%                            | 409.2            | 408.0                                      | 7.16%                        | 8.94%            |
|     | Brief Description:                     | Heng On CC, completed in 1987, comprises a 5-storey commercial/carpark building (Commercial/Car Park Block), all those Associated Areas and Lorry Parking Spaces along the Estate Roads in Heng On Estate. There are a total of 585 car parking spaces in Heng On CC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                         | The property is held by The Link Properties Limited. The Commercial/Carpark Block and Associated Areas comprise 39,206/40,831 equal and undivided shares of and in Section C of Sha Tin Town Lot No. 500. The Lorry Parking Spaces along Estate Roads comprises 812/247,314 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 500. They are held under a Government Lease for a term of 50 years from 8 April 1998. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 30. | Yu Chui Shopping Centre (Yu Chui SC)   | 10,399.67<br>(111,942)   | 1,175           | 15.28                               | 6.89%                  | 277.8                              | 9.25%                            | 270.5            | 272.9                                      | 5.60%                        | 8.77%            |
|     | Brief Description:                     | Yu Chui SC, completed in 2001, comprises a 7-storey including mezzanine floor shopping centre (Commercial Complex), a 4-storey stand-alone ancillary facilities building (Carpark and Ancillary Facilities Block) and various open loading and unloading spaces in Yu Chui Court. There are a total of 1,175 car parking spaces provided in Yu Chui SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                         | The property is held by The Link Properties Limited. It comprises 48,967/361,200th equal and undivided shares of and in Sha Tin Town Lot No 462 and is held under a Government Lease for a term of 50 years from 18 May 2001.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |   |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 31. | Kwai Shing East Shopping Centre (Kwai Shing East SC)  | 10,337.05<br>(111,268)  | 583             | 15.90                               | 6.99%                  | 282.0                              | 9.25%                            | 283.3            | 282.9                                      | 5.62%            | 8.92%                        |
|     | Brief Description:                                    | Kwai Shing East SC, completed in 1999, comprises a 5-storey commercial block (Shopping Centre), another 5-storey commercial block (Regional Maintenance Office), a stand-alone single-storey retail block and a single-storey Carport underneath Shing Ka House in Kwai Shing East Estate. There are a total of 583 car parking spaces in Kwai Shing East SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 32. | Tsui Ping North Shopping Circuit (Tsui Ping North SC) | 10,203.10<br>(109,826)  | 421             | 21.28                               | 6.99%                  | 333.4                              | 9.25%                            | 335.6            | 334.9                                      | 6.35%            | 8.93%                        |
|     | Brief Description:                                    | Tsui Ping North SC, completed in 1990, comprises a 2-storey retail podium with extension located within various interlinked residential blocks with associated areas (Commercial Complex), a 4-storey carpark building with associated areas and external walls (Car Park Block), various open car parking areas and portions of Integrated HA Accommodation situated within M1 & M2 floors of Tsui Tsz House, Tsui Lau House, Tsui Pak House and Tsui Yue House, M1, M2, roof & upper floors of Tsui On House and M1, M2, podium, roof and upper roof of Tsui To House in Tsui Ping (North) Estate. There are a total of 421 car parking spaces in Tsui Ping North SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is held by The Link Properties Limited. It comprises 31,542/345,220th equal and undivided shares of and in Kwun Tong Inland Lot No 754 and is held under a Government Lease for a term of 50 years from 24 January 2002.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 33. | Lok Wah Commercial Centre (Lok Wah CC)                | 10,108.00<br>(108,803)  | 650             | 14.21                               | 6.81%                  | 223.8                              | 9.25%                            | 227.2            | 226.1                                      | 6.28%            | 8.96%                        |
|     | Brief Description:                                    | Lok Wah CC, completed in 1985, comprises a 3-storey retail/carpark building (Commercial Complex), a 4-storey carpark building (Carpark Block), various open car parking spaces (Open Car Park) and various shop units on ground floors of Shun Wah House and Ning Wah House in Lok Wah (North) Estate. There are a total of 650 car parking spaces in Lok Wah CC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                           | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 34. | Ho Man Tin Plaza (Ho Man Tin Plaza)     | 9,495.08<br>(102,205)  | 299             | 28.58                               | 6.92%                  | 482.4                              | 9.25%                            | 490.9            | 488.1                                      | 5.86%                        | 8.98%            |
|     | Brief Description:                      | Ho Man Tin Plaza, completed in 2000, comprises a 4-storey commercial/carpark building and a 3-storey carpark block in Homantin Estate. There are a total of 299 car parking spaces in Ho Man Tin Plaza.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                          | The property is held by The Link Properties Limited. It comprises 3,411/57,202nd equal and undivided shares of and in Section A and 20,327/214,270th equal and undivided shares of and in the Remaining Portion of Kowloon Inland Lot No 11119 that is held under a Government Lease for a term of 50 years from 20 November 1998.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 35. | Yau Oi Commercial Centre (Yau Oi CC)    | 9,456.60<br>(101,791)  | 780             | 24.98                               | 7.02%                  | 343.2                              | 9.25%                            | 341.4            | 342.0                                      | 7.30%                        | 9.48%            |
|     | Brief Description:                      | Yau Oi CC, completed in 1980, comprises a 3-storey commercial complex composing the Restaurant Block and portion of Oi Yung House, an annexed single storey commercial podium, a 6-storey (including Mezzanine Floor) carpark and market building, a 3-storey carpark building, various cooked food stalls and open carparks within Yau Oi Estate. There are a total of 780 parking spaces in Yau Oi CC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                          | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 36. | On Ting Commercial Complex (On Ting CC) | 9,442.49<br>(101,639)  | 546             | 19.13                               | 7.03%                  | 276.9                              | 9.25%                            | 274.3            | 275.2                                      | 6.95%                        | 8.85%            |
|     | Brief Description:                      | On Ting CC, completed in 1980, comprises a 3-storey commercial complex composing the Restaurant Block and portion of Ting Cheung House, an adjacent 3-storey new annex building, a 6-storey (including a Mezzanine Floor) carpark and market building including a Food Court and various open car parking spaces within On Ting Estate. There are a total of 546 car parking spaces in On Ting CC.       |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                          | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                            | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 37. | Yau Mei & Ko Cheung (Lei Yue Mun Plaza)  | 9,320.42<br>(100,325)  | —               | 46.04                               | 6.85%                  | 702.6                              | 9.25%                            | 671.9            | 682.1                                      | 6.75%                        | 8.68%            |
|     | Brief Description:                       | Lei Yue Mun Plaza, completed in 2001, comprises a 4-storey retail podium underneath Blocks J, K and L of Yau Mei Court (Commercial Accommodation).   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 19,357/392,161st equal and undivided shares of and in New Kowloon Inland Lot No 6459 and is held under a Government Lease for a term of 50 years from 3 June 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 38. | Po Lam Shopping Centre (Po Lam SC)       | 9,320.10<br>(100,322)  | 398             | 28.19                               | 7.06%                  | 354.2                              | 9.25%                            | 351.4            | 352.3                                      | 8.00%                        | 8.85%            |
|     | Brief Description:                       | Po Lam SC, completed in 1989, comprises a 4-storey commercial building (Commercial Complex I), a 2-storey commercial building (Commercial Complex II), a 3-storey carpark building (Carpark Block), various open carparks, Integrated HA Accommodation in Po Ning House and Po Kan House as well as the electricity sub-station in Po Lam Estate. There are a total of 398 car parking spaces in Po Lam SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 25,495/341,494th equal and undivided shares of and in Tseung Kwan O Town Lot No 88 and is held under a Government Lease for a term of 50 years from 19 October 2004.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 39. | Choi Ming Shopping Centre (Choi Ming SC) | 9,299.70<br>(100,102)  | 765             | 53.47                               | 6.56%                  | 740.6                              | 8.75%                            | 751.5            | 747.9                                      | 7.15%                        | 8.47%            |
|     | Brief Description:                       | Choi Ming SC comprises a 5-storey (including basement) commercial/carpark building (Commercial/Car Park Block), the ground floor of a 6-storey retail/car park building in Kin Ming Estate (Extension Block), an 8-storey carpark building and all those covered parking spaces on ground floor of Choi Ming Court. There are a total of 765 car parking spaces in Choi Ming SC. Choi Ming Court was completed in 2001 and the Extension Block in 2003.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                           | Carport Building, Commercial/Carpark Block and Covered Parking Spaces of the property is held by The Link Properties Limited. It comprises 44,614/346,996th equal and undivided shares of and in Tseung Kwan O Town Lot No 82 and is held under a Government Lease for a term of 50 years from 4 May 2001.<br><br>Ground Floor of Choi Ming Shopping Centre Extension of the Property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                                | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 40. | Siu Sai Wan Shopping Centre (Siu Sai Wan SC) | 9,224.40<br>(99,291)  | 558             | 33.28                               | 7.03%                  | 514.7                              | 9.25%                            | 537.6            | 530.0                                      | 6.28%                        | 9.09%            |
|     | Brief Description:                           | Siu Sai Wan SC, completed in 1989, comprises a 5-storey Shopping Centre interconnected with a 12-level Car Park Block, a 2-storey Car Park Block (i.e. Siu Sai Wan Estate Phase 3 Car Park), a post office (i.e. the Integrated Commercial Accommodation) on ground floor of Sui Yick House and various car parking spaces in Siu Sai Wan Estate. There are a total of 558 car parking spaces in Siu Sai Wan SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises 34,606/418,894th equal and undivided shares of and in Chai Wan Inland Lot No 176 and is held under a Government Lease for a term of 50 years from 26 March 2007.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 41. | Lei Tung Commercial Centre (Lei Tung CC)     | 9,062.89<br>(97,553)  | 687             | 20.54                               | 7.05%                  | 295.2                              | 9.25%                            | 297.7            | 296.9                                      | 6.92%                        | 8.94%            |
|     | Brief Description:                           | Lei Tung CC, completed in 1988, comprises a 4-storey retail building (Commercial Complex 1) and a 7-storey (including 3 split level basement carparks) retail/carpark building (Commercial Complex 2) interlinked by 2 footbridges across Lei Tung Estate Bus Terminus, a 4-level carpark/market building (Car Park/Market Block), a 3-level carpark/community hall building (Car Park/Community Hall Block), various ancillary units and car parking spaces on ground, second & third floors of Tung Hing House, ground floor of Tung Mau House, basement, ground & second floors of Tung Sing House, second to fourth floors of Tung On House (Portions of the Integrated HA Accommodation) and various associated areas within Commercial Complex 1, Car Park/Market Block and Car Park/Community Hall (Associated Areas to the Detached HA Accommodation) within Lei Tung Estate. There are a total of 687 car parking spaces in Lei Tung CC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises 45,424/451,716th equal and undivided shares of and in Ap Lei Chau Inland Lot No 133 and is held under a Government Lease for a term of 50 years from 20 December 2004.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 42. | Fu Shin Shopping Centre (Fu Shin SC)         | 9,051.40<br>(97,429)  | 525             | 23.53                               | 7.13%                  | 332.7                              | 9.25%                            | 350.2            | 344.4                                      | 6.83%                        | 9.13%            |
|     | Brief Description:                           | Fu Shin SC, completed in 1986, comprises an 8-storey Commercial/Car Park Building, a single-storey Cooked Food Stalls, various associated areas and open car parking spaces in Fu Shin Estate. There are a total of 525 car parking spaces in Fu Shin SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises 33,761/330,620th equal and undivided shares of and in Tai Po Town Lot No 189 and is held under a Government Lease for a term of 50 years from 14 October 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                          | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 43. | Fu Tung Shopping Centre (Fu Tung SC)   | 9,030.00<br>(97,199)   | 537             | 26.79                               | 6.92%                  | 431.8                              | 9.50%                            | 433.4            | 432.9                                      | 6.19%            | 9.16%                        |
|     | Brief Description:                     | Fu Tung SC, completed in 1997, comprises a 4-storey retail/car park building (Commercial/Car Park Block), a 3-storey carpark building (Carpark Block) and various open car parking spaces (Open Car Parks) in Fu Tung Estate. There are a total of 537 car parking spaces in Fu Tung SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 44. | Hin Keng Shopping Centre (Hin Keng SC) | 8,895.50<br>(95,751)   | 636             | 26.42                               | 7.10%                  | 352.1                              | 9.25%                            | 369.3            | 363.6                                      | 7.27%            | 9.12%                        |
|     | Brief Description:                     | Hin Keng SC, completed in 1987, comprises a 6-storey retail/carpark building with basement floor (Commercial/Car Park Complex), open car parks, several cooked food stalls and HA Roads in Hin Keng Estate. There are total of 636 car parking spaces in Hin Keng SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is held by The Link Properties Limited. It comprises 37,320/396,392nd equal and undivided shares of and in Sha Tin Town Lot No 503 and is held under a Government Lease for a term of 50 years from 10 February 2000.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 45. | Stanley Plaza (Stanley Plaza)          | 8,836.80<br>(95,119)   | 426             | 35.92                               | 6.97%                  | 585.1                              | 9.25%                            | 592.3            | 589.9                                      | 6.09%            | 8.95%                        |
|     | Brief Description:                     | Stanley Plaza, completed in phases between 1999 and 2000, consist of three portions. Portion 1 is Stanley Plaza that comprises a 6-storey retail/carpark building (Commercial/Car Park Block), a 3-storey retail building (Murray House) and three single-storey shop stalls/kiosks erected at the Village Square together with the open venue thereof. Portion 2 comprises various open car parking spaces near Lung Tak Court within Ma Hang Estate. Portion 3 comprises two shop units on ground floor of Leung Ma House and the 2-storey basement carpark building (Basement Carpark Block) situated adjacent to Leung Ma House of Ma Hang Estate. There are a total of 426 car parking spaces in Stanley Plaza. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |



## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 46. | Long Ping Commercial Centre (Long Ping CC) | 8,783.91<br>(94,550)  | 564             | 14.14                               | 7.15%                  | 241.1                              | 9.25%                            | 242.9            | 242.3                                      | 5.84%                        | 8.93%            |
|     | Brief Description:                         | Long Ping CC, completed in 1987, comprises a 6-storey (including a Mezzanine Floor) commercial/car park block, a 2-storey carpark/community centre block and several retail units at Yuk Ping House, Shek Ping House and Kang Ping House in Long Ping Estate. There are a total of 564 car parking spaces in Long Ping CC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 32,958/498,969th equal and undivided shares of and in Yuen Long Town Lot No 521 and is held under a Government Lease for a term of 50 years from 15 March 2006.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 47. | Tak Tin Shopping Centre (Tak Tin SC)       | 8,400.01<br>(90,418)  | 754             | 32.96                               | 7.25%                  | 464.9                              | 9.25%                            | 473.9            | 470.9                                      | 7.00%                        | 8.98%            |
|     | Brief Description:                         | Tak Tin SC, completed in 1991, comprises a 4-storey commercial building ("Commercial Block"), a 7-storey carpark building ("Car Park Block A"), a 6-storey carpark building ("Car Park Block B"), a single-storey car park podium ("Car Park Block C") located underneath the residential block of Tak Hong House and various shop units on 2nd Floor of Tak King House in Tak Tin Estate. There are a total of 754 car parking spaces in Tak Tin SC.                                 |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 25,782/308,756th equal and undivided shares of and in New Kowloon Inland Lot No 6326 and is held under a Government Lease for a term of 50 years commencing from 18 March 1999.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 48. | Tsui Lam Shopping Centre (Tsui Lam SC)     | 8,215.00<br>(88,426)  | 711             | 16.62                               | 7.53%                  | 232.2                              | 9.75%                            | 224.3            | 226.9                                      | 7.32%                        | 9.22%            |
|     | Brief Description:                         | Tsui Lam SC, completed in 1989, comprises portions of the Detached HA Accommodation, which includes a 6-storey commercial/car park block (excluding the canteen and bus regulator on ground floor), two cooked food stalls, a 2-storey car park block, oil tank and all those portions of the Integrated HA Accommodation on ground floor, 2nd floor and 3rd floor of Pik Lam House and Sau Lam House in Tsui Lam Estate. There are a total of 711 car parking spaces in Tsui Lam SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 35,166/319,299th equal and undivided shares of and in Tseung Kwan O Town Lot No 96 and is held under a Government Lease for a term of 50 years from 15 February 2006.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                          | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 49. | Mei Lam Commercial Centre (Mei Lam CC) | 8,067.10<br>(86,834)   | 375             | 20.85                               | 7.05%                  | 219.6                              | 9.25%                            | 218.8            | 219.1                                      | 9.52%            | 8.87%                        |
|     | Brief Description:                     | Mei Lam CC, completed in 1981, comprises a 3-storey retail building (Commercial Complex), an adjoining 4-storey carpark building (Multi-Storey Car Park), various retail units on ground floor of Mei Fung House (Portions of the Integrated HA Accommodation), cooked food stalls and open carparks in Mei Lam Estate. There are a total of 375 car parking spaces in Mei Lam CC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 50. | Tin Yiu Shopping Centre (Tin Yiu SC)   | 7,998.19<br>(86,093)   | 480             | 40.59                               | 7.11%                  | 519.7                              | 9.25%                            | 511.3            | 514.1                                      | 7.90%            | 8.82%                        |
|     | Brief Description:                     | Tin Yiu SC, completed in 1992, comprises a 4-storey commercial/carpark building (Commercial/Car Park Block), open parking spaces and associates areas in Tin Yiu Estate. There are a total of 480 car parking spaces in Tin Yiu SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is held by The Link Properties Limited. It comprises 31,581/574,611st equal and undivided shares of and in Tin Shui Wai Town Lot No 38 and is held under a Government Lease for a term of 50 years from 17 September 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 51. | Shun On Commercial Centre (Shun On CC) | 7,900.10<br>(85,037)   | 459             | 5.56                                | 7.62%                  | 75.2                               | 9.75%                            | 76.0             | 75.7                                       | 7.34%            | 9.43%                        |
|     | Brief Description:                     | Shun On CC, completed in 1978, comprises a 2-storey retail/4-storey carpark building (Commercial/Carpark Block), various open car parking areas (Open Car Parking Areas) and various shop units on ground and first floors of On Chak House and On Kwan House in Shun On Estate. There are a total of 459 car parking spaces in Shun On CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 52. | Shek Lei Shopping Centre Phase II (Shek Lei SC Phase II) | 7,839.10<br>(84,380)  | 179             | 15.37                               | 6.93%                  | 257.4                              | 9.50%                            | 257.5            | 257.5                                      | 5.97%                        | 9.14%            |
|     | Brief Description:                                       | Shek Lei SC Phase II, completed in 1999, comprises a 6-storey commercial/carpark building (Commercial/Car Park Block) in Shek Lei Estate. There are a total of 179 car parking spaces in Shek Lei SC Phase II.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 53. | Po Tat Shopping Centre (Po Tat SC)                       | 7,789.20<br>(83,843)  | 1,083           | 28.08                               | 7.09%                  | 375.3                              | 9.50%                            | 357.9            | 363.7                                      | 7.72%                        | 8.91%            |
|     | Brief Description:                                       | Po Tat SC, completed in 2002, comprises a 6-storey retail/carpark building (Commercial Centre), a 3-storey carpark podium underneath Blocks A to C (Carpark Podium I) and a 3-storey carpark podium underneath Blocks D to F (Carpark Podium II) in Po Tat Estate. There are a total of 1,083 car parking spaces in Po Tat SC.                        |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 54. | Chung On Shopping Centre (Chung On SC)                   | 7,740.21<br>(83,316)  | 995             | 30.76                               | 7.25%                  | 381.6                              | 9.50%                            | 390.2            | 387.3                                      | 7.94%                        | 9.25%            |
|     | Brief Description:                                       | Chung On SC, completed in 1996, comprises a 6-storey (including roof) Commercial/Car Park Block with associated areas, covered parking spaces on ground floor of Chung Ping House (namely the Integrated Commercial/Carpark Accommodation) and all the open car parks in Chung On Estate. There are a total of 995 car parking spaces in Chung On SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:   | The property is held by The Link Properties Limited. It comprises 41,385/223,886th equal and undivided shares of and in Sha Tin Town Lot No 544 and is held under a Government Lease for a term of 50 years from 14 October 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 55. | Oi Tung Shopping Centre (Oi Tung SC)       | 7,610.00<br>(81,914)  | 634             | 24.90                               | 6.80%                  | 367.2                              | 9.00%                            | 373.2            | 371.2                                      | 6.71%            | 8.73%                        |
|     | Brief Description:                         | Oi Tung SC, completed in 2000, comprises a 3-storey retail building (Commercial Centre), a 6-storey car parking podium accommodating various welfare units, carparking spaces and office unit on 6th Floor of Oi Sin House (Multi-storey Commercial/Car Park Accommodation and the Integrated Commercial/Car Park Accommodation) and various associated areas (Associated Areas) in Oi Tung Estate. There are a total of 634 car parking spaces in Oi Tung SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 34,910/194,191st equal and undivided shares of and in Shau Kei Wan Inland Lot No 849 and is held under a Government Lease for a term of 50 years from 17 September 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 56. | Kwong Yuen Shopping Centre (Kwong Yuen SC) | 7,561.00<br>(81,387)  | 736             | 28.25                               | 7.41%                  | 368.3                              | 9.75%                            | 371.4            | 370.4                                      | 7.63%            | 9.42%                        |
|     | Brief Description:                         | Kwong Yuen SC, completed in 1991, comprises five 2-storey to 3-storey retail buildings (Commercial Complex — Commercial Block Nos 1-5) with Associated Area, two separate 5-storey and 6-storey carpark buildings (Car Park Block Nos 1 & 2) with Associated Area and open car parks in Kwong Yuen Estate. There are a total of 736 car parking spaces in Kwong Yuen SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 29,929/279,026th equal and undivided shares of and in Sha Tin Town Lot No 506 and is held under a Government Lease for a term of 50 years from 8 February 2001.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 57. | Wan Tsui Commercial Complex (Wan Tsui CC)  | 7,508.20<br>(80,818)  | 359             | 12.45                               | 6.93%                  | 212.6                              | 9.25%                            | 206.8            | 208.7                                      | 5.97%            | 8.79%                        |
|     | Brief Description:                         | Wan Tsui CC, completed in 1979, comprises a 5-storey retail building (Commercial Block), a single-storey carpark building adjacent to Hei Tsui House (Car Park Block), a 2-storey (including a basement) market/carpark building (Market/Carpark Block), a 2-storey carpark podium beneath Chak Tsui House (Carpark Podium), various shop units on ground floor of Yee Tsui House and Shing Tsui House, a Government clinic on ground floor of Lee Tsui House and various open car parking spaces along the estate roads (Open Car Parks) within Wan Tsui Estate. There are a total of 359 car parking spaces within Wan Tsui CC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                                | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 58. | Tin Shing Shopping Centre (Tin Shing SC)     | 7,479.10<br>(80,505)   | 1,458           | 35.60                               | 7.05%                  | 470.5                              | 9.25%                            | 484.6            | 479.9                                      | 7.42%                        | 9.04%            |
|     | Brief Description:                           | Tin Shing SC, completed in 2000, comprises an 8-storey commercial/carpark building (Ting Shing Commercial Centre), a 2-storey kindergarten and day nursery (Ancillary Facilities Block) in Tin Shing Estate. There are a total of 1,458 car parking spaces in Tin Shing SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises the entire Section A and 1,480/357,800th equal and undivided shares of and in the Remaining Portion of Tin Shui Wai Town Lot No 17 that is held under a Government Lease for a term of 50 years from 28 November 1997.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 59. | Fung Tak Shopping Centre (Fung Tak SC)       | 7,444.00<br>(80,127)   | 487             | 23.60                               | 7.19%                  | 323.1                              | 9.25%                            | 325.6            | 324.8                                      | 7.27%                        | 8.93%            |
|     | Brief Description:                           | Fung Tak SC, completed in 1991, comprises a 4-storey commercial building (Commercial Centre), various shop units at Ban Fung House and Ngan Fung House and a 6-storey car park building in Fung Tak Estate. There are a total of 487 car parking spaces in Fung Tak SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises the entire Sections A and C and 1,070/202,138th equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No 6318 that is held under a Government Lease for a term of 50 years from 8 April 1998.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 60. | Tai Wo Hau Commercial Centre (Tai Wo Hau CC) | 7,314.60<br>(78,734)   | 609             | 16.83                               | 7.60%                  | 258.2                              | 9.75%                            | 245.3            | 249.6                                      | 6.74%                        | 9.13%            |
|     | Brief Description:                           | Tai Wo Hau CC, completed in two phases in 1984 and 1993, comprises a 4-storey commercial block (Commercial Centre 1), a single-storey commercial block (Commercial Centre 2), various shop units on ground floor and podium floor of Fu On House, plant room and a shop unit on ground floor and a shop unit and two toilets on upper ground floor of Fu Pik House, a 4-storey carpark (Carpark Block), carparks on Levels 1 and 2 of Community Centre, carparks on lower ground floor and a plant room on the podium of Indoor Recreation Centre and various open car parks in Tai Wo Hau Estate. There are a total of 609 car parking spaces in Tai Wo Hau CC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                               | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                                  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 61. | Lei Cheng Uk Shopping Centre (Lei Cheng Uk SC) | 7,293.94<br>(78,512)  | 461             | 11.23                               | 7.49%                  | 162.6                              | 9.50%                            | 157.4            | 159.1                                      | 7.06%            | 9.34%                        |
|     | Brief Description:                             | Lei Cheng Uk SC, completed in 1984, comprises a 4-storey commercial/carpark podium (Commercial/Car Park Areas), a single-storey carpark building near Lai Yeung House (Car Park Block), various open car parking spaces (Open Car Parks) and various shop units at Yan Oi House and Chung Hau House within Lei Cheng UK Estate. There are a total of 461 car parking spaces in Lei Cheng Uk SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 21,862/264,258th equal and undivided shares of and in New Kowloon Inland Lot No 6416 and is held under a Government Lease for a term of 50 years from 24 January 2002.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 62. | Hing Wah Shopping Centre (Hing Wah SC)         | 7,248.05<br>(78,018)  | 268             | 16.08                               | 7.06%                  | 225.0                              | 9.50%                            | 236.2            | 232.5                                      | 6.92%            | 9.33%                        |
|     | Brief Description:                             | Hing Wah SC, completed in 2000, comprises a 2-storey Commercial Centre, a 9-storey Car Park Block, the Integrated Commercial/Car Park Accommodation on ground floor (Podium Level) of May Wah House and Associated Areas in Hing Wah Estate. There are a total of 268 car parking spaces in Hing Wah SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 27,675/160,197th equal and undivided shares of and in Chai Wan Inland Lot No 177 and is held under a Government Lease for a term of 50 years from 28 February 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 63. | Lai Kok Shopping Centre (Lai Kok SC)           | 7,205.00<br>(77,555)  | 140             | 5.45                                | 7.11%                  | 104.6                              | 9.50%                            | 107.4            | 106.5                                      | 5.12%            | 9.26%                        |
|     | Brief Description:                             | Lai Kok SC, completed in 1981, comprises a 3-storey commercial building, a single storey wet market, a 3-storey carpark building, various ground level shop units opposite to Lai Ho House, and various shop units on ground floor of Lai Huen House, Lai Lan House and Lai Mei House in Lai Kok Estate. There are a total of 140 car parking spaces in Lai Kok SC.                             |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Value<br>(HK\$M) |                              |                  |
| 64. | Kai Yip Commercial Centre (Kai Yip CC)     | 7,108.40<br>(76,515)   | 383             | 13.77                               | 7.02%                  | 207.7                              | 9.25%                            | 199.6            | 202.3                                      | 6.81%            | 8.71%                        |                  |
|     | Brief Description:                         | Kai Yip CC, completed in 1981, comprises a 4-storey retail/carpark building (Commercial Centre), open car parking areas, various cooked food stalls and various shop units in Kai Yip Community Hall as well as ground floor of Kai Yin House and Kai Lok House in Kai Yip Estate. There are a total of 383 car parking spaces in Kai Yip CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |
| 65. | Shek Yam Shopping Centre (Shek Yam SC)     | 7,031.03<br>(75,682)   | 424             | 12.63                               | 6.83%                  | 262.3                              | 9.25%                            | 255.1            | 257.5                                      | 4.90%            | 8.76%                        |                  |
|     | Brief Description:                         | Shek Yam SC, completed in 2000, comprises a 7-storey commercial building in Shek Yam Estate. There are a total of 424 car parking spaces therein.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |
| 66. | Sam Shing Commercial Centre (Sam Shing CC) | 6,985.70<br>(75,194)   | 176             | 5.35                                | 7.40%                  | 86.0                               | 9.75%                            | 84.4             | 84.9                                       | 6.30%            | 9.30%                        |                  |
|     | Brief Description:                         | Sam Shing CC, completed in 1980, comprises a 3-storey commercial/carpark building (Commercial Complex), an annexed single storey market building (Market), cooked food stalls, shop stalls, open parking spaces, portions of ground floor of Block 1 (Chun Yu House), Block 2 (Moon Yu House) and portions of ground and first floors of Block 3 (Fung Yu House) of Sam Shing Estate. There are a total of 176 parking spaces in Sam Shing CC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                        |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|-----------------------------------|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 67. | Tin Shui Shopping Centre (Tin Shui SC)     | 6,883.10<br>(74,090)  | 577             | 27.21                               | 6.95%                  | 396.3                              | 9.25%                            | 400.0            | 398.8                             | 6.82%            | 8.94%                        |
|     | Brief Description:                         | Tin Shui SC, completed in 1992, comprises a 2-storey commercial block, a 4-storey commercial/car park block (connected internally and together known as Commercial/Car Park Block), various open parking spaces and associated areas in Tin Shui Estate. There are a total of 577 car parking spaces in Tin Shui SC.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 34,646/599,404th equal and undivided shares of and in Tin Shui Wai Town Lot No 39 and is held under a Government Lease for a term of 50 years from 5 September 2007.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
| 68. | Kwong Fuk Commercial Centre (Kwong Fuk CC) | 6,619.00<br>(71,247)  | 461             | 16.06                               | 7.31%                  | 260.9                              | 9.50%                            | 261.6            | 261.4                             | 6.14%            | 9.15%                        |
|     | Brief Description:                         | Kwong Fuk CC, completed in 1983, comprises a 3-storey Commercial Complex erected over a 2-storey Carpark and Market Complex, various ground floor shops at Kwong Yan House, all the cooked food stalls and open carparks within Kwong Fuk Estate. There are a total of 461 parking spaces in Kwong Fuk CC.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
| 69. | Lung Hang Commercial Centre (Lung Hang CC) | 6,474.70<br>(69,694)  | 440             | 22.31                               | 7.10%                  | 295.4                              | 9.25%                            | 293.5            | 294.1                             | 7.59%            | 8.87%                        |
|     | Brief Description:                         | Lung Hang CC, completed in 1983, comprises a 3-storey retail/carpark building (Commercial Complex), a single storey market building (Market), a single storey carpark building (Car Park Block), various retail units on ground floor of Wing Sam House (Portions of the Integrated HA Accommodation), cooked food stalls and open carparks in Lung Hang Estate. There are a total of 440 car parking spaces in Lung Hang CC. |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |



## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 70. | Sun Chui Shopping Centre (Sun Chui SC)     | 6,377.18<br>(68,644)  | 620             | 19.03                               | 7.00%                  | 266.2                              | 9.25%                            | 262.9            | 264.0                                      | 7.21%                        | 8.84%            |
|     | Brief Description:                         | Sun Chui SC, completed in 1983, comprises a 3-storey retail building (Commercial Centre), a single storey market building (Market), a separate 3-storey carpark building (Car Park 1), two separate single storey carpark buildings (Car Park 2 & 3), an office premises on ground floor of Sun Yee House (Portions of the Integrated HA Accommodation), several cooked food stalls and open carpark in Sun Chui Estate. There are a total of 620 car parking spaces in Sun Chui SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 71. | Wah Ming Shopping Centre (Wah Ming SC)     | 6,225.94<br>(67,016)  | 295             | 18.04                               | 7.43%                  | 241.9                              | 9.50%                            | 251.0            | 248.0                                      | 7.27%                        | 9.31%            |
|     | Brief Description:                         | Wah Ming SC, completed in 1990, comprises two 3-storey retail/carpark buildings (Commercial/Car Park Blocks) that are interlinked by a footbridge on second floor, and portions of the parking areas within Wah Ming Estate. There are a total of 295 car parking spaces in Wah Ming SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 22,726/324,858th equal and undivided shares of and in Fanling Sheung Shui Town Lot No 204 and is held under a Government Lease for a term of 50 years from 18 March 1999.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 72. | Cheung Wah Shopping Centre (Cheung Wah SC) | 6,216.56<br>(66,915)  | 353             | 9.90                                | 7.19%                  | 159.7                              | 9.50%                            | 160.1            | 160.0                                      | 6.19%                        | 9.15%            |
|     | Brief Description:                         | Cheung Wah SC, completed in 1984, comprises a 4-storey retail building (Commercial Centre), an adjoining 3-storey market building (Market) and a 2-storey carpark building (Car Park 2) with cooked food stalls on the roof, linked by a footbridge on third floor podium. The property also includes a 4-storey carpark building (Car Park 1), open car parking spaces and various shop units located on ground floor of Cheung Chung House and Cheung Lai House in Cheung Wah Estate. There are a total of 353 car parking spaces in Cheung Wah SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 26,310/299,811 equal and undivided shares of and in Fanling Sheung Shui Town Lot No 226 and is held under a Government Lease for a term of 50 years from 16 June 2004.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                            | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 73. | Fu Cheong Shopping Centre (Fu Cheong SC) | 6,207.08<br>(66,813)   | 547             | 10.82                               | 6.92%                  | 184.4                              | 9.25%                            | 187.3            | 186.3                                      | 5.81%            | 8.97%                        |
|     | Brief Description:                       | Fu Cheong SC, completed in 2002, comprises a 3-storey commercial podium (Multi-storey Commercial Accommodation and Integrated Commercial/Carpark Accommodation, Fu Yun House (Ancillary Facilities Block)) beneath Fu Yun House and a 4-storey carpark podium (Multi-storey Carpark Accommodation) beneath Fu Hoi House and Fu Yee House of Fu Cheong Estate. There are a total of 547 car parking spaces in Fu Cheong SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 31,469/355,647th equal and undivided shares of and in New Kowloon Inland Lot No 6437 and is held under a Government Lease for a term of 50 years from 17 September 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 74. | Yiu Tung Shopping Centre (Yiu Tung SC)   | 6,199.93<br>(66,736)   | 685             | 7.73                                | 7.65%                  | 128.3                              | 9.75%                            | 128.8            | 128.6                                      | 6.01%            | 9.41%                        |
|     | Brief Description:                       | Yiu Tung SC, completed in 1994, comprises a 3-storey retail building (Commercial Centre), a 2-storey carpark building (Car Park No 1) and an 8-storey carpark building (Car Park No 2) in Yiu Tung Estate. Escalators and footbridges in Yiu Tung Estate provide direct access to the bottom of Yiu Hing Road and Nam Hong Street. There are a total of 685 car parking spaces in Yiu Tung SC.                             |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 75. | Po Tin Shopping Centre (Po Tin SC)       | 5,953.90<br>(64,088)   | 62              | 9.42                                | 7.24%                  | 149.1                              | 9.75%                            | 148.0            | 148.4                                      | 6.35%            | 9.35%                        |
|     | Brief Description:                       | Po Tin SC, completed in 2000, comprises a 4-storey commercial building and various open parking spaces in Po Tin Estate. There are a total of 62 parking spaces within Po Tin SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income Capitalisation<br>Cap.<br>Rate | Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|---|--|-----------------|-------------------------------------|---------------------------------------|------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |   |  |                 |                                     |                                       |                  |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 76. | Sui Wo Court Commercial Centre (Sui Wo Court CC)                      | 5,911.60<br>(63,632)   | 980             | 12.40                               | 7.45%                                 | 167.1            | 10.00%                           | 168.9            | 168.3                                      | 7.37%                        | 9.69%            |
|     | Brief Description:  | Sui Wo Court CC, completed in 1980, comprises a 2-storey retail/carpark building with basement floor (Commercial/Car Park Block), two separate 3-storey carpark buildings (Multi-Storey Car Park A and C), a free standing 6-storey carpark building (Multi-Storey Car Park B), open car parks and associated areas in Sui Wo Court. There are total of 980 car parking spaces in Sui Wo Court CC.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|     | Title Details:  | The property is held by The Link Properties Limited. It comprises 26,994/32,808th equal and undivided shares of and in Section A of Sha Tin Town Lot No 43 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
| 77. | Fu Tai Shopping Centre (Fu Tai SC)                                    | 5,886.00<br>(63,357)   | 635             | 18.70                               | 6.97%                                 | 309.6            | 9.25%                            | 298.8            | 302.4                                      | 6.18%                        | 8.73%            |
|     | Brief Description:  | Fu Tai SC, completed in 2000, comprises a 3-storey commercial building, a 6-storey annexed car park building, various open car parking spaces and associated areas in Fu Tai Estate. There are a total of 635 car parking spaces in Fu Tai SC.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|     | Title Details:  | The property is held by The Link Properties Limited. It comprises 38,769/382,833rd equal and undivided shares of and in Tuen Mun Town Lot No 418 and is held under a Government Lease for a term of 50 years from 12 March 2001.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
| 78. | Retail and Carpark within Shun Tin Estate (Shun Tin Retail & Carpark) | 5,842.60<br>(62,890)   | 581             | 10.36                               | 7.45%                                 | 163.8            | 9.75%                            | 156.2            | 158.7                                      | 6.53%                        | 9.16%            |
|     | Brief Description:  | Shun Tin Retail & Carpark, completed in 1981, comprises a 4-storey carpark building (Garage A), a 3-storey carpark building (Garage B), a single storey market building (Market), various open car parking spaces within Shun Tin Estate, various cooked food stalls and shop units located at Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House in Shun Tin Estate. There are a total of 581 car parking spaces in Shun Tin Retail & Carpark. |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|     | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                                | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 79. | Chun Shek Shopping Centre (Chun Shek SC)     | 5,774.25<br>(62,154)  | 583             | 8.54                                | 7.24%                  | 121.2                              | 9.50%                            | 125.8            | 124.3                                      | 6.87%            | 9.31%                        |
|     | Brief Description:                           | Chun Shek SC, completed in 1984, comprises a 4-storey retail building (Commercial Complex), an adjoining 4-storey carpark building (Carpark Block 1), a free-standing 2-storey carpark building (Carpark Block 2), open car parks and various shop units on ground floor of Shek Jing House (Portions of the Integrated HA Accommodation) in Chun Shek Estate. There are a total of 583 car parking spaces in Chun Shek SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                               | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 80. | Cheung Hang Shopping Centre (Cheung Hang SC) | 5,704.94<br>(61,408)  | 327             | 10.46                               | 7.55%                  | 169.0                              | 9.75%                            | 163.8            | 165.5                                      | 6.32%            | 9.24%                        |
|     | Brief Description:                           | Cheung Hang SC, completed in 1990, comprises a 5-storey commercial centre and a 5-storey carpark building in Cheung Hang Estate. There are a total of 327 car parking spaces in Cheung Hang SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                               | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 81. | Kwong Tin Shopping Centre (Kwong Tin SC)     | 5,550.45<br>(59,745)  | 53              | 8.94                                | 7.27%                  | 164.7                              | 9.75%                            | 159.7            | 161.4                                      | 5.54%            | 9.24%                        |
|     | Brief Description:                           | Kwong Tin SC, completed in 1993, comprises a 3-storey commercial/carpark building and associated areas in Kwong Tin Estate. There are a total of 53 car parking spaces in Kwong Tin SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                               | The property is held by The Link Properties Limited. It comprises 12,957/162,870th equal and undivided shares of and in New Kowloon Inland Lot No 6445 and is held under a Government Lease for a term of 50 years commencing from 14 October 2005.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                              | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach     |                  | Assessment<br>as at<br>31 March 2008 |                  | Analysis         |  |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|------------------|------------------|--------------------------------------|------------------|------------------|--|
|     |  |  |                 |                                     |                        |                                    | Discount<br>Rate | Value<br>(HK\$M) | Value<br>(HK\$M)                     | Initial<br>Yield | Indicated<br>IRR |  |
| 82. | Tin Ping Shopping Centre (Tin Ping SC)     | 5,492.66<br>(59,123)   | 471             | 13.64                               | 7.57%                  | 192.7                              | 9.75%            | 195.8            | 194.8                                | 7.00%            | 9.47%            |  |
|     | Brief Description:                         | Tin Ping SC, completed in 1989, comprises a 5-storey (including lower ground floor) retail/ carpark building (Commercial/Car Park Block), a single-storey Cooked Food Centre (currently occupied as a fast food restaurant), various open car parking spaces (Open Car Parks) and various shop units/storerooms on ground floor of Tin Hor House, Tin Ming House and Tin Mei House (Portions of the Integrated HA Accommodation) in Tin Ping Estate. There are a total of 471 car parking spaces in Tin Ping SC. |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 23,852/353,579 equal and undivided shares of and in Fanling Sheung Shui Town Lot No 208 and is held under a Government Lease for a term of 50 years from 10 February 2000.   |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
| 83. | Yung Shing Shopping Centre (Yung Shing SC) | 5,453.50<br>(58,701)   | 283             | 15.63                               | 7.23%                  | 199.9                              | 9.25%            | 201.8            | 201.2                                | 7.77%            | 8.94%            |  |
|     | Brief Description:                         | Yung Shing SC, completed in 1999, comprises a 3-storey retail building and a 4-storey carpark podium of the adjoining 7-storey ancillary facilities building (Portions of Composite Block) in Yung Shing Court. There are a total of 283 car parking spaces in Yung Shing SC.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|     | Title Details:                             | The property is held by The Link Properties Limited. It comprises 12,641/161,475th equal and undivided shares of and in Fanling Sheung Shui Town Lot No 207 and is held under a Government Lease for a term of 50 years from 16 July 1999.   |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
| 84. | Kwai Fong Shopping Centre (Kwai Fong SC)   | 5,450.00<br>(58,664)   | 483             | 12.51                               | 7.26%                  | 271.4                              | 9.50%            | 261.5            | 264.8                                | 4.72%            | 8.98%            |  |
|     | Brief Description:                         | Kwai Fong SC, completed by phases in 1995 and 2000, comprises a 2-storey commercial block (Shopping Centre), a 3-storey commercial podium underneath Kwai Oi House (Kwai Oi House Shopping Centre), various shop units on ground floor of Kwai Kin House, a 6-level car park block (Multi-storey Carport), an 8-Level car park block (Carport Building) and various open car parks in Kwai Fong Estate. There are a total of 483 car parking spaces in Kwai Fong SC.   |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|     | Title Details:                             | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |

## Valuation Report (continued)



| No. | Property Name                            | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 85. | King Lam Shopping Centre (King Lam SC)   | 5,352.00<br>(57,609)   | 418             | 17.87                               | 7.40%                  | 228.7                              | 9.50%                            | 238.0            | 234.9                                      | 7.61%            | 9.32%                        |
|     | Brief Description:                       | King Lam SC, completed in 1990, comprises a 4-storey commercial/car park building, various shop units on ground floors of King Chung House and King Lui House and various open carparks in King Lam Estate. There are a total of 418 car parking spaces in King Lam SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is held by The Link Properties Limited. It comprises 18,412/278,433rd equal and undivided shares of and in Tseung Kwan O Town Lot No 83 and is held under a Government Lease for a term of 50 years from 8 February 2001.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 86. | Ka Fuk Shopping Centre (Ka Fuk SC)       | 5,281.59<br>(56,851)   | 312             | 12.46                               | 7.22%                  | 153.4                              | 9.75%                            | 163.3            | 160.0                                      | 7.79%            | 9.69%                        |
|     | Brief Description:                       | Ka Fuk SC, completed in 1995, comprises a 5-storey retail/carpark building and an adjoining 2-storey retail building interlinked on first floor via a footbridge (Commercial Centre) and various open car parks in Ka Fuk Estate. There are a total of 312 car parking spaces in Ka Fuk SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 87. | Hing Tung Shopping Centre (Hing Tung SC) | 5,251.95<br>(56,532)   | 420             | 12.19                               | 7.45%                  | 159.9                              | 9.75%                            | 169.0            | 166.0                                      | 7.34%            | 9.65%                        |
|     | Brief Description:                       | Hing Tung SC, completed in 1995, comprises a 7-storey commercial/carpark building (Commercial/Carpark Block) and a shop unit at the 2-storey stand-alone lift tower (i.e. Lift Tower No 1 that is linked to the Commercial/Carpark Block by a footbridge across Yiu Hing Road) in Hing Tung Estate. There are a total of 420 car parking spaces in Hing Tung SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name                                  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 88. | Fu Heng Shopping Centre (Fu Heng SC)           | 5,198.30<br>(55,955)   | 517             | 22.61                               | 7.24%                  | 292.0                              | 9.25%                            | 309.0            | 303.3                                      | 7.45%            | 9.22%                        |
|     | Brief Description:                             | Fu Heng SC, completed in 1990, comprises a 3-storey (including a Semi-Basement) Commercial/Car Park Building with a 2-storey Carpark/Indoor Recreational Centre annexed thereto (i.e. Multi-purpose Complex), a 3-storey Car Park Block and various open car parking spaces along the estate road of Fu Heng Estate. The Indoor Recreational Centre does not form part of the Fu Heng SC. There are a total of 517 car parking spaces in Fu Heng SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 22,900/358,013th equal and undivided shares of and in Tai Po Town Lot No 178 and is held under a Government Lease for a term of 50 years from 10 February 2000.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 89. | Sun Tin Wai Commercial Centre (Sun Tin Wai CC) | 5,140.60<br>(55,333)   | 320             | 7.10                                | 7.42%                  | 106.5                              | 9.50%                            | 99.8             | 102.0                                      | 6.96%            | 8.83%                        |
|     | Brief Description:                             | Sun Tin Wai CC, completed in 1981, comprises a 6-storey retail/carpark building (Sun Tin Wai Commercial Centre), open carparks and various isolated cooked food stalls in Sun Tin Wai Estate. There are a total of 320 car parking spaces in Sun Tin Wai CC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 90. | Yiu On Shopping Centre (Yiu On SC)             | 4,956.34<br>(53,350)   | 547             | 19.71                               | 7.45%                  | 230.0                              | 9.75%                            | 234.3            | 232.9                                      | 8.46%            | 9.47%                        |
|     | Brief Description:                             | Yiu On SC, completed in 1989, comprises a 7-storey multi-purpose complex with retail shops, market and parking spaces therein and various open car parking spaces adjacent to the complex in Yiu On Estate. There are a total of 547 parking spaces in Yiu On SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                 | The property is held by The Link Properties Limited. It comprises 12,616/306,501st equal and undivided shares of and in Sha Tin Town Lot No 505 and is held under a Government Lease for a term of 50 years from 18 March 1999.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No. | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 91. | Lee On Shopping Centre (Lee On SC)  | 4,625.14<br>(49,785)   | 390             | 21.00                               | 7.34%                  | 238.9                              | 9.50%                            | 238.2            | 238.4                                      | 8.81%            | 9.13%                        |
|     | Brief Description:  | Lee On SC, completed in 1993, comprises a 4-storey commercial centre with retail, market and car parking spaces therein, various stores under estate road and various open car parking spaces scattered over Lee On Estate. There are a total of 390 car parking spaces in Lee On SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 92. | Retail and Carpark within Ap Lei Chau Estate (Ap Lei Chau Retail & Carpark) | 4,489.40<br>(48,324)   | 325             | 17.10                               | 7.35%                  | 213.6                              | 9.50%                            | 219.7            | 217.7                                      | 7.85%            | 9.28%                        |
|     | Brief Description:  | Ap Lei Chau Retail & Carpark, completed in 1980, comprises a 6-storey retail/carpark building (Commercial/Carpark Block), a 2-storey market/office building (Market/Office Block), various shop units located on ground floor of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lee Tim House and Lei Yee House and various open car parking spaces scattered within Ap Lei Chau Estate. There are a total of 325 car parking spaces in Ap Lei Chau Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 93. | Wan Tau Tong Shopping Centre (Wan Tau Tong SC)                              | 4,469.24<br>(48,107)   | 438             | 16.12                               | 7.14%                  | 222.8                              | 9.75%                            | 215.8            | 218.1                                      | 7.39%            | 9.23%                        |
|     | Brief Description:  | Wan Tau Tong SC, completed in 1991, comprises a 2-storey Commercial Centre, a 4-storey Carpark Building, a shop unit on ground floor of Wan Loi House and various open carparks in Wan Tau Tong Estate. There are a total of 438 car parking spaces in Wan Tau Tong SC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Sections A, E, F and 135/104,741st equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No 172 that is held under a Government Lease for a term of 50 years from 8 April 1998.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |



## Valuation Report (continued)



| No. | Property Name                             | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|-----|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|     |   |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 94. | Un Chau Shopping Centre (Un Chau SC)      | 4,404.00<br>(47,405)  | 213             | 11.51                               | 6.77%                  | 179.8                              | 9.25%                            | 172.2            | 174.7                                      | 6.59%                        | 8.69%            |
|     | Brief Description:                        | Un Chau SC, completed in 1999, comprises a 2-storey retail building, a single-storey carpark podium under Un Hong House (Carpark Podium) and a 2-storey carpark building (Carpark Block) in Un Chau Estate. There are a total of 213 car parking spaces in Un Chau SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                            | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.                               |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 95. | Kam Tai Shopping Centre (Kam Tai SC)      | 4,294.00<br>(46,221)  | 758             | 15.72                               | 7.23%                  | 199.0                              | 9.25%                            | 210.1            | 206.4                                      | 7.62%                        | 9.15%            |
|     | Brief Description:                        | Kam Tai SC, completed in 2001, comprises a 7-storey commercial/carpark block in Kam Tai Court. There are a total of 758 car parking spaces in Kam Tai SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                            | The property is held by The Link Properties Limited. It comprises 31,347/32,708th equal and undivided shares of and in Section A of Sha Tin Town Lot No 447 and is held under a Government Lease for a term of 50 years from 29 June 1998.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 96. | Tsing Yi Commercial Complex (Tsing Yi CC) | 4,240.06<br>(45,640)  | 344             | 7.01                                | 7.81%                  | 110.5                              | 9.50%                            | 110.0            | 110.2                                      | 6.36%                        | 9.12%            |
|     | Brief Description:                        | Tsing Yi CC, completed in 1986, comprises a 4-storey Commercial Complex, a 4-storey carpark building (Car Park Block 1), a 3-storey carpark building (Car Park Block 2), HA parking area, open car parks and associated areas in Tsing Yi Estate. There are a total of 344 car parking spaces in Tsing Yi CC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|     | Title Details:                            | The property is held by The Link Properties Limited. It comprises 20,014/222,251st equal and undivided shares of and in Tsing Yi Town Lot No 167 and is held under a Government Lease for a term of 50 years from 8 February 2001.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No. | Property Name                                    | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|-----|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|     |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 97. | Wah Kwai Shopping Centre (Wah Kwai SC)           | 3,948.00<br>(42,496)  | 413             | 14.14                               | 7.33%                  | 176.5                              | 9.50%                            | 179.5            | 178.5                                      | 7.92%            | 9.22%                        |
|     | Brief Description:                               | Wah Kwai SC, completed in 1991, comprises a 4-storey (including 2 basement levels) commercial/carpark building (Commercial/Car Park Block with Associated Areas therein) and Integrated Commercial/Car Park Accommodation, Clinics 1 and 2 on ground floor of Wah Oi House (Block 6) and portion of Store Room (For Commercial Use) on ground floor of Wah Lim House (Block 3) in Wah Kwai Estate. There are a total of 413 car parking spaces in Wah Kwai SC.                  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                   | The property is held by The Link Properties Limited. It comprises 15,518/23,148th equal and undivided shares of and in Section A of Aberdeen Inland Lot No 443 and the Extension thereto and is held under a Government Lease for a term of 50 years from 8 April 1998. It also comprises 681/144,409th equal and undivided shares of and in the Remaining Portion of Aberdeen Inland Lot No 443 and is held under a Government Lease for a term of 50 years from 8 April 1998. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 98. | On Yam Shopping Centre (On Yam SC)               | 3,794.00<br>(40,839)  | 347             | 9.07                                | 7.66%                  | 144.9                              | 9.75%                            | 146.6            | 146.0                                      | 6.21%            | 9.45%                        |
|     | Brief Description:                               | On Yam SC, completed in 1994, comprises a 7-storey (excluding cockloft) commercial/carpark block, various open car parks and Associated Areas in On Yam Estate. There are a total of 347 car parking spaces in On Yam SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                   | The property is held by The Link Properties Limited. It comprises 17,323/369,270th equal and undivided shares of and in Kwai Chung Town Lot No 497 and is held under a Government Lease for a term of 50 years from 14 October 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 99. | Tin Ma Court Commercial Centre (Tin Ma Court CC) | 3,734.67<br>(40,200)  | 585             | 3.43                                | 7.60%                  | 96.0                               | 9.50%                            | 88.5             | 91.0                                       | 3.77%            | 8.74%                        |
|     | Brief Description:                               | Tin Ma Court CC, completed in 1986, comprises a 3-storey commercial centre (Commercial Centre) and an adjoining 5-storey carpark building (Carpark Block) in Tin Ma Court. There are a total of 585 car parking spaces in Tin Ma Court CC.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|     | Title Details:                                   | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 5994 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 100. | Shek Lei Shopping Centre Phase I (Shek Lei SC Phase I) | 3,665.00<br>(39,450)  | 459             | 11.92                               | 7.53%                  | 177.5                              | 9.50%                            | 171.0            | 173.2                                      | 6.88%                        | 8.96%            |
|      | Brief Description:                                     | Shek Lei SC Phase I, completed in 1993, comprises a 4-storey commercial/carpark building (Commercial/Car Park Block), a 2-storey carpark building, various shop units on ground floor of Shek Ning House and Shek Sau House, as well as various open parking spaces in Shek Lei Estate. There are a total of 459 car parking spaces in Shek Lei SC Phase 1. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 101. | Ming Tak Shopping Centre (Ming Tak SC)                 | 3,631.18<br>(39,086)  | 383             | 10.05                               | 7.29%                  | 130.7                              | 9.25%                            | 142.1            | 138.3                                      | 7.27%                        | 9.27%            |
|      | Brief Description:                                     | Ming Tak SC, completed in 1999, comprises a 2-storey commercial building and a 5-storey Commercial/Carpark building in Ming Tak Estate. There are a total of 383 car parking spaces in Ming Tak SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 102. | Kin Sang Shopping Centre (Kin Sang SC)                 | 3,625.00<br>(39,020)  | 273             | 5.82                                | 7.32%                  | 101.1                              | 9.50%                            | 102.2            | 101.8                                      | 5.72%                        | 9.20%            |
|      | Brief Description:                                     | Kin Sang SC, completed in 1990, comprises a 3-storey commercial building (Commercial Block), a 4-storey carpark building (Car Park Block) and associate areas in Kin Sang Estate. There are a total of 273 car parking spaces in Kin Sang SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 14,100/28,621st equal and undivided shares of and in Section A of Tuen Mun Town Lot No 441 and is held under a Government Lease for a term of 50 years from 8 April 1998.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 103. | Retail and Carpark within Tung Tau Estate (Tung Tau Retail & Carpark) | 3,611.10<br>(38,870)   | 493             | 5.83                                | 7.49%                  | 91.6                               | 9.25%                            | 95.1             | 93.9                                       | 6.21%                        | 9.06%            |
|      | Brief Description:  | Tung Tau Retail & Carpark, completed in 1982, comprises a split level single-storey retail building with basement carpark (Commercial Complex), a 3-storey carpark block (Carpark Block) and various open car parking spaces (Open Car Parks), shop units on ground floor in front of the Commercial Complex, shops on ground floors of Cheung Tung House, Hong Tung House, On Tung House, Wong Tung House and Yue Tung House in Tung Tau (II) Estate. There are a total of 493 car parking spaces in Tung Tau Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 16,942/349,186th equal and undivided shares of and in New Kowloon Inland Lot No 6413 and is held under a Government Lease for a term of 50 years from 24 January 2002.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 104. | Tin Tsz Shopping Centre (Tin Tsz SC)                                  | 3,608.00<br>(38,837)   | 289             | 11.67                               | 7.18%                  | 155.3                              | 9.75%                            | 160.6            | 158.8                                      | 7.35%                        | 9.55%            |
|      | Brief Description:  | Tin Tsz SC, completed in 1997, comprises a 2-storey commercial centre, several ground floor shops at Tsz Ping House, a 4-storey carpark building and various open parking spaces and associated areas within Tin Tsz Estate. There are a total of 289 car parking spaces in Tin Tsz SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 17,511/202,482nd equal and undivided shares of and in Tin Shui Wai Town Lot No 40 and is held under a Government Lease for a term of 50 years from 29 June 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 105. | Kam Ying Court Shopping Centre (Kam Ying SC)                          | 3,444.35<br>(37,075)   | 492             | 10.42                               | 7.67%                  | 135.1                              | 9.75%                            | 137.9            | 137.0                                      | 7.61%                        | 9.48%            |
|      | Brief Description:  | Kam Ying SC, completed in 1991, comprises a 3-storey commercial/carpark building (Commercial/Car Park Block) and associated areas in Kam Ying Court. There are a total of 492 car parking spaces in Kam Ying SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 17,433/22,627th equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 305 and is held under a Government Lease for a term from 16 May 1990 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name                        | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--------------------------------------|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |                                      |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 106. | Tin Wan Shopping Centre (Tin Wan SC) | 3,331.00<br>(35,855)   | 417             | 8.00                                | 7.52%                  | 99.4                               | 10.25%                           | 105.0            | 103.1                                      | 7.76%                        | 10.29%           |
|      | Brief Description:                   | Tin Wan SC, completed in 1997, comprises a 6-storey retail building (Commercial Block), the LG/F and four levels of car parks in the adjoining 7-storey carpark building (Car Park Block) and the ground floor of Tin Wan Estate Housing for Senior Citizens in Tin Wan Estate. There are a total of 417 car parking spaces in Tin Wan SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                       | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 107. | Hoi Fu Shopping Centre (Hoi Fu SC)   | 3,302.40<br>(35,547)   | 225             | 13.18                               | 7.19%                  | 205.6                              | 9.50%                            | 203.6            | 204.3                                      | 6.45%                        | 9.08%            |
|      | Brief Description:                   | Hoi Fu SC, completed in 1999, comprises portions of a 2-storey commercial building ("Block E") and the carpark floors on ground floor and first floor of a 6-storey car parking/elderly housing/care attention home building in Hoi Fu Court. There are a total of 225 car parking spaces in Hoi Fu SC.                                    |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                       | The property is held by The Link Properties Limited. It comprises 9,413/204,120th equal and undivided shares of and in Kowloon Inland Lot No 11141 and is held under a Government Lease for a term of 50 years from 16 July 1999.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 108. | Hiu Lai Shopping Centre (Hiu Lai SC) | 3,285.95<br>(35,370)   | 637             | 14.79                               | 7.78%                  | 198.0                              | 9.75%                            | 207.0            | 204.0                                      | 7.25%                        | 9.60%            |
|      | Brief Description:                   | Hiu Lai SC, completed in 1996, comprises a 9-storey retail/carpark building (split levels on Levels 2 to 8) (Commercial/Car Park Block) and two kindergartens on ground floors of Hiu Tin House and Hiu On House in Hiu Lai Court. There are a total of 637 car parking spaces in Hiu Lai SC.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                       | The property is held by The Link Properties Limited. It comprises the entire Section A and 1,000/249,375th equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6205 that is held under a Government Lease for a term from 11 November 1994 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name                            | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                        |                  |                              |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|-----------------------------------|------------------|------------------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 109. | Hing Man Commercial Centre (Hing Man CC) | 3,057.13<br>(32,907)  | 226             | 1.82                                | 7.70%                  | 39.9                               | 9.75%                            | 38.3             | 38.8                              | 4.69%            | 9.22%                        |
|      | Brief Description:                       | Hing Man CC, completed in 1982, comprises a 6-storey (including roof but excluding the access lift tower at Chai Wan Road) commercial/carpark building (Commercial/Car Park Block) in Hing Man Estate. There are a total of 226 car parking spaces in Hing Man CC.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|      | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
| 110. | Siu Lun Shopping Centre (Siu Lun SC)     | 2,985.04<br>(32,131)  | 463             | 9.97                                | 7.47%                  | 111.2                              | 9.75%                            | 117.6            | 115.5                             | 8.63%            | 9.66%                        |
|      | Brief Description:                       | Siu Lun SC, completed in 1993, comprises a single storey kindergarten, a 2-storey commercial centre and two 4-storey carpark blocks (Phase 1 and 2 Carport) in Siu Lun Court. There are a total of 463 car parking spaces in Siu Lun SC.  |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|      | Title Details:                           | The property is held by The Link Properties Limited. It comprises the entire Sections A, B and C of Tuen Mun Town Lot No 357 and is held under a Government Lease for a term from 6 September 1991 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
| 111. | Hing Tin Commercial Centre (Hing Tin CC) | 2,758.40<br>(29,691)  | 387             | 5.12                                | 7.62%                  | 82.7                               | 9.50%                            | 80.3             | 81.1                              | 6.31%            | 9.00%                        |
|      | Brief Description:                       | Hing Tin CC, completed in 1988, comprises a 2-storey commercial building (including a market) ("Commercial Complex"), several shop units on ground floors of Mei Tin House and Yan Tin House, a 2-storey carpark building ("Carpark B"), a 4-storey carpark building ("Carpark C"), and various cooked food stalls near to Mei Tin House and Choi Tin House in Hing Tin Estate. There are a total of 387 car parking spaces in Hing Tin CC. |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |
|      | Title Details:                           | The property is held by The Link Properties Limited. It comprises 15,570/149,828th equal and undivided shares of and in New Kowloon Inland Lot No 6377 and is held under a Government Lease for a term of 50 years commencing from 8 February 2001.   |                 |                                     |                        |                                    |                                  |                  |                                   |                  |                              |

## Valuation Report (continued)



| No.  | Property Name                            | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 112. | Wah Sum Shopping Centre (Wah Sum SC)     | 2,480.00<br>(26,695)   | 356             | 10.77                               | 7.52%                  | 128.8                              | 9.75%                            | 129.9            | 129.5                                      | 8.32%                        | 9.44%            |
|      | Brief Description:                       | Wah Sum SC, completed in 1995, comprises a 2-storey retail building (Commercial Centre), an adjoining 4-storey carpark building (Carpark Block) that is interconnected with the Commercial Centre on first floor and various open car parking spaces in Wah Sum Estate. There are a total of 356 car parking spaces in Wah Sum SC. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                           | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 113. | Kwai Hing Shopping Centre (Kwai Hing SC) | 2,396.00<br>(25,791)   | 277             | 11.26                               | 7.69%                  | 142.4                              | 9.50%                            | 146.6            | 145.2                                      | 7.75%                        | 9.28%            |
|      | Brief Description:                       | Kwai Hing SC, completed in 1991, comprises portions of ground and 2nd floors of Hing Kok House (i.e. Integrated HA Accommodation), a 2-storey commercial block, a 3-storey carpark block and various open carparks in Kwai Hing Estate. There are a total of 277 car parking spaces in Kwai Hing SC.                               |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                           | The property is held by The Link Properties Limited. It comprises 9,824/102,732nd equal and undivided shares of and in Kwai Chung Town Lot No 489 and is held under a Government Lease for a term of 50 years from 24 January 2002.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 114. | Siu Hei Commercial Centre (Siu Hei CC)   | 2,322.74<br>(25,002)   | 560             | 2.63                                | 8.00%                  | 57.5                               | 10.00%                           | 55.9             | 56.4                                       | 4.66%                        | 9.50%            |
|      | Brief Description:                       | Siu Hei CC, completed in 1986, comprises a 3-storey (including mezzanine floor) commercial centre with retail, market and welfare facilities therein and a 4-storey split level carpark block in Siu Hei Court. There are a total of 560 parking spaces in Siu Hei CC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                           | The property is held by The Link Properties Limited. It comprises the entire Section A of Tuen Mun Town Lot No 255 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name                          | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 115. | Fortune Shopping Centre (Fortune SC)   | 2,302.00<br>(24,779)   | 153             | 3.48                                | 7.46%                  | 63.5                               | 10.00%                           | 67.8             | 66.4                                       | 5.24%            | 9.93%                        |
|      | Brief Description:                     | Fortune SC, completed in 2000, comprises a 2-storey commercial building (Commercial Centre) and a 4-storey carpark block (Carpark Block) in Fortune Estate. There are a total of 153 car parking spaces in Fortune SC.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 116. | Wang Tau Hom (Wang Fai Centre)         | 2,037.10<br>(21,927)   | 290             | 5.86                                | 7.20%                  | 115.6                              | 9.25%                            | 114.3            | 114.7                                      | 5.11%            | 8.87%                        |
|      | Brief Description:                     | Wang Tau Hom (Wang Fai Centre), completed in 1982, comprises a 3-storey retail building (Commercial Centre), a single-storey wet market (Market), a 5-storey split level carpark building (Carpark Block) and various open car parking spaces scattered within Wang Tau Hom Estate. There are a total of 290 car parking spaces in Wang Tau Hom (Wang Fai Centre).   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 117. | Ping Tin Shopping Centre (Ping Tin SC) | 2,032.00<br>(21,872)   | 406             | 7.65                                | 7.42%                  | 116.2                              | 9.50%                            | 119.4            | 118.3                                      | 6.47%            | 9.27%                        |
|      | Brief Description:                     | Ping Tin SC, completed in 1997, comprises a 3-storey retail building (Commercial Centre), a split level 4-storey annexed carpark building (Carpark Block), the ground and first floors carpark of a 4-storey ancillary facilities building (Ancillary Facilities Block) and various open parking spaces near the ingress of the carpark building in Ping Tin Estate. There are a total of 406 car parking spaces in Ping Tin SC. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                         | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |



## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income Capitalisation<br>Cap.<br>Rate | Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                        |                              |                  |
|------|--|--|-----------------|-------------------------------------|---------------------------------------|------------------|----------------------------------|------------------|-----------------------------------|------------------------------|------------------|
|      |  |  |                 |                                     |                                       |                  |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 118. | Retail & Carpark within Choi Ha Estate (Choi Ha Retail & Carpark)      | 1,991.00<br>(21,431)   | 205             | 2.52                                | 7.86%                                 | 37.9             | 10.50%                           | 36.4             | 36.9                              | 6.83%                        | 9.91%            |
|      | Brief Description:   | Choi Ha Retail & Carpark, completed in 1989, comprises a 5-storey carpark building (Car Park Block), various retail shops located on ground floors of Choi Yuet House and Choi Sing House and various open car parking spaces in Choi Ha Estate. There are a total of 205 car parking spaces in Choi Ha Retail & Carpark.  |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 12,255/129,695th equal and undivided shares of and in New Kowloon Inland Lot No 6348 and is held under a Government Lease for a term of 50 years from 10 February 2000.  |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |
| 119. | Retail and Carpark within Tong Ming Court (Tong Ming Retail & Carpark) | 1,977.05<br>(21,281)   | 291             | 3.50                                | 8.02%                                 | 49.3             | 10.25%                           | 49.8             | 49.6                              | 7.06%                        | 9.91%            |
|      | Brief Description:   | Tong Ming Retail & Carpark, completed in 1999, comprises a 5-storey carpark building with various shop units and a children & youth centre situated on ground floor and a day nursery and a kindergarten on ground floor of Tong Wong House and Tong Fu House respectively in Tong Ming Court. There are a total of 291 car parking spaces in Tong Ming Retail & Carpark.  |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 1,153/98,512nd equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 54 and is held under a Government Lease for a term commencing from 26 June 1997 and expiring on 30 June 2047.  |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |
| 120. | Tsz Ching Shopping Centre (I) & (II) (Tsz Ching SC)                    | 1,679.00<br>(18,073)   | 882             | 11.74                               | 7.23%                                 | 177.7            | 9.75%                            | 177.1            | 177.3                             | 6.62%                        | 9.37%            |
|      | Brief Description:   | Tsz Ching SC, completed in phases between 1996 and 2001, comprises a 3-storey commercial/carpark building (Commercial/Car Park I Block), a 3-storey plus basement level commercial/carpark building (Multi-storey Commercial/Car Park II Accommodation), a 5-storey plus a mezzanine floor carpark building (Car Park III Block) and various shop units on ground floor Ching Wo House (Integrated Commercial/Carpark Accommodation of Ching Wo House) in Tsz Ching Estate. There are a total of 882 car parking spaces in Tsz Ching SC. |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 32,549/507,335th equal and undivided shares of and in New Kowloon Inland Lot No 6444 and is held under a Government Lease for a term of 50 years from 28 February 2007.  |                 |                                     |                                       |                  |                                  |                  |                                   |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                        |                              |                  |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|-----------------------------------|------------------------------|------------------|
|      |   |  |                 |                                     |                        |                                    |                                  |                  | 31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 121. | Retail & Carpark within Hong Pak Court (Hong Pak Retail & Carpark)                  | 1,668.00<br>(17,954)   | 549             | 5.98                                | 8.43%                  | 69.3                               | 10.25%                           | 68.5             | 68.8                              | 8.69%                        | 9.83%            |
|      | Brief Description:  | Hong Pak Retail & Carpark, completed in 1993, comprises a 7-storey carpark block with two kindergartens located on Level 7 in Hong Pak Court. There are a total of 549 car parking spaces therein.   |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 6095 and is held under a Government Lease for a term from 25 September 1991 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |
| 122. | Retail and Carpark within Siu On Court (Siu On Retail & Carpark)                    | 1,587.00<br>(17,082)   | 273             | 1.89                                | 7.77%                  | 30.0                               | 10.25%                           | 30.4             | 30.3                              | 6.24%                        | 9.97%            |
|      | Brief Description:  | Siu On Retail & Carpark, completed in 1981, comprises a 4-storey split-level carpark building, a kindergarten on ground floors of Ting Chi House and Ting Yin House and a Youth & Children Centre on ground floors of Ting Kay House, Ting On House and Ting Hoi House in Siu On Court. There are a total of 273 parking spaces in Siu On Retail & Carpark.  |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A and 2/26,863rd equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No 216 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |
| 123. | Retail and Carpark within Lok Wah (South) Estate (Lok Wah (South) Retail & Carpark) | 1,561.60<br>(16,809)   | 226             | 3.41                                | 8.20%                  | 70.1                               | 9.75%                            | 65.9             | 67.3                              | 5.07%                        | 9.10%            |
|      | Brief Description:  | Lok Wah (South) Retail & Carpark, completed in 1982, comprises a 4-storey carpark building (Carpark Block), open car parking areas, a single storey market building (Market), various free standing cooked food stalls (Cooked Food Stalls) and various shop units located on ground floor of Chin Wah House in Lok Wah (South) Estate. There are a total of 226 car parking spaces in Lok Wah (South) Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |                                   |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 124. | Yin Lai Court Shopping Centre (Yin Lai SC)                         | 1,512.00<br>(16,275)  | 150             | 7.41                                | 6.91%                  | 99.0                               | 9.25%                            | 104.1            | 102.4                                      | 7.24%                        | 9.13%            |
|      | Brief Description:   | Yin Lai SC, completed in 1991, comprises a 4-storey retail/carpark building in Yin Lai Court. There is direct access to MTR Lai King station at floor LG2. There are a total of 150 car parking spaces in Yin Lai SC.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A of Kwai Chung Town Lot No 389 and is held under a Government Lease for a term from 21 September 1990 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 125. | Retail and Carpark within Po Nga Court (Po Nga Retail and Carpark) | 1,296.00<br>(13,950)  | 246             | 2.75                                | 8.57%                  | 35.9                               | 10.75%                           | 36.5             | 36.3                                       | 7.58%                        | 10.44%           |
|      | Brief Description:   | Po Nga Retail and Carpark, completed in 1989, comprises a 3-storey carpark building, a kindergarten on ground floor of Ka Wo House and a nursery on ground floor of Hing Wo House in Po Nga Court. There are a total of 246 car parking spaces in Po Nga Retail and Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A and 2/59,187th equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No 73 that is held under a Government Lease for a term from 29 March 1988 to 30 June 2047 |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 126. | Po Hei Court Commercial Centre (Po Hei Court CC)                   | 1,271.00<br>(13,681)  | —               | 4.32                                | 6.53%                  | 68.3                               | 9.00%                            | 67.3             | 67.6                                       | 6.39%                        | 8.94%            |
|      | Brief Description:   | Po Hei Court CC, completed in 1993, comprises shops on ground floors of Blocks A & B of Po Hei Court.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 1,354/20,256th equal and undivided shares of and in New Kowloon Inland Lot No 6117 and is held under a Government Lease for a term from 17 July 1992 to 30 June 2047.                                       |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 127. | Retail & Carpark within Tsui Wan Estate (Tsui Wan Retail & Carpark) | 1,262.00<br>(13,584)   | 182             | 2.94                                | 7.69%                  | 47.5                               | 9.25%                            | 48.8             | 48.4                                       | 6.07%            | 9.02%                        |
|      | Brief Description:  | Tsui Wan Retail & Carpark, completed in 1993, comprises various self-standing single storey retail units, a 3-storey DTMO retail/office building (Commercial Accommodation), a single-storey carpark building (Car Park Block) and various open car parking spaces (Open Car Park) in Tsui Wan Estate. There are a total of 182 car parking spaces in Tsui Wan Retail & Carpark.             |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 3,254/123,068th equal and undivided shares of and in Chai Wan Inland Lot No 166 and is held under a Government Lease for a term of 50 years from 18 March 1999.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 128. | Retail and Carpark within Tsz Oi Court (Tsz Oi Retail & Carpark)    | 1,236.00<br>(13,304)   | 199             | 2.44                                | 7.85%                  | 41.7                               | 10.50%                           | 41.5             | 41.6                                       | 5.87%            | 10.06%                       |
|      | Brief Description:  | Tsz Oi Retail & Carpark, completed in phases between 1997 and 2000, comprises a 6-storey carpark building with a kindergarten on 6/F (Carpark Block) of Tsz Oi Court and a single-storey kindergarten building in Tsz Oi Court Stage III. There are a total of 199 car parking spaces in Tsz Oi Retail & Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 699/113,761st equal and undivided shares of and in New Kowloon Inland Lot No 6265 and is held under a Government Lease for a term of 50 years from 7 May 1999. It also comprises the entire Section A of New Kowloon Inland Lot No 6211 that is held under a Government Lease for a term from 9 June 1995 to 30 June 2047. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 129. | Retail & Carpark within Lok Nga Court (Lok Nga Retail & Carpark)    | 1,172.00<br>(12,615)   | 265             | 2.01                                | 8.29%                  | 24.4                               | 10.25%                           | 24.5             | 24.5                                       | 8.20%            | 9.86%                        |
|      | Brief Description:  | Lok Nga Retail & Carpark, completed in 1984, comprises a 5-storey carpark building with an indoor sports hall on Level 6 (Car Park Block) and various open car parking spaces located at the centre of Lok Nga Court. There are a total of 265 car parking spaces in Lok Nga Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A and 1/28,952nd equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No 5969 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.                                     |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |   |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 130. | Retail and Carpark within Ching Wah Court (Ching Wah Retail and Carpark)      | 1,102.00<br>(11,862)  | 348             | 3.85                                | 8.36%                  | 47.9                               | 10.75%                           | 47.7             | 47.8                                       | 8.05%                        | 10.35%           |
|      | Brief Description:  | Ching Wah Retail and Carpark, completed in 1984, comprises a 3-storey commercial/carpark building in Ching Wah Court. There are a total of 348 car parking spaces in Ching Wah Retail and Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of Tsing Yi Town Lot No 100 and is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.         |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 131. | Retail and Carpark within Yan Shing Court (Yan Shing Retail & Carpark)        | 1,097.08<br>(11,809)  | 252             | 3.43                                | 8.34%                  | 39.5                               | 10.50%                           | 40.0             | 39.8                                       | 8.62%                        | 10.20%           |
|      | Brief Description:  | Yan Shing Retail & Carpark, completed in 1993, comprises a 6-storey carpark building (Carpark Block) with a retail shop, estate office and kindergarten on ground floor in Yan Shing Court. There are a total of 252 car parking spaces in Yan Shing Retail & Carpark.          |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of Fanling Sheung Shui Town Lot No 39 and is held under a Government Lease for a term from 10 September 1992 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 132. | Retail and Carpark within Cheung Wang Estate (Cheung Wang Retail and Carpark) | 1,069.00<br>(11,507)  | 333             | 9.97                                | 7.54%                  | 121.4                              | 10.00%                           | 123.9            | 123.1                                      | 8.10%                        | 9.72%            |
|      | Brief Description:  | Cheung Wang Retail and Carpark, completed in 2001, comprises a single storey commercial block, a 2-storey carpark building and various open car parks within Cheung Wang Estate. There are a total of 333 car parking spaces in Cheung Wang Retail and Carpark.                 |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |   |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 133. | Retail and Carpark within Tin Wang Court (Tin Wang Retail & Carpark)  | 923.93<br>(9,945)   | 79              | 1.33                                | 8.20%                  | 17.8                               | 10.25%                           | 18.0             | 17.9                                       | 7.43%            | 9.94%                        |
|      | Brief Description:  | Tin Wang Retail & Carpark, completed in 1992, comprises a 3-storey carpark building (Carpark Block) with a kindergarten located on second floor in Tin Wang Court. There are a total of 79 car parking spaces in Tin Wang Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Remaining Portion of New Kowloon Inland Lot No 6131 and is held under a Government Lease for a term from 21 May 1991 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 134. | Retail & Carpark within Fung Wah Estate (Fung Wah Retail & Carpark)   | 912.00<br>(9,817)   | 161             | 1.42                                | 7.85%                  | 29.2                               | 9.75%                            | 30.9             | 30.3                                       | 4.69%            | 9.67%                        |
|      | Brief Description:  | Fung Wah Retail & Carpark, completed in 1993, comprises portions of the Integrated HA Accommodation on Lower ground floor and Upper ground floor of Block 2 Hiu Fung House, the ground and Lower ground floors of Block 3 Sau Fung House, a 2-storey Car Park Block as well as open car parks in Fung Wah Estate. There are a total of 161 car parking spaces in Fung Wah Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 5,638/76,232nd equal and undivided shares of and in Chai Wan Inland Lot No 169 and is held under a Government Lease for a term of 50 years from 10 February 2000.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 135. | Retail and Carpark within Tin Yat Estate (Tin Yat Retail and Carpark) | 816.00<br>(8,783)   | 446             | 1.86                                | 8.00%                  | 27.2                               | 9.75%                            | 27.0             | 27.1                                       | 6.86%            | 9.33%                        |
|      | Brief Description:  | Tin Yat Retail and Carpark, completed in 2001, comprises a 7-storey carpark building with a kindergarten on ground floor in Tin Yat Estate. There are a total of 446 parking spaces in Tin Yat Retail and Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |   |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 136. | Retail and Carpark within Nam Cheong Estate (Nam Cheong Retail & Carpark) | 753.00<br>(8,105)   | 156             | 1.90                                | 8.14%                  | 27.4                               | 10.25%                           | 26.8             | 27.0                                       | 7.04%                        | 9.70%            |
|      | Brief Description:  | Nam Cheong Retail & Carpark, completed in 1989, comprises a single-storey carpark block (Carpark Block), various open car parking spaces and various shop units on ground floors of Cheong Shun House, Cheong Yat House, Cheong On House and Cheong Yin House in Nam Cheong Estate. There are a total of 156 car parking spaces in Nam Cheong Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 3,670/109,764th equal and undivided shares of and in New Kowloon Inland Lot No 6427 and is held under a Government Lease for a term of 50 years from 17 August 2005.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 137. | Retail and Carpark within Wo Ming Court (Wo Ming Retail & Carpark)        | 682.00<br>(7,341)   | 379             | 3.59                                | 7.97%                  | 48.5                               | 10.75%                           | 48.0             | 48.2                                       | 7.45%                        | 10.26%           |
|      | Brief Description:  | Wo Ming Retail & Carpark, completed in 1999, comprises a 6-storey car park building and a kindergarten on ground floor of Block A in Wo Ming Court. There are a total of 379 car parking spaces in Wo Ming Retail & Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A and 728/82,796th equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No 52 that is held under a Government Lease for a term of 50 years from 28 November 1997.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 138. | Retail & Carpark within Ko Chun Court (Ko Chun Retail & Carpark)          | 681.00<br>(7,330)   | 323             | 4.66                                | 8.46%                  | 54.1                               | 10.25%                           | 54.5             | 54.4                                       | 8.57%                        | 9.89%            |
|      | Brief Description:  | Ko Chun Retail & Carpark, completed in 1993, comprises a 6-storey commercial/carpark block and a kindergarten on ground floor of Chun Moon House of Ko Chun Court. There are a total of 323 car parking spaces in Ko Chun Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A and 530/81,791st equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No 6189 that is held under a Government Lease for a term from 3 June 1993 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 139. | Retail & Carpark within Hong Yat Court (Hong Yat Retail & Carpark)         | 654.00<br>(7,040)  | 355             | 3.30                                | 8.43%                  | 35.2                               | 10.25%                           | 33.3             | 33.9                                       | 9.73%            | 9.64%                        |
|      | Brief Description:   | Hong Yat Retail & Carpark, completed in 1993, comprises a 7-storey carpark building with a kindergarten on Level 13 (6th Floor) in Hong Yat Court. There are a total of 355 car parking spaces in Hong Yat Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises 4,582/99,200th equal and undivided shares of and in New Kowloon Inland Lot No 6329 and is held under a Government Lease for a term of 50 years from 5 February 2001.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 140. | Retail and Carpark within Yan Ming Court (Yan Ming Retail & Carpark)       | 652.00<br>(7,018)  | 262             | 2.29                                | 8.59%                  | 32.9                               | 10.75%                           | 32.0             | 32.3                                       | 7.09%            | 10.30%                       |
|      | Brief Description:   | Yan Ming Retail & Carpark, completed in 1990, comprises a 3-storey commercial/car park centre with a retail shop and a kindergarten situated on ground floor in Yan Ming Court. There are a total of 262 car parking spaces in Yan Ming Retail & Carpark.                                      |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A of Junk Bay Town Lot No 9 and is held under a Government Lease for a term from 22 January 1987 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 141. | Retail and Carpark within Tung Hei Court (Tung Hei Court Retail & Carpark) | 589.00<br>(6,340)  | 146             | 1.79                                | 8.41%                  | 25.5                               | 10.75%                           | 25.0             | 25.2                                       | 7.10%            | 10.29%                       |
|      | Brief Description:   | Tung Hei Retail & Carpark, completed in 1995, comprises a kindergarten on ground floors of Blocks A and B (King Hei House & Yat Hei House) (Kindergarten) and a 2-storey carpark building (Carpark Block) in Tung Hei Court. There are a total of 146 car parking spaces in the Carpark Block. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A and 690/122,407th equal and undivided shares of and in the Remaining Portion of Shau Kei Wan Inland Lot No 834 that is held under a Government Lease for a term from 20 June 1989 to 30 June 2047.      |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |



## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income Capitalisation<br>Cap.<br>Rate | Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|---|---|-----------------|-------------------------------------|---------------------------------------|------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |   |   |                 |                                     |                                       |                  |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 142. | Carpark within Tsui Ping South Estate (Tsui Ping South Carpark)           | 549.00<br>(5,909)   | 229             | 3.56                                | 8.25%                                 | 32.1             | 10.00%                           | 31.0             | 31.4                                       | 11.34%                       | 9.44%            |
|      | Brief Description:  | Tsui Ping South Carpark, completed in 1990, comprises a 3-storey carpark building with management office on second floor (Carpark Block) and various open car parking spaces (Open Car Parks) in Tsui Ping South Estate. There are a total of 229 car parking spaces in Tsui Ping South Carpark.  |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
| 143. | Retail and Carpark within Hung Hom Estate (Hung Hom Retail & Carpark)     | 371.00<br>(3,993)   | 45              | 1.07                                | 8.06%                                 | 16.8             | 10.50%                           | 16.9             | 16.9                                       | 6.33%                        | 10.15%           |
|      | Brief Description:  | Hung Hom Retail & Carpark, completed in 1999, comprises a single-storey carpark building (Carpark Block), various shop units on lower ground floor of Hung Fai House and various open car parking spaces scattered within Hung Hom Estate (Open Car Parks). There are a total of 45 car parking spaces in Hung Hom Retail & Carpark.            |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
| 144. | Retail and Carpark within Cheung On Estate (Cheung On Retail and Carpark) | 363.00<br>(3,907)   | 484             | 6.90                                | 8.25%                                 | 86.4             | 10.25%                           | 84.8             | 85.3                                       | 8.09%                        | 9.79%            |
|      | Brief Description:  | Cheung On Retail and Carpark, completed in 1988, comprises a 4-storey carpark building, known as Carpark 1, a 2-storey split-level carpark building known as Carpark 2, and various shops and medical centres on ground floor of On Tao House in Cheung On Estate. There are a total of 484 car parking spaces in Cheung On Retail and Carpark. |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section D, Section F and 403/293,522nd equal and undivided shares of and in the Remaining Portion of Tsing Yi Town Lot No 160 that is held under a Government Lease for a term of 50 years from 8 April 1998.  |                 |                                     |                                       |                  |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 145. | Retail and Carpark within Tai Ping Estate (Tai Ping Retail & Carpark)                   | 310.00<br>(3,337)  | 101             | 1.41                                | 7.65%                  | 23.0                               | 10.25%                           | 23.0             | 23.0                                       | 6.13%                        | 9.86%            |
|      | Brief Description:  | Tai Ping Retail & Carpark, completed in 1989, comprises various retail shops on ground floor of Ping Hay House (Portions of the Integrated HA Accommodation), a 2-storey carpark building (Carpark Block) and various open car parking space (Open Carparks) in Tai Ping Estate. There are a total of 101 car parking spaces in Tai Ping Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 2,787/86,121st equal and undivided shares of and in Fanling Sheung Shui Town Lot No 223 and is held under a Government Lease for a term of 50 years from 24 January 2002.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 146. | Retail & Carpark within Sau Mau Ping (III) Estate (Sau Mau Ping (III) Retail & Carpark) | 140.00<br>(1,507)  | 205             | 0.65                                | 8.00%                  | 20.6                               | 10.00%                           | 20.4             | 20.5                                       | 3.17%                        | 9.55%            |
|      | Brief Description:  | Sau Mau Ping (III) Retail & Carpark, completed in 1996, comprises a 4-storey carpark building with a retail unit located on ground floor in Sau Mau Ping (III) Estate. There are a total of 205 car parking spaces in Sau Mau Ping (III) Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 7,222/833,450th equal and undivided shares of and in New Kowloon Inland Lot No 6453 and is held under a Government Lease for a term of 50 years from 23 February 2007.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 147. | Retail and Carpark within Tin Wah Estate (Tin Wah Retail and Carpark)                   | 137.00<br>(1,475)  | 287             | 1.88                                | 7.58%                  | 28.1                               | 10.75%                           | 25.8             | 26.6                                       | 7.07%                        | 9.90%            |
|      | Brief Description:  | Tin Wah Retail and Carpark, completed in 1999, comprises two ground floor shop units and car parking spaces on ground to second floors of the 7-storey Ancillary Facilities Block in Tin Wah Estate. There are a total of 287 car parking spaces in Tin Wah Retail and Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 148. | Carpark within Yue On Court (Yue On Carpark)                           | 122.90<br>(1,323)   | 296             | 2.49                                | 8.43%                  | 32.9                               | 9.75%                            | 34.5             | 34.0                                       | 7.32%                        | 9.57%            |
|      | Brief Description:   | Yue On Carpark, completed in 1988, comprises a 5-storey carpark block (Carpark Block) with an office on ground floor in Yue On Court. There are a total of 296 car parking spaces in Yue On Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A of Ap Lei Chau Inland Lot No 117 and is held under a Government Lease for a term of 75 years from 1 February 1982 renewable for another 75 years.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 149. | Retail and Carpark within Mei Chung Court (Mei Chung Retail & Carpark) | 100.00<br>(1,076)   | 385             | 4.55                                | 8.34%                  | 50.2                               | 10.50%                           | 51.5             | 51.1                                       | 8.90%                        | 10.22%           |
|      | Brief Description:   | Mei Chung Retail & Carpark, completed in 1996, comprises a 5-storey carpark building with a retail shop located on Level 2 in Mei Chung Court. There are a total of 385 car parking spaces in Mei Chung Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A of Sha Tin Town Lot No 396 and is held under a Government Lease for a term from 11 November 1994 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 150. | Retail and Carpark within Choi Fai Estate (Choi Fai Retail & Carpark)  | 97.00<br>(1,044)  | 93              | 1.08                                | 9.08%                  | 14.0                               | 10.25%                           | 13.3             | 13.5                                       | 8.00%                        | 9.81%            |
|      | Brief Description:   | Choi Fai Retail & Carpark, completed in 1995, comprises a 3-storey carpark building, open carpark areas and a shop unit on ground floor of Choi Ip House in Choi Fai Estate. There are a total of 93 car parking spaces in Choi Fai Retail & Carpark.                           |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 151. | Retail & Carpark within Ko Yee Estate (Ko Yee Retail & Carpark)      | 90.00<br>(969)  | 38              | 0.28                                | 7.78%                  | 5.4                                | 10.00%                           | 5.6              | 5.5  | 5.09%                        | 10.03%           |
|      | Brief Description:   | Ko Yee Retail & Carpark, completed in 1994, comprises a single storey carpark building (Carpark Block), various open car parking spaces located near to the entrance of Carpark Block and two retail units in a single storey building in Ko Yee Estate. There are a total of 38 car parking spaces within Ko Yee Retail & Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 152. | Retail and Carpark within Ying Fuk Court (Ying Fuk Retail & Carpark) | 73.00<br>(786)  | 163             | 3.10                                | 8.56%                  | 34.1                               | 11.00%                           | 33.6             | 33.8                                       | 9.17%                        | 10.49%           |
|      | Brief Description:   | Ying Fuk Retail & Carpark, completed in 2001, comprises a 4-storey split-level carpark building with a shop unit on ground floor (Carpark Block) in Ying Fuk Court. There are a total of 163 car parking spaces in Ying Fuk Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Remaining Portion of New Kowloon Inland Lot No 6266 and is held under a Government Lease for a term of 50 years from 7 May 1999.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 153. | Retail & Carpark within Hong Shui Court (Hong Shui Retail & Carpark) | 32.00<br>(344)  | 102             | 1.20                                | 9.16%                  | 14.3                               | 9.75%                            | 13.2             | 13.6                                       | 8.82%                        | 9.00%            |
|      | Brief Description:   | Hong Shui Retail & Carpark, completed in 1999, comprises a 2-storey split-level carpark building (Carpark Block) with a retail unit on Level 2 in Hong Shui Court. There are a total of 102 car parking spaces in Hong Shui Retail & Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:   | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 6227 and is held under a Government Lease for a term of 50 years from 14 May 1998.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 154. | Carpark within Hong Keung Court (Hong Keung Carpark) | 4.00<br>(43)  | 93              | 1.02                                | 8.46%                  | 17.4                               | 10.25%                           | 17.2             | 17.3                                       | 5.90%                        | 9.15%            |
|      | Brief Description:                                   | Hong Keung Carpark, completed in 1999, comprises a 2-storey Carpark Block in Hong Keung Court. There are a total of 93 car parking spaces in Hong Keung Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                       | The property is held by The Link Properties Limited. It comprises the entire Remaining Portion of New Kowloon Inland Lot No 6239 and is held under a Government Lease for a term of 50 years from 8 January 1999.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 155. | Carpark within Kin Ming Estate (Kin Ming Carpark)    | —<br>(—)  | 763             | 3.38                                | 9.00%                  | 44.5                               | 10.25%                           | 43.5             | 43.8                                       | 7.72%                        | 9.76%            |
|      | Brief Description:                                   | Kin Ming Carpark, completed in 2003, comprises car parking spaces of the 6-storey commercial/carpark block and various open car parking spaces in Kin Ming Estate. There are a total of 763 car parking spaces in Kin Ming Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                       | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 156. | Carpark within Tin Yuet Estate (Tin Yuet Carpark)    | —<br>(—)  | 560             | 1.10                                | 7.75%                  | 23.3                               | 10.00%                           | 21.8             | 22.3                                       | 4.93%                        | 9.30%            |
|      | Brief Description:                                   | Tin Yuet Carpark, completed in 2000, comprises a 4-storey (including a Mezzanine Floor) Carport Block in Tin Yuet Estate. There are a total of 560 car parking spaces in Tin Yuet Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                       | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |   |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 157. | Carpark within Wah Lai Estate (Wah Lai Carpark)                   | —<br>(—)   | 411             | 3.46                                | 8.25%                  | 47.9                               | 10.00%                           | 46.8             | 47.2                                       | 7.33%            | 9.49%                        |
|      | Brief Description:  | Wah Lai Carpark, completed in 2001, comprises a 5-storey carport building in Wah Lai Estate. There are a total of 411 car parking spaces in Wah Lai Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 21,700/102,614th equal and undivided shares of and in the Remaining Portion of Section A of Kwai Chung Town Lot No 445 and is held under a Government Lease for a term of 50 years from 25 May 2001. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 158. | Carpark within Wang Fuk Court (Wang Fuk Carpark)                  | —<br>(—)   | 408             | 2.27                                | 8.25%                  | 26.6                               | 10.50%                           | 26.9             | 26.8                                       | 8.47%            | 10.23%                       |
|      | Brief Description:  | Wang Fuk Carpark, completed in 1983, comprises a 5-storey carpark building (including a basement) in Wang Fuk Court. There are a total of 408 car parking spaces in Wang Fuk Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of Tai Po Town Lot No 27 and is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 159. | Carpark within Sau Mau Ping (I) Estate (Sau Mau Ping (I) Carpark) | —<br>(—)   | 395             | 0.01                                | 9.00%                  | 7.6                                | 9.75%                            | 7.0              | 7.2  | 0.14%            | 9.17%                        |
|      | Brief Description:  | Sau Mau Ping (I) Carpark, completed in 2002, comprises a 3-storey carpark podium beneath the residential block of Sau Ming House in Sau Mau Ping (I) Estate. There are a total of 395 car parking spaces in Sau Mau Ping (I) Carpark.                                  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 14,364/833,450th and portion of 10/833,450th equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under a Government Lease for a term of 50 years from 23 February 2007. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No.  | Property Name                                      | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                              |                  |
|------|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------------------|------------------|
|      |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 160. | Carpark within Tin King Estate (Tin King Carpark)  | —<br>(—)   | 380             | 3.64                                | 8.75%                  | 38.9                               | 11.00%                           | 39.5             | 39.3                                       | 9.26%                        | 10.66%           |
|      | Brief Description:                                 | Tin King Carpark, completed in 1989, comprises ground, second and third, portions of 4th and 5th floors, roof and upper roof of a 5-storey Car Park Block as well as various open car parks in Tin King Estate. There are a total of 380 car parking spaces in Tin King Carpark. |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises 4,036/197,161st equal and undivided shares of and in Tuen Mun Town Lot No 444 and is held under a Government Lease for a term of 50 years from 18 March 1999.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 161. | Carpark within Tsz Man Estate (Tsz Man Carpark)    | —<br>(—)   | 364             | 3.16                                | 8.00%                  | 41.0                               | 10.75%                           | 41.0             | 41.0                                       | 7.71%                        | 10.38%           |
|      | Brief Description:                                 | Tsz Man Carpark, completed in 1994, comprises a 4-storey carpark building in Tsz Man Estate. There are a total of 364 car parking spaces in Tsz Man Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                     | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date.  |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
| 162. | Carpark within Ka Tin Court (Ka Tin Court Carpark) | —<br>(—)   | 348             | 2.54                                | 8.00%                  | 30.9                               | 10.75%                           | 30.9             | 30.9                                       | 8.22%                        | 10.38%           |
|      | Brief Description:                                 | Ka Tin Court Carpark, completed in 1988, comprises a 3-storey carpark building in Ka Tin Court. There are a total of 348 car parking spaces in Ka Tin Court Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises the entire Section A of Sha Tin Town Lot No 290 and is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 that has been statutorily extended to 30 June 2047.          |                 |                                     |                        |                                    |                                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name                                      | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|--|--|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |  |  |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 163. | Carpark within Ming Nga Court (Ming Nga Carpark)   | —<br>(—)   | 345             | 1.24                                | 8.25%                  | 14.0                               | 10.25%                           | 13.3             | 13.5                                       | 9.19%            | 9.65%                        |
|      | Brief Description:                                 | Ming Nga Carpark, completed in 1985, comprises a 3-storey (including basement) carpark building in Ming Nga Court. There are a total of 345 car parking spaces in Ming Nga Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises the entire Section A of Tai Po Town Lot No. 36 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 164. | Carpark within Ning Fung Court (Ning Fung Carpark) | —<br>(—)   | 299             | 1.79                                | 8.00%                  | 27.1                               | 10.75%                           | 27.8             | 27.6                                       | 6.49%            | 10.49%                       |
|      | Brief Description:                                 | Ning Fung Carpark, completed in 2001, comprises a 3-storey carport building in Ning Fung Court. There are a total of 299 car parking spaces in Ning Fung Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises 3,072/78,707th equal and undivided shares of and in Kwai Chung Town Lot No. 477 and is held under a Government Lease for a term of 50 years from 15 October 1999.                                    |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 165. | Carpark within Po Pui Court (Po Pui Carpark)       | —<br>(—)   | 277             | 3.07                                | 8.50%                  | 33.1                               | 10.75%                           | 32.8             | 32.9                                       | 9.33%            | 10.34%                       |
|      | Brief Description:                                 | Po Pui Carpark, completed in 1995, comprises a 3-storey carpark building (Carpark Block) in Po Pui Court. There are a total of 277 car parking spaces in Po Pui Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises the entire Section A of Kwun Tong Inland Lot No 728 and is held under a Government Lease for a term from 8 February 1994 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 166. | Carpark within Ying Ming Court (Ying Ming Carpark) | —<br>(—)   | 274             | 2.13                                | 8.75%                  | 26.5                               | 10.50%                           | 25.7             | 26.0                                       | 8.19%            | 9.97%                        |
|      | Brief Description:                                 | Ying Ming Carpark, completed in 1989, comprises a 2-storey carport building in Ying Ming Court. There are a total of 274 car parking spaces in Ying Ming Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                     | The property is held by The Link Properties Limited. It comprises the entire Section A of Junk Bay Town Lot No 4 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |



## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment<br>as at<br>31 March 2008 |                              |                  |
|------|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--------------------------------------|------------------------------|------------------|
|      |   |   |                 |                                     |                        |                                    |                                  |                  | Value<br>(HK\$M)                     | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
| 167. | Carpark within Yee Kok Court (Yee Kok Carpark)                        | —<br>(—)  | 240             | 2.55                                | 8.75%                  | 29.3                               | 10.50%                           | 29.2             | 29.2                                 | 8.73% 10.16%                 |                  |
|      | Brief Description:  | Yee Kok Carpark, completed in 1981, comprises a 5-storey (including a basement) carpark building in Yee Kok Court. There are a total of 240 car parking spaces in Yee Kok Carpark.  |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 5911 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
| 168. | Carpark within Kam On Court   | —<br>(—)  | 238             | 0.90                                | 8.00%                  | 13.8                               | 10.75%                           | 14.2             | 14.1                                 | 6.38% 10.41%                 |                  |
|      | Brief Description:  | Kam On Carpark, completed in 1987, comprises a 3-storey carpark building in Kam On Court. There are a total of 238 car parking spaces in Kam On Carpark.  |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of Sha Tin Town Lot No. 283 that is held under a Government Lease for a term of 99 years less the last 3 days from 1 July 1898 and has been statutorily extended to 30 June 2047.        |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
| 169. | Carpark within Upper Ngau Tau Kok Estate (Upper Ngau Tau Kok Carpark) | —<br>(—)  | 228             | 0.33                                | 8.25%                  | 13.6                               | 10.50%                           | 12.9             | 13.1                                 | 2.52% 9.88%                  |                  |
|      | Brief Description:  | Upper Ngau Tau Kok Carpark, completed in 2002, comprises a 3-storey carpark building (Carpark Block) excluding Level 3 playground in Upper Ngau Tau Kok Estate. There are a total of 228 car parking spaces in Upper Ngau Tau Kok Carpark.                                      |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
|      | Title Details:  | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
| 170. | Carpark within Tin Yau Court (Tin Yau Carpark)                        | —<br>(—)  | 192             | 1.57                                | 8.25%                  | 21.2                               | 11.00%                           | 21.9             | 21.7                                 | 7.24% 10.77%                 |                  |
|      | Brief Description:  | Tin Yau Carpark, completed in 1992, comprises a 3-storey car park building (Carport) in Tin Yau Court. There are a total of 192 car parking spaces in Tin Yau Carpark.  |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of Tin Shui Wai Town Lot No 10 and is held under a Government Lease for a term from 23 January 1992 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |                                      |                              |                  |

## Valuation Report (continued)



| No.  | Property Name  | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach<br>Discount<br>Rate | Value<br>(HK\$M) | Assessment                                 |                  |                              |
|------|--|---|-----------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|------------------|--|------------------|------------------------------|
|      |  |   |                 |                                     |                        |                                    |                                  |                  | as at<br>31 March 2008<br>Value<br>(HK\$M) | Initial<br>Yield | Analysis<br>Indicated<br>IRR |
| 171. | Carpark within San Wai Court (San Wai Carpark)       | —<br>(—)  | 185             | 1.74                                | 8.50%                  | 21.3                               | 10.75%                           | 20.6             | 20.8                                       | 8.37%            | 10.21%                       |
|      | Brief Description:                                   | San Wai Carpark, completed in 1990, comprises a 3-storey carpark building (Multi-Storey Car Park) in San Wai Court. There are a total of 185 car parking spaces in San Wai Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                       | The property is held by The Link Properties Limited. It comprises the entire Section A of Tuen Mun Town Lot No 326 and is held under a Government Lease for a term from 3 January 1989 to 30 June 2047.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 172. | Carpark within Lai On Estate (Lai On Carpark)        | —<br>(—)  | 181             | 4.30                                | 7.75%                  | 52.5                               | 10.50%                           | 52.1             | 52.2                                       | 8.24%            | 10.09%                       |
|      | Brief Description:                                   | Lai On Carpark, completed in 1993, comprises a 3-storey carpark building and various open carparks in Lai On Estate. There are a total of 181 car parking spaces in Lai On Carpark.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                       | The property is classified as a List 2 Property to which The Link REIT has a beneficial title. Assignment of legal title, Government Lease and Deed of Mutual Covenant are in progress at the Valuation Date. We have assumed a lease term of 50 years from the Valuation Date. |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 173. | Carpark within Ching Wang Court (Ching Wang Carpark) | —<br>(—)  | 179             | 1.86                                | 8.00%                  | 26.1                               | 11.00%                           | 26.2             | 26.2                                       | 7.10%            | 10.63%                       |
|      | Brief Description:                                   | Ching Wang Carpark, completed in 2001, comprises a 2-storey carpark building in Ching Wang Court. There are a total of 179 car parking spaces in Ching Wang Carpark.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                       | The property is held by The Link Properties Limited. It comprises 2,516/36,665th equal and undivided shares of and in Tsing Yi Town Lot No 137 and is held under a Government Lease for a term of 50 years from 20 April 1999.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
| 174. | Carpark within Yee Nga Court (Yee Nga Carpark)       | —<br>(—)  | 159             | 1.51                                | 8.25%                  | 18.8                               | 11.50%                           | 18.8             | 18.8                                       | 8.03%            | 11.07%                       |
|      | Brief Description:                                   | Yee Nga Carpark, completed in 1993, comprises a total of 159 car parking spaces located on ground floor of Yee Nga Court.   |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |
|      | Title Details:                                       | The property is held by The Link Properties Limited. It comprises the entire Section A of Tai Po Town Lot No 120 and is held under a Government Lease for a term of 22 May 1991 to 30 June 2047.  |                 |                                     |                        |                                    |                                  |                  |  |                  |                              |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)  | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach     |                  | Assessment                                 | Analysis<br>Initial<br>Yield | Indicated<br>IRR |
|------|---|--|-----------------|-------------------------------------|------------------------|------------------------------------|------------------|------------------|--|------------------------------|------------------|
|      |   |  |                 |                                     |                        |                                    | Discount<br>Rate | Value<br>(HK\$M) | as at<br>31 March 2008<br>Value<br>(HK\$M) |                              |                  |
| 175. | Carpark within King Lai Court (King Lai Carpark)                          | —<br>(—)   | 158             | 1.06                                | 8.75%                  | 16.6                               | 11.00%           | 16.1             | 16.3                                       | 6.50%                        | 10.44%           |
|      | Brief Description:  | King Lai Carpark, completed in 1989, comprises a 3-storey carpark block and various open carparks in King Lai Court. There are a total of 158 car parking spaces in King Lai Carpark.  |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 5943 and is held under a Government Lease for a term of from 4 March 1985 to 30 June 2047.                         |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
| 176. | Carpark within Fung Lai Court (Fung Lai Carpark)                          | —<br>(—)   | 134             | 0.81                                | 8.00%                  | 15.3                               | 10.75%           | 15.1             | 15.2                                       | 5.33%                        | 10.27%           |
|      | Brief Description:  | Fung Lai Carpark, completed in 1997, comprises a 3-storey carpark building and various open carparks in Fung Lai Court. There are a total of 134 car parking spaces in Fung Lai Carpark.   |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 1,512/33,911st equal and undivided shares of and in New Kowloon Inland Lot No. 6240 and is held under a Government Lease for a term of 7 June 1996 to 30 June 2047.  |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
| 177. | Carpark within Kwai Hong Court (Kwai Hong Carpark)                        | —<br>(—)   | 88              | 0.49                                | 8.50%                  | 13.3                               | 10.75%           | 13.2             | 13.2                                       | 3.71%                        | 10.37%           |
|      | Brief Description:  | Kwai Hong Carpark, completed in 1993, comprises a 3-storey carpark building in Kwai Hong Court. There are a total of 88 car parking spaces in Kwai Hong Carpark.   |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 1,100/35,351st equal and undivided shares of and in Kwai Chung Town Lot No 420 and is held under a Government Lease for a term from 1 March 1990 to on 30 June 2047. |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
| 178. | Carpark within Lower Wong Tai Sin (I) Estate (Lower Wong Tai Sin Carpark) | —<br>(—)   | 70              | 0.32                                | 7.25%                  | 8.6                                | 10.00%           | 9.1              | 8.9  | 3.60%                        | 10.02%           |
|      | Brief Description:  | Lower Wong Tai Sin Carpark, completed in 1982, comprises two open car parking areas (Open Car Parks) in Lower Wong Tai Sin (I) Estate. There are a total of 70 car parking spaces in Lower Wong Tai Sin Carpark.                       |                 |                                     |                        |                                    |                  |                  |  |                              |                  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 674/240,107th equal and undivided shares of and in New Kowloon Inland Lot No 6373 and is held under a Government Lease for a term of 50 years from 8 February 2001.  |                 |                                     |                        |                                    |                  |                  |  |                              |                  |

## Valuation Report (continued)



| No.  | Property Name   | IFA<br>sqm<br>(sq ft)   | Car Park<br>No. | Net Passing<br>Income<br>HK\$pa (M) | Income<br>Cap.<br>Rate | Capitalisation<br>Value<br>(HK\$M) | DCF Approach     |                  | Assessment<br>as at<br>31 March 2008 |                  | Analysis         |  |
|------|---|---|-----------------|-------------------------------------|------------------------|------------------------------------|------------------|------------------|--------------------------------------|------------------|------------------|--|
|      |   |   |                 |                                     |                        |                                    | Discount<br>Rate | Value<br>(HK\$M) | Value<br>(HK\$M)                     | Initial<br>Yield | Indicated<br>IRR |  |
| 179. | Carpark within Pang Ching Court (Pang Ching Carpark)                | —<br>(—)  | 67              | 0.32                                | 9.50%                  | 7.5                                | 11.00%           | 7.9              | 7.8                                  | 4.10%            | 10.65%           |  |
|      | Brief Description:  | Pang Ching Carpark, completed in 1991, comprises various open car parking areas in Pang Ching Court. There are a total of 67 car parking spaces in Pang Ching Carpark.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises the entire Section A of New Kowloon Inland Lot No 6121 and is held under a Government Lease for a term from 21 September 1990 to 30 June 2047.                    |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
| 180. | Carpark within Chuk Yuen (North) Estate (Chuk Yuen (North) Carpark) | —<br>(—)  | 61              | 0.34                                | 8.75%                  | 8.2                                | 11.00%           | 8.0              | 8.1                                  | 4.20%            | 10.38%           |  |
|      | Brief Description:  | Chuk Yuen (North) Carpark, completed in 1987, comprises two open car parking areas in Chuk Yuen (North) Estate. There are a total of 61 car parking spaces in Chuk Yuen (North) Carpark.  |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |
|      | Title Details:  | The property is held by The Link Properties Limited. It comprises 687/364,071st equal and undivided shares of and in New Kowloon Inland Lot No 6327 and is held under a Government Lease for a term of 50 years from 18 March 1999. |                 |                                     |                        |                                    |                  |                  |                                      |                  |                  |  |

The valuation reports contain herein are in summary form. A comprehensive version in English language is available for inspection at the registered office of the Manager.

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