

Enhancing Performance Delivering Value



Corporate Profile

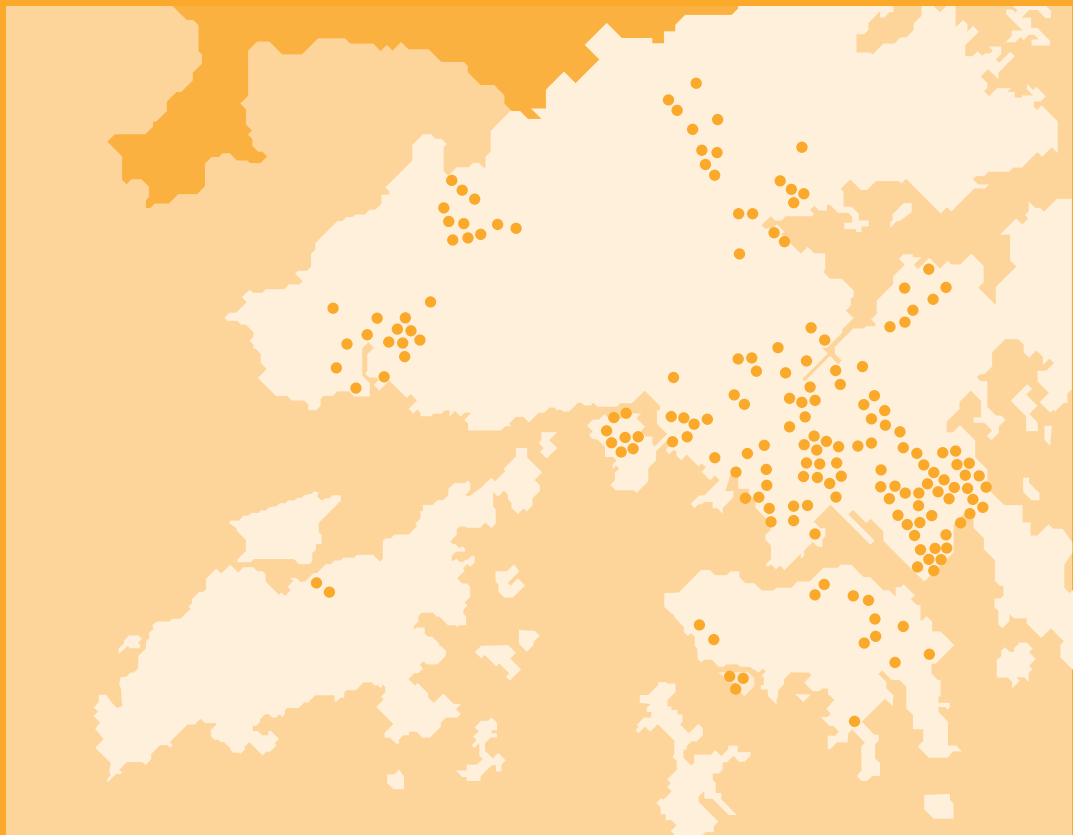
The Link Real Estate Investment Trust (“The Link” or “The Link REIT”) is Hong Kong’s first and largest real estate investment trust.

Our 180 retail and carpark facilities are on the doorstep to nearly 40% of Hong Kong's people. Our properties are where our customers, many of them our neighbours, shop for their everyday needs.

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

The Link REIT was listed on the Stock Exchange of Hong Kong on 25 November 2005, as part of a divestment exercise by the Hong Kong Housing Authority.

The investment strategy of The Link REIT’s manager, The Link Management Limited, is to invest in sustainable income-producing properties in Hong Kong that are mainly for retail and carpark use, and to manage them to maximise their value.



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Listing of The Link REIT

As Hong Kong's first real estate investment trust and Hong Kong's largest privatisation to date, The Link REIT's listing on 25 November 2005 was a milestone for Hong Kong's financial markets and community at large. From that day on, The Link, operating independently of any public bodies, has focused its energies on rejuvenating the properties in its portfolio, optimising their potential and creating value for our unitholders, customers and the public.

The listing ceremony was officiated by the Honourable Mr Henry Tang, GBS, JP, Financial Secretary, Hong Kong Special Administrative Region.



Mr Henry Tang, Financial Secretary, Hong Kong Special Administrative Region, shakes hands with the Company's Chairman, Mr Paul Cheng, at The Link REIT's listing ceremony, which was attended by the Board of Directors, senior management and other guests.



“Through a focused business and investment strategy, **The Link** aims to optimise the performance and quality of its portfolio to provide unitholders with stable distributions and the potential for sustainable long-term growth.”

Chairman's Statement

“ I am pleased to report the progress that The Link has made during its first four months of operation. Since our listing on 25 November 2005, the Board and Management have worked to implement the strategies set forth during our initial public offering. ”



The transition of The Link from public to private sector presents unique opportunities for transformation. In the four months since our listing on 25 November 2005, we have taken important first steps to bring our business in line with commercial principles, to the benefit of tenants, customers, our neighbours and ultimately to create value for our unitholders.

Our key objective continues to be to provide investors with a stable distribution coupled with the prospect of sustainable long-term growth. This will be accomplished by optimising the performance and enhancing the quality of our large and geographically diverse portfolio of real estate assets.

Our initial public offering (IPO) was the first by a real estate investment trust in Hong Kong. It is also the world's largest REIT IPO to date. On top of the strong demand for our units from both Hong Kong and international investors, the IPO garnered two prestigious awards from FinanceAsia: Best Hong Kong Deal and Best REIT Deal in 2005.

Management has made a realistic asset enhancement programme a priority and has already started to implement some initiatives. This will become increasingly evident as we move ahead in the next few years. Through a combination of active leasing and cost cutting, we will strive to become one of the most efficient operators in the sector.

Underlying our efforts is an enlightened management style and a comprehensive system of checks and balances. We continue to work towards achieving the highest standards of corporate governance. Our 12-member Board of Directors has a varied mix of expertise in property, finance and business, and nine members are Independent Non-executive Directors. This assures transparency and that the REIT Manager's strategy is in line with the interests of unitholders. A number of Board committees perform specific supervisory functions, and in these our Independent Non-executive Directors also play active and significant roles.



1. Mr Paul Cheng, the Chairman, enjoys meeting shoppers young and old.
2. Mr Paul Cheng, the Chairman, enjoys his role as The Link's goodwill ambassador, and keeping in touch with tenants.

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I would like to thank Mr Anthony Neoh for his valuable contribution as Independent Non-executive Director, especially during the IPO process, and regret his decision to resign from the Board for personal reasons. I would like to welcome Mr Anthony Chow, who joined us as an Independent Non-executive Director in May this year.

My gratitude also goes to all those who have contributed to our achievements so far, the same people on whom our future success depends - our employees, tenants, business partners, customers and unitholders.

We are proud that our 180 retail and carpark facilities are closely linked to the communities they serve, communities that are home to nearly 40% of Hong Kong's people. It is with this pride and sense of responsibility that we look forward to continuing to shape the future of The Link.

CHENG Ming Fun Paul JP

Chairman

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

29 June 2006

CEO's Report

“ In its first four months of operation, The Link's management and staff laid down considerable groundwork to enhance our properties, service quality and business performance. ”



Asset Enhancement

As we emphasised during our initial public offering, asset enhancement is key to improving returns to unitholders and service to customers and tenants. I am pleased to report that, in our first four months, three of the eight identified major asset enhancement projects have already produced encouraging results.

We have completed the remodelling of the upper zone of Tsz Wan Shan Shopping Centre. This space, which once yielded low rentals, is now occupied by popular shops offering greater variety for shoppers, including fashion and footwear, skincare and cosmetics, books and stationery, household goods, health food and specialty restaurants. Many of these brand names are making their debut appearance with The Link's shopping centres at Tsz Wan Shan.

In Lung Cheung Mall, unused workshop space has been converted into shops, many of which have already been pre-let. A newly arranged tourist bus drop-off next to these new shops has made the mall a key passage for tourists going to Wong Tai Sin Temple, boosting footfall within the mall.

We have also completed Phase One of our Hau Tak Shopping Centre enhancement project. Shop space at this mall, which is in the town centre of Tseung Kwan O, is now very much in demand after previously being very difficult to lease out. This change is the result of an innovative new layout of leased and common areas, together with more appealing design. Subsequent phases are under way.

Planning for the other five shopping centres — Lok Fu, Tai Wo, Chung On, Choi Ming and Stanley Plaza — is also at an advanced stage. As at the first three centres, plans for these malls draw on our colleagues' wide-ranging expertise and take into account the interests and concerns of all stakeholders. As these centres are almost fully occupied, work will start in phases to minimise inconvenience to tenants.

It is gratifying to note that, with the presence of more new retail tenants, many existing tenants have taken it upon themselves to upgrade their own shop designs and mode of operation to enhance attractiveness.



A new face and a new style

1. New eateries, such as Red Stone Cafe at Tsz Wan Shan Shopping Centre, give diners new contemporary choices, in keeping with the times.
2. Our customer service ambassadors are a welcome addition and are always ready to lend a hand to young and old alike.
3. More attractive facilities and shops decor attract the young and trendy.
4. Long-time tenants, such as the Majestic shop, have upgraded shop fronts and merchandise display to make their shops bright and inviting.
5. The wall mural at the lobby that intercepts the mall and the carpark in Tsz Wan Shan Shopping Centre captures the natural beauty of The Lion Rock.

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During the four months, we also completed smaller-scale improvements to enhance the shopping experience for customers. Washroom facilities in many centres have been upgraded and lighting and signage have been improved. Customer service counters have been installed, and customer service ambassadors introduced in 11 malls. These initiatives have received a highly positive response from tenants and shoppers. We have also installed air conditioning in some of our fresh markets.

Improvements to our carpark facilities include the installation of new non-slip finishes, additional signage, new cashier counters and more user-friendly lobbies that intercept with retail facilities. These improvements give carpark users a fresh impression of our facilities upon their arrival.

Improving Trade Mix

For any shopping centre to operate at its optimal potential, its trade mix must match and evolve with the demands of customers. The Link's focus is on moving towards an optimal trade mix for our neighbourhoods, one that meets the demands of customers whose homes are on the doorstep of our retail facilities.

During the four months, we introduced a range of popular shops and restaurants in many of our shopping centres. This has given shoppers from our neighbourhoods greater shopping and dining choices at affordable prices and a higher overall standard of customer service due to the example set for tenants by these new operators.

We have also made considerable efforts to ensure that tenants providing essential services are retained in our shopping centres. We have, for example, reversed the trend of a declining number of bank branches in our centres. Since

our take-over, eight bank branches and 16 ATM machines have been introduced to our shopping centres for the convenience of customers.

Our fresh markets remain part of the daily lives of many residents living in the adjoining estates. We will continue to focus on improving the cleanliness and hygiene at these markets.

Marketing and Promotions

Our first four months of operation provided ample opportunities for new marketing and promotional initiatives with Christmas, New Year and Chinese New Year falling within the period. We believe that promotions are not just a cost item, but can be profitable in themselves.

Promotions such as the *Snoopy and Friends 55th Anniversary Celebration* programme for Christmas and Chinese arts and crafts shows for Chinese New Year, resulted in a high level of publicity and drew visitors to a number of our shopping centres. These initiatives encouraged shoppers to return to our centres and boosted our corporate image as an innovative and customer-focused operator.

We have also made shopping centre atriums available to a wide range of product promoters. Their activities have made the shopping experience at our centres more lively and enjoyable and have generated extra income for The Link.

To create more synergy among our shopping centres, market stalls and carpark facilities, we launched a series of incentive parking promotions for shoppers at our retail facilities. Thousands of customers took advantage of the offer, and the promotions proved effective in attracting more patronage.



1. Officiating guests and popular singer Mr Leo Ku joined Snoopy and his Peanuts friends at a ceremony to kick off the "Snoopy & Friends 55th Anniversary", the world's largest celebration anniversary. The celebration included a series of programmes at our various shopping centres.
2. Named The Link Charity Star, pop star Ms Kelly Chen led a fundraising campaign at The Link's shopping centres this Spring. Shoppers who made donations received Snoopy Limited Edition Gift Sets, and the proceeds were donated to the Kelly Chen Children Education Fund.
3. The Peanuts/Snoopy Exhibition Hall showcased Peanuts cartoon drawings and collectable items over the last 55 years has attracted a great number of visitors.
4. As a major event to celebrate Chinese New Year, world-renowned paper sculpture artist Madam Lu Xue gave a demonstration of her paper-cut works on stage along with celebrity Mr Kwok Chun On.
5. Our Chinese New Year programmes included the performance at our shopping centres by the popular GuangXi Acrobatic Troupe.

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Efficiency and Cost-saving

Thanks to a more streamlined structure and operational enhancements, we have improved our operating efficiency and lowered our cost-to-income ratio. We will work to further improve our efficiency and will continue to benchmark our performance against best practice among our counterparts in the private sector.

For example, in our first four months, we actively reviewed the entire portfolio's energy needs, consumption patterns and equipment operating efficiency, and we conducted trial runs with energy-saving devices in a number of carparks.

Financial Highlights

Total revenue for the four months to 31 March 2006 was HK\$1,354 million, with income from retail facilities of HK\$968 million, income from carpark operations of HK\$305 million, and income from other sources of HK\$81 million. The proportion of revenue from shopping centres and carparks was approximately 77% and 23%, respectively.

Total Distributable Income to unitholders for the period amounted to HK\$467 million, 10% higher than the forecast of HK\$424 million stated in The Link's Offering Circular. As at 31 March 2006, the total market value of the properties in the portfolio amounted to HK\$35,772 million.

Expanding Horizons

Building on the groundwork we have laid so far, The Link looks forward to continuing to enhance its financial performance while delivering better value to customers and tenants.

Designed to serve the basic needs of public housing estate tenants, many of our shopping centres have the potential to capture a greater share of our neighbouring residents' spending. The key is to better cater to their daily needs

by delivering a wider and more attractive selection of products and leveraging our advantage in providing savings in customers' travel time. Some of our centres, with their strategic locations, also have the potential to attract a broader customer base from a wider catchment area. We are undertaking detailed research into the trade mix and placement of tenants at a number of these centres.

Looking Ahead

We will continue to locate and attract tenants that can draw shopper traffic and benefit other tenants. We plan to introduce more tenants in sectors such as leisure and entertainment, mass market fashion and food & beverage. These newly introduced popular shops will mix well with many of our existing tenants and provide more choices for shoppers.

In addition to major asset enhancements, we will continue to roll out specific measures to invigorate our retail facilities. These include:

- creating additional internal floor area by reconfiguring layouts and partitioning of new shop units;
- improving building services in our retail/market facilities to create a more pleasant environment;
- installing more customer service counters;
- enhancing lighting and finishes;
- improving directional signages; and
- upgrading washroom facilities.

We are aware that the task of moving ahead with the identified enhancement projects is a challenging one, and that renovations can be disruptive for both tenants and customers. We seek to undertake major work sensitively and in communication with stakeholders to minimise inconvenience.



1. Tenants are our partners in enhancing the appeal of The Link's shopping centres. Here (from left to right), Mr Alfred Cheung, owner of the Cousin Cousin Cafe, Mr Victor So, Chief Executive Officer and Mr Au Yeung Hau Cheong, General Manager (Leasing and Control), discuss improvements to the ambience of Hau Tak Shopping Centre.
2. Mr Yutaka Fukumoto, deputy managing director of Aeon Stores (Hong Kong) Co. Ltd, Mr Victor So and Mr Au Yeung Hau Cheong on a tour of Lok Fu Shopping Centre.
3. Mr Samuel Sham (centre), Director of Portfolio Management and Ms Cissy Tsang (right), General Manager of Portfolio Manager discuss the issues on customer traffic with a Customer Service Ambassador during an inspection tour of the Tsz Wan Shan Shopping Centre.

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Customer service is essential for successful shopping centres. In addition to installing customer service counters in more of our shopping centres, we will continue to provide thorough staff training in customer service. We also plan to take over management of some of our shopping centres but continue to outsource services such as cleaning, security and some customer service functions.

Encouraged by our success so far in marketing and promotion, we see significant scope to draw shopper traffic and further improve The Link's public profile with such activities.

In our car parks, automation will give us more useful management information, and we have plans to bundle shopping and hourly parking to drive further growth in shopper numbers. This strategy also leverages our strength as neighbourhood shopping centres that cater to the daily needs of our shoppers. By better utilising our parking facilities, we offer better service and value to shoppers who live within short driving distances from our facilities.

On the cost side, we expect savings in most major components, including utilities, property management fees, cleaning and security. The expiry of contracts is a prerequisite for implementation of these savings, and the effects will be realised in coming financial years.

I am pleased with the good start we have made, and I am confident that The Link will continue its strong performance as we implement our strategy to build value. Our Board of Directors, management and employees will continue to strive to achieve the best for our unitholders, tenants and the community.

SO Hing Woh Victor JP

Chief Executive Officer

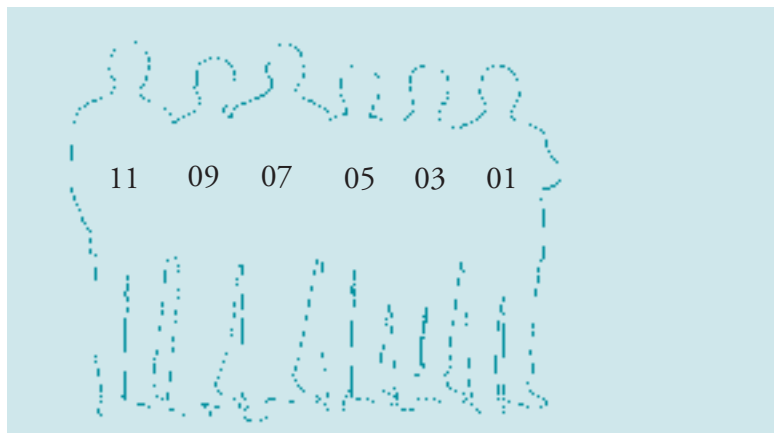
**The Link Management Limited as Manager of
The Link Real Estate Investment Trust**

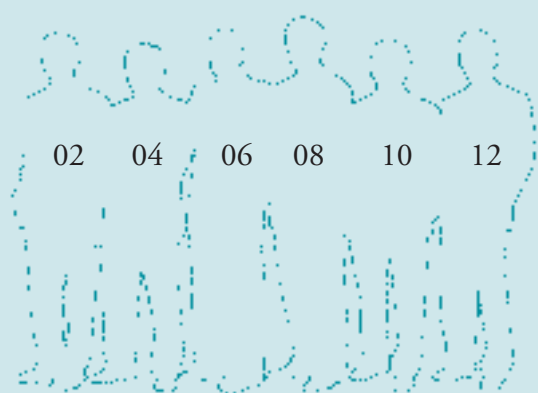
29 June 2006

Board of Directors



- 01. Mr CHENG Ming Fun Paul *Chairman*
- 03. Mr LIEW Mun Leong *Non-executive Director*
- 05. Mr CHAO Tse Hou Leslie *Independent Non-executive Director*
- 07. Mr ARNOLD Michael Ian *Independent Non-executive Director*
- 09. Dr LEE Nai Shee Harry *Independent Non-executive Director*
- 11. Mr SUN Patrick *Independent Non-executive Director*





- 02. Mr SO Hing Woh Victor *Executive Director and Chief Executive Officer*
- 04. Mr PUA Seck Guan *Non-executive Director*
- 06. Dr ZEMAN Allan *Independent Non-executive Director*
- 08. Dr FUNG Yuk Bun Patrick *Independent Non-executive Director*
- 10. Mr KO Kam Chuen Stanley *Independent Non-executive Director*
- 12. Mr CHOW Wing Kin Anthony *Independent Non-executive Director*

Mr CHENG Ming Fun Paul JP

Chairman (also an Independent Non-executive Director)

Mr Cheng has been Chairman of the Board since April 2005. He is Chairman of the Disclosures Committee and the Nomination Committee of the Manager.

Mr Cheng was a member of the Hong Kong Legislative Council and was actively involved with Hong Kong's return to Chinese sovereignty through his membership on the Preparatory Committee from 1994 to 1997. He was also chairman of Inchcape Pacific, N M Rothschild & Sons (Hong Kong), the American Chamber of Commerce in Hong Kong and the Hong Kong General Chamber of Commerce. He was also for many years on the board of Sino Land and Wharf Holdings — two major property development and management companies on the Hang Seng Index.

Mr Cheng was decorated “Chevalier de l'ordre de la Couronne” by the King of Belgium in 1991. Recently he was made an Honorary fellow of the Hong Kong University of Science and Technology and the Chinese University of Hong Kong for his contribution towards education and community services. He is currently a member of the Council of the Chinese University of Hong Kong.

Mr Cheng is an independent non-executive director on the boards of Esprit Holdings and Kingboard Chemical Holdings and is a steward of the Hong Kong Jockey Club.

Mr SO Hing Woh Victor JP

Executive Director and Chief Executive Officer

Mr So was appointed Executive Director and Chief Executive Officer of the Manager in July 2004. He is a member of the Disclosures Committee, Finance & Investment Committee, Human Resources & Compensation Committee and Nomination Committee of the Manager.

Mr So is a registered professional housing manager, and a fellow member of the Royal Institution of Chartered Surveyors, Chartered Institute of Housing, Hong Kong Institute of Surveyors and Hong Kong Institute of Housing.

He has extensive experience in the development and management of commercial and residential portfolios. He was the assistant general manager of Hutchison Properties from 1972 to 1981, property director of the Mass Transit Railways Corporation from 1981 to 1990, executive director and chief executive officer of the Hong Kong Housing Society from 1990 to 2002 and executive director of Sun Hung Kai Properties from 2002 until 2004.

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

Mr LIEW Mun Leong

Non-executive Director

Mr Liew joined the Board in 2004. He is a member of the Finance & Investment Committee and the Human Resources & Compensation Committee of the Manager. Mr Liew is president and chief executive officer of CapitaLand Group. He is also deputy chairman of The Ascott Group and Raffles Holdings, which are companies listed on the Singapore Exchange, and deputy chairman of CapitaMall Trust Management (manager of CapitaMall Trust, the first listed REIT in Singapore), CapitaCommercial Trust Management and Ascott Residence Trust Management. In addition, Mr Liew is chairman of the Civil Aviation Authority of Singapore.

Mr PUA Seck Guan

Non-executive Director

Mr Pua, a Non-executive Director of the Manager since April 2005, is a member of the Disclosures Committee of the Manager. He has over 16 years of real estate experience and is currently the chief executive officer of CapitaMall Trust Management, manager of CapitaMall Trust, the first and largest REIT in Singapore. Mr Pua also holds the portfolio of chief executive officer of CapitaLand Retail and chief executive officer of CapitaLand Financial (Real Estate Capital Management-Retail).

Mr ARNOLD Michael Ian

Independent Non-executive Director

An Independent Non-executive Director of the Manager since 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 almost 40 years' experience in the property industry. He is also a director of the Construction Industry Institute of Hong Kong.

Mr CHAO Tse Hou Leslie

Independent Non-executive Director

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

Mr CHOW Wing Kin Anthony *SBS, JP*
Independent Non-executive Director

Mr Chow joined the Board in May 2006. He is a member of the Disclosures Committee and the Nomination Committee. Mr Chow is a solicitor admitted to practice in Hong Kong and England and Wales and is currently a partner of the law firm Peter, C Wong, Chow & Chow. He also serves on the boards of several listed companies in Hong Kong and is the former President of the Law Society of Hong Kong.

Dr FUNG Yuk Bun Patrick
Independent Non-executive Director

An Independent Non-executive Director of the Manager since August 2005. Dr Fung is the Chairman of the Audit Committee. He is a veteran banker with over 30 years of experience. Dr Fung has been chairman and chief executive of Wing Hang Bank since 1996. He is also a director of Miramar Hotel and Investment Company and vice president of the Hong Kong Institute of Bankers.

Mr KO Kam Chuen Stanley *BBS, JP*
Independent Non-executive Director

Mr Ko joined the Board in September 2005. He is a member of the Human Resources & Compensation Committee. Mr Ko has extensive experience in business development and management of business portfolios. He is chairman of Jardine Airport Services, advisor to the board of Jardine Matheson and directors of various companies (including a Hong Kong-listed company). Mr Ko is deputy chairman of the Council of the Open University of Hong Kong.

Dr LEE Nai Shee Harry *OBE, SBS, JP*
Independent Non-executive Director

An Independent Non-executive Director of the Manager since 2004. Dr Lee is a member of the Audit Committee and the Nomination Committee of the Manager. Dr Lee is the managing director of TAL Apparel. He is also Honorary chairman of the Hong Kong Garment Manufacturer's Association and chairman of the Textile Council of Hong Kong.

Mr SUN Patrick

Independent Non-executive Director

An Independent Non-executive Director of the Manager since 2004. Mr Sun is the Chairman of the Finance & Investment Committee and a member of the Human Resources & Compensation Committee of the Manager. He is a qualified accountant in the United Kingdom and Hong Kong and has been in the investment banking business for more than 18 years. Mr Sun was a member of the Council of the Stock Exchange of Hong Kong from 1995 to 2000. He also acts as an independent non-executive director of other companies (including a Hong Kong-listed company).

Dr ZEMAN Allan *GBS, JP*

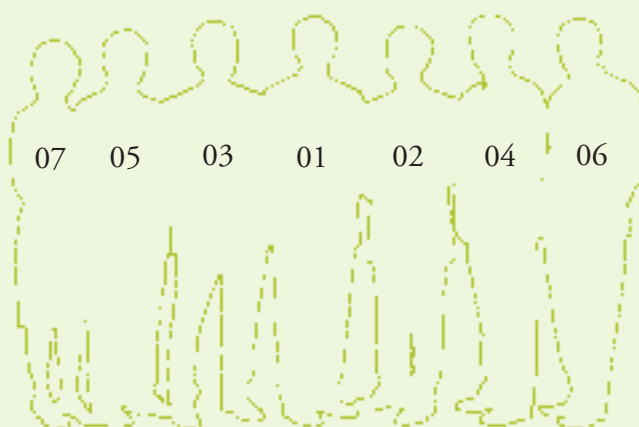
Independent Non-executive Director

Dr Zeman joined the Board in 2004. He is a member of the Audit Committee of the Manager. Dr Zeman is chairman of Lan Kwai Fong Holdings and Ocean Park Hong Kong. He also serves on the boards of several companies listed in Hong Kong. He was founder and owner of Colby International until late 2000. Dr Zeman is a member of the Urban Renewal Authority and the Consultative Committee on the Core Arts & Cultural Facilities of the West Kowloon Cultural District.

Management Team



01. Mr SO Hing Woh Victor
Executive Director and Chief Executive Officer
02. Mr PANG Pui Yin Thomas
Director (Finance)
03. Mr WONG Kim Wing Ball
Director (Project and Planning)
04. Mr SHAM Yat Wah Samuel
Director (Portfolio Management)
05. Mr AU YEUNG Hau Cheong
General Manager (Leasing and Control)
06. Mr CHEUNG Kin Fat
General Manager (Business Advisory/Development)
07. Ms TSANG Yuk Ying Cissy
General Manager (Portfolio Management)



Mr PANG Pui Yin Thomas

Director (Finance)

Mr Pang graduated with a Master's degree from the University of Oxford, England and also obtained a Master's degree from the International School of Advanced Studies, University of Trieste, Italy. He is a qualified accountant with over 20 years of experience in corporate finance, securities market regulatory, management consultancy and accountancy work. Prior to joining The Link, Mr Pang was the managing director of WAG Financial Services Group Limited. He has also previously worked for the Hong Kong Exchanges and Clearing Limited, the Securities and Futures Commission and KPMG.

Mr WONG Kim Wing Ball

Director (Project and Planning)

Mr Wong is a member of the Hong Kong Institute of Architects and is a registered architect and authorised person in Hong Kong. He has 20 years of experience in property branding and real estate development. Having graduated from the University of Hong Kong, Mr Wong is also currently a part-time research student of finance at the Shanghai University of Finance and Economy. Prior to joining The Link, Mr Wong was group senior project manager and the director and deputy general manager of Sun Hung Kai Properties Group (China Subsidiaries).

Mr SHAM Yat Wah Samuel

Director (Portfolio Management)

Mr Sham graduated from the Mechanical Engineering Department of the University of Hong Kong in 1974 and completed the Advanced Management Program at Harvard Business School in 2003. He is a Chartered Engineer with extensive corporate management and leadership experience both in Hong Kong and overseas. Prior to joining The Link, Mr Sham was the managing director of the Wilson Group, which is a transport infrastructure management company.

Mr AU YEUNG Hau Cheong

General Manager (Leasing and Control)

Mr Au Yeung has over 35 years of experience in the leasing and marketing fields, and is a veteran specialising in retail properties apart from other property aspects in full coverage. Prior to joining The Link, Mr Au Yeung was the general manager of the leasing department of Sun Hung Kai Real Estate Agency Limited and was in charge of a large portfolio of quality and prestige retail properties.

Mr CHEUNG Kin Fat

General Manager (Business Advisory/Development)

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 UK in 1995. He is a member of the Chartered Institute of Housing and the Hong Kong Institute of Housing. Mr Cheung is the former chief manager of the commercial properties division of the Hong Kong Housing Authority and has extensive experience in the development, management and leasing of commercial portfolios.

Ms TSANG Yuk Ying Cissy

General Manager (Portfolio Management)

Ms Tsang graduated with an MBA from Brunel University, UK. She is a Fellow of the Chartered Institute of Housing. Ms Tsang has over 25 years of experience in the property management industry and has held managerial positions in sizable and reputable companies such as MTRC, Hong Kong Land Co., and Hong Kong Housing Society. Prior to joining The Link, Ms Tsang was general manager of Citybase Property Management Co. Ltd.

Management Discussion and Analysis

Operational Review

The Link REIT was established on 6 September 2005 and remained inactive until its listing. Operations of The Link REIT commenced on 25 November 2005, the date of its listing and acquisition of the retail and carpark facilities. The Link REIT was the first and largest Hong Kong REIT with a geographically diverse portfolio of 180 properties, comprising 149 integrated retail and carpark facilities, 2 standalone retail facilities and 29 standalone carpark facilities.

As at 31 March 2006, the portfolio provided an internal floor area of approximately 1,000,000 square meters of retail space and around 80,000 carpark spaces. The occupancy rate of the retail facilities was 91% as at the period end date. The utilisation rate for the carpark facilities, calculated as a percentage of total monthly tickets sold compared with the total number of monthly parking spaces available, was 72%.

The Manager

The Link Management Limited (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 2006, the Manager had 288 staff. Key activities of the Manager include leasing, property management, investment and fund management and associated corporate services.

Leasing

During the period under review, the Manager adopted more flexible leasing strategies to attract new tenants. Approximately 100,000 square meters of floor space have been newly let or re-let, representing a monthly income of about HK\$27 million. The new tenancies are generally on three-year terms and many of them have turnover rent clauses. Many of the tenants are brand-name stores that are new to The Link REIT’s shopping malls.

An integral part of the leasing strategy is the asset improvement plans. Many quick-fix improvements such as improvements to signage, lighting and washroom facilities are already underway. Major enhancements to selected shopping centres are in various stages of planning and implementation.

Property Management

The Manager continued to use external property management agencies to support daily operations such as security, cleansing and day-to-day tenancy management under property management service contracts. To improve the efficiency and quality of these services, the contracts will be re-grouped upon their expiry in June/July 2006. While several existing property management agencies will continue to provide services to The Link REIT under the new contracts, the Manager will work closely with them as a business partner to provide quality services to tenants and shoppers.



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Inspiring our people — our most important asset

1. Ms Angela Chiu, Senior Portfolio Manager (right) shares ideas on service improvement with a Customer Service Ambassador.
2. Shopping centre frontline staff are briefed by Ms Jolene Lo (right), Senior Portfolio Manager on customer courtesy before beginning their shift.

Major Real Estates Agents and Contractors

No commissions were paid to any real estate agents during the period under review. The aggregate value of service contracts of the top five contractors engaged by The Link during the reporting period was HK\$86 million.

Top Five Contractors

For the Relevant Period (from the listing date on 25 November 2005 to 31 March 2006), the top five contractors and their respective value of services rendered were:

Contractors	Nature of Services	Value of Services HK\$'M	% of relevant costs
China Overseas Property Services Ltd	Property management	23	6.2%
Vinci Park Services Hong Kong Limited	Carpark management	20	5.4%
Mack & Co. Carpark Management Ltd	Carpark management	16	4.4%
Sino Estates Management Limited	Property management	14	3.9%
Wenden Engineering Service Co. Ltd	Maintenance	13	3.5%
		86	23.4%

Financial Highlights

Revenue and Net Property Income

Revenue and net property income from the properties portfolio during the period were HK\$1,354 million and HK\$813 million, respectively. They exceeded the forecasts in the Offering Circular dated 14 November 2005 (the "Offering Circular") by HK\$22 million and HK\$43 million, respectively.

Total revenue was made up of HK\$968 million of retail rental, HK\$305 million of carpark income and HK\$81 million of other income. Retail rental was HK\$16 million higher than the forecast in the Offering Circular.

Net property income represented approximately 60% of total revenue, after the deduction of property management costs and other property operating expenses. The expenditure to income ratio improved from 42% as indicated in the Offering Circular to 40%.

	HK\$'M	% of Revenue
Property management costs	269	20%
Other property operating expenses	272	20%
Total property expenses	541	40%
Net property income	813	60%

Total Distributable Income

Pursuant to 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 Trust and its subsidiaries for the financial period, 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\$467 million, after deducting General and Administrative Expenses, Finance Costs and Taxation.

Distribution

The Manager’s policy is to distribute to unitholders 100% of The Link REIT’s Total Distributable Income for the financial period ended 31 March 2006, which amounted to HK\$467 million. The distribution per unit is HK\$0.2181 in respect of the period from 25 November 2005 to 31 March 2006, representing an annualised distribution yield of 6.09% based on the final offer price of HK\$10.30.

The register of unitholders will be closed from 17 August 2006 to 23 August 2006, both days inclusive. The distribution to unitholders will be effected on 30 August 2006.

N.B. As indicated in the Offering Circular, the forecasted distribution was HK\$0.1983 per unit, representing an annualised distribution yield of 5.53% based on the final offer price of HK\$10.30 per unit, or 5.83% based on the discounted Hong Kong public offer price of HK\$9.78 per unit.

Balance Sheet Highlights

Investment Properties

Pursuant to the Property Agreement with the Hong Kong Housing Authority in respect of the acquisition of the retail and carpark facilities, upon completion, The Link, as beneficial owner and by virtue of the Property Agreement, is legally entitled to and will be in a position to operate the acquired properties as if it was the legal and beneficial owner.

Property Valuation

As at the period end date, The Link REIT's property portfolio has undergone a revaluation on a market value basis and recorded a revaluation gain of HK\$1,949 million as compared with the valuation as at 30 September 2005. CB Richard Ellis Limited ("CBRE"), an independent firm of professional valuers, have primarily used two methodologies, the discounted cash flow analysis and the income capitalisation approach, supported by the direct comparison method, in arriving at the market valuation for each individual property in the portfolio.

The movements of fair values are tabulated below:

	Retail properties <i>HK\$'M</i>	Carparks <i>HK\$'M</i>	Total <i>HK\$'M</i>
At beginning of the financial period	—	—	—
Acquisition of retail & carpark facilities	27,257	6,545	33,802
Additions	20	1	21
Change in fair values	1,821	128	1,949
At end of financial period	29,098	6,674	35,772
% change	+6.8%	+2.0%	+5.8%

Financial Structure

The total proceeds from the listing amounting to HK\$21,634 million and a debt financing of HK\$12,169 million formed the total consideration of HK\$33,803 million for the acquisition of the retail and carpark facilities from the Hong Kong Housing Authority. As at the period end date, The Link REIT had a loan facility of HK\$12,500 million, of which HK\$12,169 million was drawn down on the listing date. The facility is a bridging loan with a one-year term, repayable on or before 27 November 2006. The remaining undrawn portion of HK\$331 million represents a revolving credit facility for the financing of discretionary capital expenditure that The Link REIT may incur in relation to major renovations, improvement works and other value-enhancing strategic initiatives.

Credit Ratings

In June 2006, The Link REIT has been assigned with the following credit ratings by two credit rating agencies:

Standard and Poor's	"A" rating with a Stable outlook
Moody's Investor Services	"A3" rating with a Stable outlook

Loan to Asset Ratio

The total borrowings of The Link REIT represented 30% of the total gross asset value of The Link REIT at the period end date, after a valuation exercise conducted by CBRE for the properties portfolio, the result of which has been reflected in the valuation report and audited accounts.

Gross Liabilities and Net Assets

As at 31 March 2006, gross liabilities (excluding net assets attributable to unitholders) accounted for HK\$16,976 million, or 42% of total gross asset value.

As at 31 March 2006, net assets attributable to unitholders were HK\$23,715 million, or HK\$11.09 per unit.

Cash Position

As at the period end date, The Link REIT had cash balances and bank deposits totalling HK\$767 million with maturities well planned to satisfy its financial commitments and working capital requirements. The Manager has adopted a principal preservation approach in cash management to ensure flexibility to meet the operational needs of The Link REIT.

Re-financing

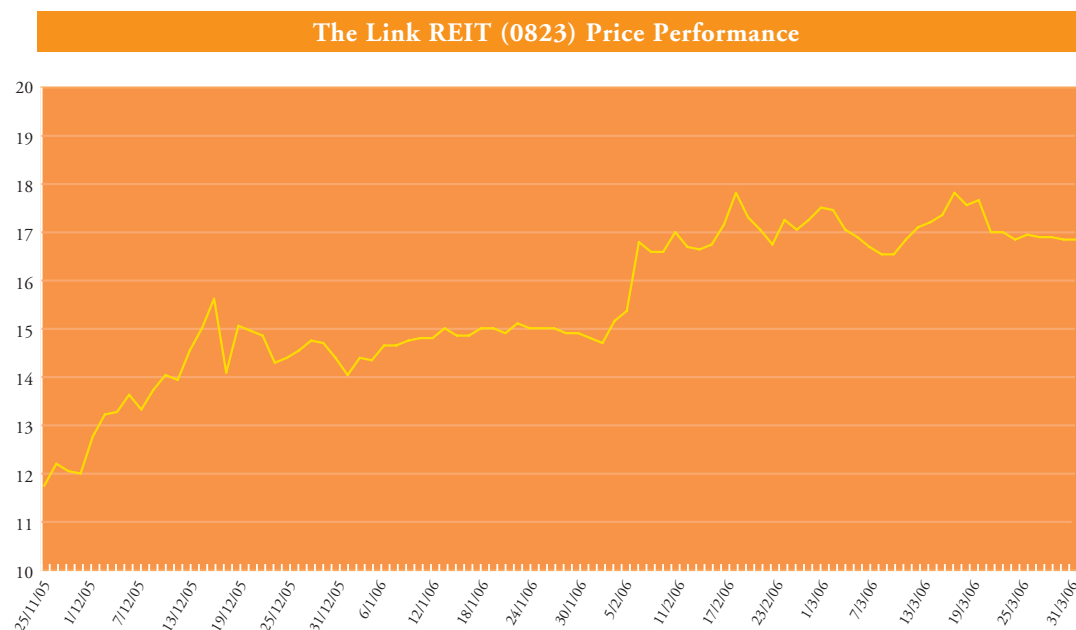
The Manager is considering various financing options available to refinance the bridging loan facility of the HK\$12,500 million put in place at the time of the Global Offering. A suitable combination of financing alternatives will be utilised based on The Link's specific circumstances, and the pricing, terms and maturity profile offered. This will facilitate the implementation and on-going monitoring of risk management policies and treasury operations.

Unit Activity

Units in Issue

Upon listing on 25 November 2005, a total of 2,137,454,000 units were issued. During the period under review, the units have been actively traded. The closing price as at 31 March 2006 was HK\$16.80, representing a premium of 63% over the subscription price of HK\$10.30.

The closing price also reflected a premium of 51% on the net asset value of HK\$11.09 per unit.



Portfolio Highlights



Three Completed Asset Enhancement Projects

1	2	
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Tsz Wan Shan Shopping Centre

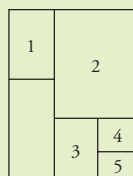
1. Part of the atrium has been converted into a new food & beverage area, offering additional dining choices for shoppers.
2. We have brought in a variety of trades, including a family entertainment centre for the whole family to enjoy.
3. Washroom facilities were upgraded as part of our efforts to offer a clean and pleasant shopping environment.
4. We encourage innovative and open shop fronts.
5. New tenants in this shopping zone offer more choices and fun for shoppers. Many popular retailers made their debut appearance with The Link in this mall.
6. A new signage system has been introduced.
7. Lighting has been upgraded to enhance the shopping environment.





Lung Cheung Mall

1. The former under-utilised zone has been converted into new retail space, providing additional lettable area.
2. Contemporary specialty food outlets have been introduced, enriching the trade mix of the centre.
3. The colourful lightbox decoration in the atrium has become a popular meeting point for shoppers.
4. This newly renovated drop-off point in the new shopping zone allows tourists to wait for their buses in air conditioned comfort.
5. Mr Paul Cheng, Chairman visits the newly completed retail space with Mr Ball Wong, Director (Project and Planning).



Portfolio Highlights



Hau Tak Shopping Centre

- 1 & 3. Modern decor has been created to improve the shopping environment.
2. The atrium's ceiling has been made more energy efficient by taking advantage of natural light.
4. New glass balustrade gives excellent visibility to shoppers.
5. Better utilisation of space with a tailor-made layout for a new desert shop.

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3	5
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Five More Asset Enhancement Projects Planned



Stanley Plaza

Enhancements will include new facade treatment, modernisation of the covered walkway and a new intercepting lobby for the carpark and shopping arcade. The proposed works will improve the centre's overall appearance and image and attract more patrons.

Lok Fu

The planned enhancement will give the centre a modern appearance and an improved entrance. Minor enhancements to common areas will also take place with minimum impact on tenants' business.

Choi Ming

Lettable areas will be more efficiently used and the shopping areas will be enhanced.

Chung On

This shopping centre in Ma On Shan will undergo a number of improvements, including shop-front realignment and entrance relocation for a better internal layout and shopper circulation.

Tai Wo

Some of the retail areas will be converted into a new food & beverage zone. The interior finishing will also be upgraded gradually.

Portfolio Highlights



Lok Fu Shopping Centre

- The Link portfolio's largest shopping centre
- Conveniently located in Kowloon Central



Wong Tai Sin Shopping Centre

- Next to Wong Tai Sin Temple, a major tourist attraction
- Linked by a footbridge to Lung Cheung Mall to create synergy as an integrated mega mall
- Next to Wong Tai Sin MTR Station



Lung Cheung Mall

- Next to Wong Tai Sin MTR Station
- Integrated with Wong Tai Sin Temple Plaza, and just minutes away from one of Hong Kong's most popular attractions, Wong Tai Sin Temple

Hong Kong International Airport

Fu Tung

Ngong Ping 360

The Big Buddha

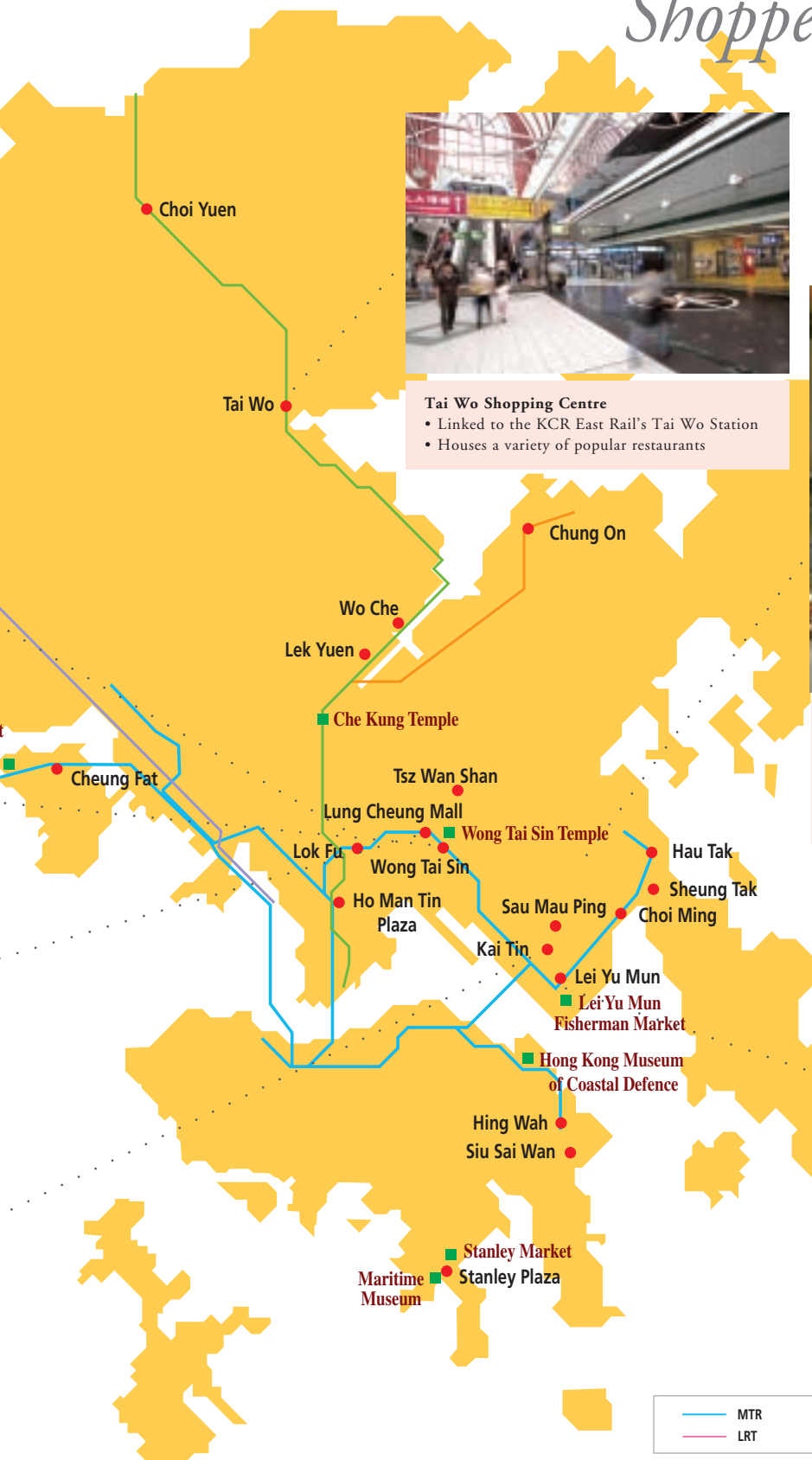


Kai Tin Shopping Centre

- Located in the heart of Lam Tin
- Linked by a covered walkway to Lam Tin MTR Station and the public transport interchange



Our Major Centres *Linked to* Shoppers Across the City



Tai Wo Shopping Centre

- Linked to the KCR East Rail's Tai Wo Station
- Houses a variety of popular restaurants



Sau Mau Ping Shopping Centre

- Brings pride and joy to shoppers around Kwun Tong
- Winner of the Hong Kong Institute of Architects Urban Design Special Architectural Award in 2003



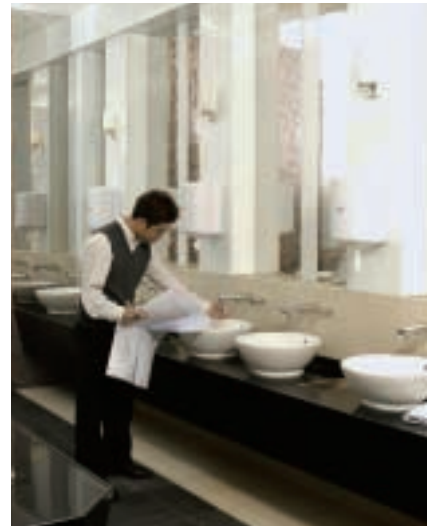
Lei Yue Mun Plaza

- Convenient for our neighbours in Yau Tong and Lei Yue Mun
- Offers a wide variety of shopping and dining choices
- Linked to Yau Tong MTR Station

	MTR		KCR East Rail		Ma On Shan Rail
	LRT		KCR West Rail		

• Major centres in The Link's portfolio
■ Major attractions

Portfolio Highlights



Facility Improvements

1. A customer service ambassador is coached to use new facilities to serve our shoppers better.
2. Washroom facilities in many of our shopping centres have been upgraded, and are frequently checked by our staff.
3. We are progressively improving directional signage for the convenience of shoppers.
4. All enhancements are carefully planned to ensure that shoppers' needs are met.
5. The ramp and shopping walkway at Oi Man Shopping Centre has received a facelift to provide customers with a better shopping environment.
6. At Ka Fuk Shopping Centre, we have revamped the external finishes for a more pleasant appearance.

1	2
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Tenants Views



“ Since The Link took over, the shopping centre has attracted more youngsters and students, expanding its customer base. As a result, shops have also introduced more trendy merchandise. We believe The Link will step up its efforts to attract more consumers and improve shopper traffic by organising more promotional activities in the shopping centre. ”

2% Fashion Boutique — Tsz Wan Shan Shopping Centre
Mr Steve Lam, Shop Manager

“ Besides improving the shopping centre’s facilities, The Link has rented out a lot of retail space that was previously left vacant. In doing so, it has introduced a greater variety of trades and created a more dynamic business environment. ”

Hair Salon — Po Tat Shopping Centre
Mr C.C. Cheung, Shop Operator



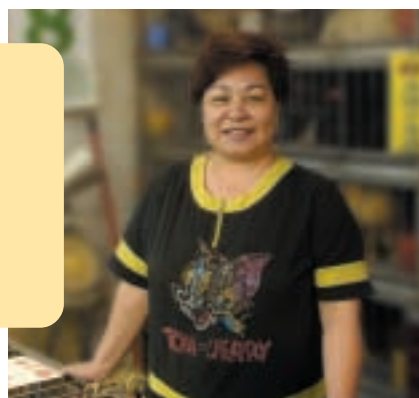
“ I am very satisfied with the way The Link manages the shopping centre. Under The Link, the shopping centre is kept clean and tidy, and the management team is keen to listen and quickly respond to tenants’ views. The Link’s shopping centres are as well-managed as other centres in Hong Kong. ”

Par Wong Lane - Sau Mau Ping Shopping Centre
Mr Andrew Lee, Managing Director



“ Facilities at the fresh market have been upgraded. Security and cleanliness have improved. I hope to maintain constant dialogue with The Link and work as a partner with them. ”

A Market Stall at Lok Fu Fresh Market
Ms L.H. Tsang, Stall Operator



Portfolio Summary

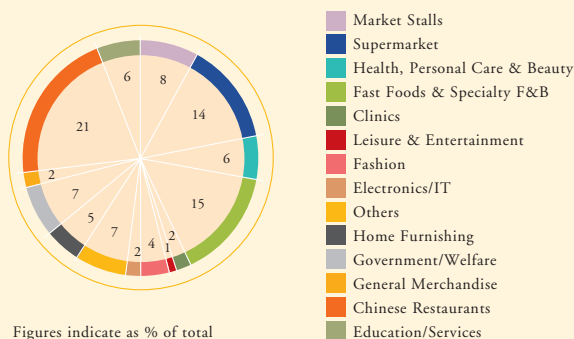
Portfolio Overview

Our 10 largest properties generated around 22% of gross revenue

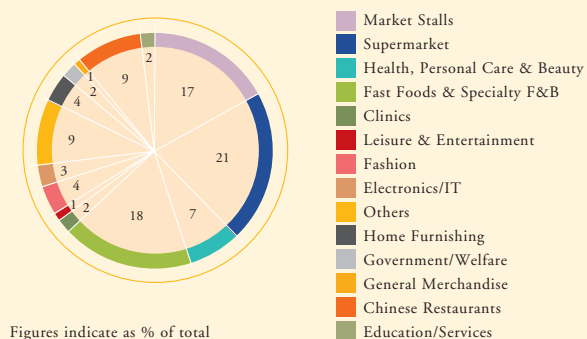
Retail and Carpark Operations (by estate)	Rental income from Retail Operations HK\$'M	Gross receipts from Carpark Operations HK\$'M	Total Revenue HK\$'M	Revenues (%)	Cumulative % of Revenues (%)
Top 10 Properties					
Lok Fu	48	4	52	3.8	3.8
Tin Chung (Chung Fu Shipping Ctr)	34	3	37	2.7	6.5
Tsz Lok (Tsz Wan Shan SC)	27	6	33	2.5	9.0
Sau Mau Ping	33	0	33	2.4	11.4
Sheung Tak	25	5	30	2.2	13.6
Kai Tin	23	2	25	1.9	15.5
Upper Wong Tai Sin (Lung Cheung Mall)	22	2	24	1.8	17.3
Tin Chak	21	1	22	1.6	18.9
Hau Tak II	19	4	23	1.7	20.6
Lower Wong Tai Sin II (WTS SC)	18	4	22	1.6	22.2
11-40	387	77	464	34.3	56.5
41-85	283	85	368	27.2	83.7
86-180	109	112	221	16.3	100.0
Total	1,049	305	1,354	100.0	100.0

Retail Overview — Diverse Tenancy Base

Trade Mix by Leased IFA

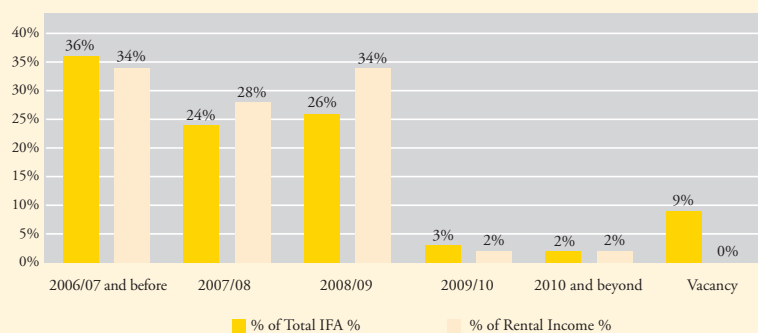


Trade Mix by Monthly Base Rent



Lease Expiry Profile








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



Tenant and Lease Profile

Our biggest tenants (in terms of monthly base rent) of the Retail Facilities account for 32.2% of the total monthly base rent.

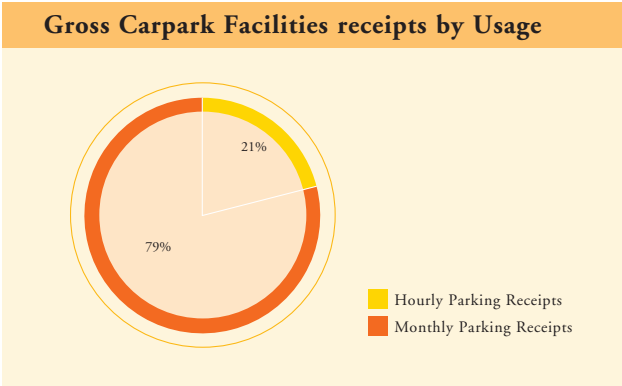
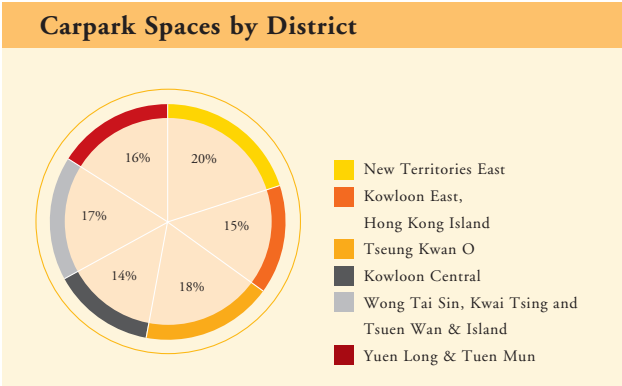
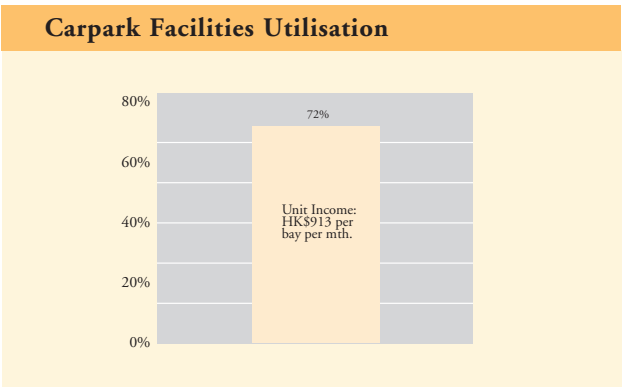
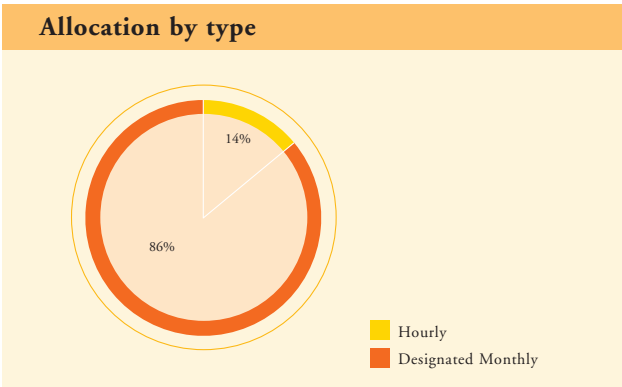
Top 10 Tenants of the Retail Facilities

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

	No. of outlets	IFA (sq.m)	% of total IFA	% of leased IFA	% of total monthly base rent
Top 10 Tenants	499	196,353	20.4%	22.4%	32.2%
Other Tenants	8,479	681,250	70.6%	77.6%	67.8%
Leased Tenants	8,978	877,603	91.0%	100.0%	100.0%
Vacancy	1,992	86,827	9.0%	N.A.	0.0%
Overall	10,970	964,430	100.0%	N.A.	100.0%

Carpark Facilities Overview

- Largest carpark facilities portfolio held by a single owner in Hong Kong
- Around 80,000 carpark spaces — approx. 13% of Hong Kong’s total supply
- 149 carpark facilities integrated with retail facilities and 29 standalone carpark facilities



Service to the Community



1. The Link's team spirit and care to the community are demonstrated by our staff's enthusiastic participation in community events organised by our volunteer team.
2. Mr Victor So (first from right, upper row), Chief Executive Officer, attends the Harbour Business Forum's "My Harbour" Design Competition award ceremony. The company provided publicity support for the competition.
3. The Link provides rent-free access to non-profit organisations to host charitable activities. At the "Care for the Elderly" charity ticket promotion event, senior citizens put on an African drum performance to encourage community support.
4. The Link supports community and civic organisations in their education activities for our neighbourhoods, such as the "Healthy Exercise for All Campaign 2005".
5. Mr Victor So (right) presents a symbolic HK\$1 million cheque to The Community Chest.

1	
2	3
4	5



Service to the community

Our shopping centres are community hubs, places where families gather and neighbours greet each other. In many ways, our centres are an extension of people's homes. As a vital part of the neighbourhoods we serve, The Link is committed to being a good corporate citizen.

The Link's staff volunteer team has made holiday visits to senior citizens, bringing them festive joy with songs, games and seasonal gifts. Leveraging on the positioning of our shopping malls as the centre of our neighbourhood communities, The Link has co-organised community events with our social service partners to raise funds for charity.

We take advantage of the large size of our portfolio to give organisations the power to reach a large portion of the public. We have extended rent-free access for many community-

building and civic education activities, including health education fairs, charity sales, art and cultural activities, public school performances and environmental awareness campaigns.

In enhancing and making optimum use of our assets, we aim not only to create a better business environment, but to create more usable and attractive public spaces for the enjoyment of our neighbours. We have upgraded and provided facilities including a garden on a carpark rooftop, children's playgrounds and sports venues.

The Link prides itself on being a focal point of many of Hong Kong's communities and on being a good neighbour through participation in and support of neighbourhood activities. This investment in time and resources benefits our community, our employees and ultimately our unitholders.

Corporate Governance Report

With the objectives of 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 (“SFC”) under section 104 of the Securities and Futures Ordinance (Cap.571) (“SFO”) and regulated by the provisions of the Code on Real Estate Investment Trusts (the “REIT Code”). The Manager is licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. Mr SO Hing Woh Victor, an Executive Director and Chief Executive Officer and Mr HO Kam Por Simon, the Compliance Manager, are the Responsible Officers of the Manager pursuant to the requirements of section 125 of the SFO and Rule 5.4 of the REIT Code.

HSBC Institutional Trust Services (Asia) Limited is the Trustee of The Link REIT. The Trustee is registered as a trust company under section 77 of the Trustee Ordinance and is qualified to act as a trustee for collective investment schemes under the SFO and the REIT Code.

Roles of the Trustee and the Manager

As The Link REIT has been structured with an internal manager, the Trustee is the owner of all the shares of the Manager, which are held in trust for the benefit of unitholders. However, 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

With the aim of creating a board structure that is both effective and balanced, the size of the Board has been set to provide for a minimum of nine Directors and a maximum of 14 Directors. Pursuant to the Manager’s corporate governance policy, at least half of the Directors are required to be Independent Non-executive Directors. At present, the Board comprises 12 members, nine of whom are Independent Non-executive Directors. Independent Non-executive Directors are appointed for an initial term of three years and one-third of them are subject to retirement at each annual general meeting of the Manager on rotation. Independent Non-executive Directors will be eligible for re-appointment up to a maximum period in office of six years. Two Non-executive Directors, Mr LIEW Mun Leong and Mr PUA Seck Guan, who were appointed pursuant to the Co-operation Agreement and its supplemental signed between the Manager and CapitaLand Limited on 27 August 2004 and 26 October 2005 respectively and the Executive Director, Mr SO Hing Woh Victor, are not subject to the retirement by rotation.

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

- the Chairman of the Board should 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
- at least one half of the Board should comprise Independent Non-executive Directors.

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

The Board principally oversees the day-to-day management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. The Board function is largely separate from, and independent of, the executive management function. The Board leads and guides the Manager's corporate strategy and direction. It exercises the general powers within the limits defined by the Articles of Association, 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 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.

- Chief Executive Officer — 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 — responsible for governing the Manager through the Board.

The positions of Chairman and Chief Executive Officer are held by two different persons, namely, Mr CHENG Ming Fun Paul and Mr SO Hing Woh Victor, respectively, in order to maintain an effective segregation of duties.

A total of 10 full Board meetings were held during the relevant financial period with an average attendance rate of 80%.

The Board acknowledged its responsibility for preparing the accounts of The Link REIT.

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

Audit Committee

The Audit Committee is comprised solely of Independent Non-executive Directors, namely, Dr FUNG Yuk Bun Patrick, Dr LEE Nai Shee Harry and Dr ZEMAN Allen. Dr. FUNG Yuk Bun Patrick is the Chairman. It 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. The Audit Committee is responsible to the Board for ensuring the quality and integrity of internal controls and the management of risk. It also

recommends the appointment of external auditors, reviews their reports and guides management to take appropriate actions to remedy faults or deficiencies identified. The Audit Committee is also responsible for reviewing and monitoring connected party transactions.

The Audit Committee held a meeting on 22 June 2006 to consider and review the 2005/2006 financial results of The Link REIT as well as internal controls, risk assessment and compliance matters relating to The Link REIT. In particular, it reviewed connected party transactions during the Relevant Period (from the listing date on 25 November 2005 to 31 March 2006) and confirmed that such transactions were entered into in accordance with the REIT Code and the internal control system established by the Manager and are at arm's length on normal commercial terms. The attendance at that meeting was 100%.

Finance and Investment Committee

The Finance and Investment Committee comprises six members, Independent Non-executive Directors namely Mr SUN Patrick, Mr ARNOLD Michael Ian, Mr CHAO Tse Hou Leslie; the other three members are Mr LIEW Mun Leong, a Non-executive Director, Mr SO Hing Woh Victor, an Executive Director and the Chief Executive Officer and Mr PANG Pui Yin Thomas, Director (Finance). Mr SUN Patrick is the Chairman. The 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 Manager and 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 considered the budget for the 2006/2007 financial year and reviewed the financial performance with respect to the 2005/2006 financial year. A total of three meetings were held during the relevant financial period with an average attendance rate of 72%.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee comprises five members, Independent Non-executive Directors namely Mr ARNOLD Michael Ian, Mr SUN Patrick and Mr KO Kam Chuen Stanley; Mr LIEW Mun Leong, a Non-executive Director and Mr SO Hing Woh Victor, an Executive Director and the Chief Executive Officer. Mr ARNOLD Michael Ian is the Chairman. 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 Human Resources and Compensation Committee held a meeting on 13 March 2006 to review the organisation structure, manpower plan for 2006/2007 and other related issues. The attendance at that meeting was 80%.

Nomination Committee

The Nomination Committee comprises five members, Independent Non-executive Directors namely Mr CHENG Ming Fun Paul, Mr ARNOLD Michael Ian, Mr LEE Nai Shee Harry and Mr CHOW Wing Kin Anthony; and Mr SO Hing Woh Victor, an Executive Director and the Chief Executive Officer.

Mr CHENG Ming Fun Paul is the Chairman. 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 and re-appointment of Directors. The Nomination Committee is also responsible for proposing Directors for removal from the Board. If a member of the Nomination Committee is subject to re-appointment or removal, then such Director will abstain from participating in such discussions.

Disclosure Committee

The Disclosure Committee comprises five members, Independent Non-executive Directors namely Mr CHENG Ming Fun Paul, Mr CHOW Wing Kin Anthony; Mr PUA Seck Guan, a Non-executive Director, Mr SO Hing Woh Victor, an Executive Director and the Chief Executive Officer, and Mr PANG Pui Yin Thomas, Director (Finance). Mr CHENG Ming Fun Paul is the Chairman. The Disclosure 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 and public announcements, and ensuring their accuracy, clarity, completeness and currency. It is also responsible for reviewing periodic and current reports, proxy statements and statutory filings with regulatory bodies. The Disclosure Committee held a meeting on 26 June 2006 to review and consider the accuracy and completeness of the annual report of The Link REIT for the financial year ended 31 March 2006 and to ensure compliance with applicable legal and regulatory requirements. The attendance at that meeting was 80%.

Review of Internal Controls and Assessment of Business Risk

The Board has reviewed the financial performance of The Link REIT against an approved budget and outlined the budget for the coming year. A high level risk assessment has been conducted to identify the key risk factors. An internal audit plan has been developed to review and monitor the on-going effectiveness of risk control. The Board has also accepted the compliance report examined and endorsed by the Audit Committee.

General Meetings

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

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

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

The first annual general meeting of The Link REIT will be held on 23 August 2006.

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:

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

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

Appointment and Removal of Directors

Directors may be nominated for appointment and/or removal by (i) the Board of Directors following a recommendation made by the Nomination Committee; or (ii) any unitholder in accordance with the terms of the Trust Deed. Upon receipt of a valid request from unitholders pursuant to the terms of the Trust Deed, the Manager, in its capacity as Manager of The Link REIT, must convene a meeting of unitholders for the purpose of seeking the approval of unitholders for any proposed appointment or removal of Directors by way of ordinary resolution. The quorum for such general meeting of unitholders to consider the appointment or removal of a Director as approved and recommended by the Nomination Committee is two or more unitholders present in person or by proxy registered as holding not less than 10 per cent of the units for the time being issued and outstanding whilst the quorum where the person has not been approved and recommended by the Nomination Committee is two or more unitholders present in person or by proxy registered as holding not less than 25 per cent of the units for the time being issued and outstanding. Unitholders have the right to remove an incumbent Director. A Director may also be removed from office if served with a notice of removal signed by all the other Directors. An outgoing Director must abstain from voting in respect of a resolution proposed at a Board meeting in respect of the appointment of his successor.

Reporting and Transparency

The Link REIT will prepare its financial statements in accordance with the Hong Kong Financial Reporting Standards with a financial year end of 31 March and a financial half-year end of 30 September. In accordance with the REIT Code, the annual report and financial statements for The Link REIT will be

published and sent to unitholders no later than four months following each financial year end and the interim results no later than two months following each financial half-year end.

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.

Issues of further units post-listing

Further issues of units of The Link REIT will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of units be first offered on a pro rata pre-emptive basis to existing unitholders except that units may be issued (i) free of such pre-emption rights up to an aggregate maximum in any financial year of 20% of the number of units in issue at the end of the previous financial year; (ii) as consideration for the acquisition of additional real estate; and (iii) free of pre-emption rights in other circumstances provided that the approval of unitholders by way of an ordinary resolution is obtained. The Manager and The Link REIT will also observe the restrictions in the REIT Code which prevent issues of new units to connected persons unless specifically approved by unitholders.

The Link REIT has not issued any new unit during the Relevant Period.

Distribution and Payments

Pursuant to the Trust Deed, The Link REIT is required to ensure that the total amount distributed to unitholders as dividends will be

no less than 90 per cent of its Total Distributable Income (as defined in the Trust Deed) for each financial year. However, the Manager's policy is to distribute to unitholders as dividends an amount equal to 100 per cent of The Link REIT's Total Distributable Income for each financial year.

The amount that will be distributed to unitholders as a dividend for the Relevant Period is HK\$0.2181 per unit.

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

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

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

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

Effective from 16 February 2006, the Manager has, at the request of the SFC, amended the Trust Deed to adopt the disclosure of interests regime and the relevant provisions of Part XV of the SFO. Accordingly, the relevant provisions of Part XV of the SFO shall be deemed to apply to The Link REIT as if The Link REIT is a company with its shares listed on the Stock Exchange. Accordingly, any

person who is interested (or has a short position of) in 5 per cent or more of the units of The Link REIT in issue will have a notifiable interest and a duty of disclosure in respect of any acquisition of, cessation of or changes in such interest or short position. The Manager is keeping a register for this purpose and the register is available for inspection by unitholders during business hours upon reasonable notice to the Manager.

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

Upon the issuance of units of The Link REIT pursuant to its initial public offering in November 2005, the Manager repurchased the two founder units of The Link REIT at their issue price, for cancellation. The Manager has agreed not to repurchase any unit of The Link REIT unless permitted to do so by the relevant codes and guidelines issued by the SFC from time to time.

Conflict of Interest

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

1. directors are required to report and update changes of their other directorships periodically. A register of such directorships is also maintained;
2. directors in general cannot vote on business in which they have an interest and cannot be counted in the quorum;
3. 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;

4. the Manager is a dedicated manager to The Link REIT and does not manage any other real estate investment trusts; and
5. 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 and other relevant policies and guidelines issued for and adopted by The Link REIT.

Compliance

During the relevant reporting period covered by this annual report, the Manager and The Link REIT has complied with the provisions of the REIT Code, 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 for use in relation to the management of The Link REIT.

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 2006.

Connected Party Transactions

Set out below is information in respect of the connected party transactions involving The Link REIT and its connected persons as defined in clause 8.1 of the REIT Code in respect of the Relevant Period:

Connected Party Transactions — Income

The following table sets forth information on all the connected party transactions from which The Link REIT derived its income during the Relevant Period:

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Rental & Charge Out Collection* HK\$'M	Rental Deposit as at 31 March 2006 HK\$'M
The Hongkong and Shanghai Banking Corporation Limited, its subsidiaries and associates	Trustee's connected person	Tenancies of property of The Link REIT ¹	4.4	0.3

¹ For shops and ATMs at various locations.

* Amount excluding deposit.

Connected Party Transactions — Expenses

The following table sets forth information on all the connected party transactions in respect of which The Link REIT incurred expenses during the Relevant Period:

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Expense Incurred HK\$'M
The Link Management Limited	The Manager	Management Fee	61.9
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee Fee	0.9
CB Richard Ellis Limited	Principal Valuer	Valuation Fee	4.7
CapitaLand Limited	Strategic Partner	Strategic Partner Service Fee	1.3
HSBC Group*	Trustee's connected person	Loan Interest	200.9

* 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.

Connected Party Transactions with the HSBC Group for Ordinary Course Banking Services

The Link REIT and its subsidiaries have engaged The Hongkong and Shanghai Banking Corporation Limited, the indirect holding company of the Trustee of The Link REIT, to provide ordinary course banking and financial services, namely, bank deposit and MPF arrangements for staff, during the Relevant Period.

The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited are the lenders to The Link Finance Limited, a Special Purpose Vehicle of The Link REIT, pursuant to a loan facility arranged for the acquisition of the property portfolio from the Hong Kong Housing Authority.

The Audit Committee has reviewed the general nature and types of such transactions and is satisfied that the general nature and types of transactions are of the type that are contemplated in the waiver granted by the SFC to The Link REIT and are of 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 with The 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 waiver granted by the SFC.

Connected Party Transactions — Lease Transactions under which the Annual Rent Exceeds HK\$1 million

Name of Connected Person (Tenant)	Relationship with The Link REIT	Nature of the Transaction	Material Terms	Annual Income ¹ HK\$'M
The Hongkong and Shanghai Banking Corporation Limited	Trustee's connected person	Tenancy for Shop No. 6 of of Homantin Plaza	Term of 6 years and expire on 31/12/2006	1.1
		Tenancy for Shop Nos. T036-T038 Lok Fu Shopping Centre	Term of 2 years and expire on 31/8/2007	2.2
Hang Seng Bank Limited	Trustee's connected person	Tenancy for Shop S31D of Lok Fu Shopping Centre	Term of 3 years and expire on 31/1/2007	1.6

1 The annual income stated herein refers to the rental income that would have been received for a 12-month period in accordance with the tenancy agreement.

Confirmation by the Audit Committee

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

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

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

Pursuant to the waiver from strict compliance with the approval and disclosure requirements under Chapter 8 of the REIT Code, the Manager has engaged the auditors of The Link REIT to perform certain fact finding procedures in respect of the connected party transactions on the leasing of properties and corporate finance transactions during the Relevant Period. The auditors have performed these procedures and reported their factual findings to the Audit Committee of the Manager.

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

The Manager confirms that no corporate finance transaction (save and except for those disclosed hereinabove) was entered into with the HSBC Group during the Relevant Period.

The Manager (including all the 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 advisory transactions set out in waiver granted by the SFC to The Link REIT is fair and reasonable in light of The Link REIT's operations and unit holding structure, including the objectives and strategy 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 of the waivers granted.

Holding of Connected Persons in the Units of The Link REIT

Upon making reasonable enquiry and according to information available to the Manager, the following persons, being connected persons (as defined under the REIT Code) of The Link REIT, held units of The Link REIT as at 31 March 2006:

Name	Number of Units	Percentage of Holdings
The Children's Investment Master Fund	392,279,500	18.35%
CapitaLand Limited	90,874,000	4.25%
HSBC Group	2,713,000	0.13%
The Wing Hang Bank Limited	100,000	0.00%

Notes:

1. The Children's Investment Master Fund is a connected person as it is a significant holder (as defined under the REIT Code).
2. CapitaLand Limited is a connected person as it is the Strategic Partner of the Manager and Mr LIEW Mun Leong, a director of CapitaLand Limited, is also a director of the Manager of The Link REIT.
3. HSBC Group is a connected person as HSBC Institutional Trust Services (Asia) Limited is the Trustee of The Link REIT.
4. The Wing Hang Bank Limited is a connected person as Dr FUNG Yuk Bun Patrick, Chairman of The Wing Hang Bank Limited, is a director of the Manager of The Link REIT.

So far as the Manager is aware there was no change in the number of units held by CapitaLand Limited during the period from the Listing Date (25 November 2005) to 31 March 2006. Units held by The Wing Hang Bank Limited were subscribed through the IPO of The Link REIT. Units held by the HSBC Group and The Children's Investment Master Fund were acquired after The Link REIT was listed on the Stock Exchange of Hong Kong.

Continue with the Waivers Granted Without Unitholders' Approval

The Audit Committee has reviewed the terms of the connected party transaction waivers granted by the SFC upon the listing of The Link REIT and is satisfied that (on the basis of the terms of the waivers and the internal controls and procedures in place) it is fair and reasonable that the waivers be continued without unitholders' approval.

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

Progress Report of the Title Transfer of the Properties

As a condition of a modification of Rules 4.2(k), 5.2(c) and 7.7 of the REIT Code (regarding property title requirements) granted to The Link REIT, the progress of the conveyance of the legal and beneficial title to the 180 properties acquired by The Link REIT from the Hong Kong Housing Authority is required to be reported in the annual report of The Link REIT. The results announcement of The Link REIT for the financial period ended 31 March 2006 dated 29 June 2006 also contains a progress report in this regard.

I. 76 List 1 Properties Completed upon the Listing of The Link REIT on 25 November 2005

Upon the listing of The Link REIT on 25 November 2005, the legal and beneficial title to the following 76 List 1 Properties was transferred to The Link REIT:

1.	Retail and Carpark within Cheung On Estate	26.	Kwong Yuen Shopping Centre	53.	Retail and carpark within Tin Wang Court
2.	Cheung Wah Shopping Centre	27.	Lei Cheng Uk Shopping Centre	54.	Carpark within Tin Yau Court
3.	Retail and Carpark within Ching Wah Court	28.	Lei Tung Commercial Centre	55.	Retail and Carpark within Tong Ming Court
4.	Carpark within Ching Wang Court	29.	Leung King Shopping Centre	56.	Tsing Yi Commercial Complex
5.	Retail and Carpark within Choi Ha Estate	30.	Retail and Carpark within Lok Nga Court	57.	Tsui Ping North Shopping Circuit
6.	Choi Ming Shopping Centre	31.	Carpark within Lower Wong Tai Sin (I) Estate	58.	Retail and Carpark within Tsui Wan Estate
7.	Carpark within Chuk Yuen (North) Estate	32.	Retail and Carpark within Mei Chung Court	59.	Retail and Carpark within Tsz Oi Court
8.	Fu Heng Shopping Centre	33.	Carpark within Ming Nga Court	60.	Retail and Carpark within Tung Hei Court
9.	Carpark within Fung Lai Court	34.	Carpark within Ning Fung Court	61.	Retail and Carpark within Tung Tau Estate
10.	Fung Tak Shopping Centre	35.	Carpark within Pang Ching Court	62.	Wah Ming Shopping Centre
11.	Retail and Carpark within Fung Wah Estate	36.	Po Hei Court Commercial Centre	63.	Wan Tau Tong Shopping Centre
12.	Hin Keng Shopping Centre	37.	Po Lam Shopping Centre	64.	Carpark within Wang Fuk Court
13.	Hing Tin Commercial Centre	38.	Retail and Carpark within Po Nga Court	65.	Retail and Carpark within Wo Ming Court
14.	Hiu Lai Shopping Centre	39.	Carpark within Po Pui Court	66.	Retail and Carpark within Yan Ming Court
15.	Carpark within Hong Keung Court	40.	Carpark within San Wai Court	67.	Retail and Carpark within Yan Shing Court
16.	Retail and Carpark within Hong Pak Court	41.	Shan King Commercial Centre	68.	Carpark within Yee Kok Court
17.	Retail and Carpark within Hong Shui Court	42.	Siu Hei Commercial Centre	69.	Carpark within Yee Nga Court
18.	Retail and Carpark within Hong Yat Court	43.	Siu Lun Shopping Centre	70.	Yin Lai Court Shopping Centre
19.	Carpark within Ka Tin Court	44.	Retail and Carpark within Siu On Court	71.	Retail and Carpark within Ying Fuk Court
20.	Carpark within Kam On Court	45.	Retail and Carpark within Tai Ping Estate	72.	Carpark within Ying Ming Court
21.	Carpark within King Lai Court	46.	Tai Wo Shopping Centre	73.	Yiu On Shopping Centre
22.	King Lam Shopping Centre	47.	Tak Tin Shopping Centre	74.	Yu Chui Shopping Centre
23.	Retail and Carpark within Ko Chun Court	48.	Chung Fu Shopping Centre	75.	Carpark within Yue On Court
24.	Kwai Hing Shopping Centre	49.	Carpark within Tin King Estate	76.	Yung Shing Shopping Centre
25.	Carpark within Kwai Hong Court	50.	Tin Ma Court Commercial Centre		
		51.	Tin Ping Shopping Centre		
		52.	Tin Shing Shopping Centre		

II. 24 List 1 Properties Completed after 25 November 2005

Between 25 November 2005 and 21 June 2006, the legal title to the following remaining 24 List 1 Properties (the beneficial title to which was transferred to The Link REIT upon the listing of The Link REIT on 25 November 2005) was transferred to The Link REIT:

No.	Property	Completion Date
1.	Butterfly Shopping Centre	21 June 2006
2.	Choi Yuen Shopping Centre	21 June 2006
3.	Chung On Shopping Centre	2 May 2006
4.	Fu Cheong Shopping Centre	18 May 2006
5.	Fu Shin Shopping Centre	28 February 2006
6.	Fu Tai Shopping Centre	11 February 2006
7.	Hau Tak (II) Shopping Centre	2 May 2006
8.	Heng On Commercial Centre	26 April 2006
9.	Ho Man Tin Plaza	2 May 2006
10.	Hoi Fu Shopping Centre	31 December 2005
11.	Kam Tai Shopping Centre	16 February 2006
12.	Kam Ying Court Shopping Centre	26 April 2006
13.	Kin Sang Shopping Centre	16 February 2006
14.	Kwong Tin Shopping Centre	2 May 2006
15.	Retail and Carpark within Nam Cheong Estate	31 December 2005
16.	Oi Man Shopping Centre	21 June 2006
17.	Oi Tung Shopping Centre	18 May 2006
18.	On Yam Shopping Centre	2 May 2006
19.	Sui Wo Court Commercial Centre	16 February 2006
20.	Tin Chak Shopping Centre	2 May 2006
21.	Tin Yiu Shopping Centre	2 May 2006
22.	Wah Kwai Shopping Centre	11 February 2006
23.	Carpark within Wah Lai Estate	18 May 2006
24.	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)	31 December 2005

III. 80 List 2 Properties

As disclosed in the “Material Contracts and other Documents and Information — Agreements relating to the Acquisition of the Properties — Property Agreement” section of the Offering Circular dated 14 November 2005, pursuant to the Property Agreement dated 19 November 2004 (as supplemented by a supplemental agreement dated 6 September 2005 and an addendum dated 3 November 2005) entered into between the Hong Kong Housing Authority and The Link Properties Limited, the beneficial title to all 80 List 2 Properties was transferred to The Link REIT upon the listing of The Link REIT on 25 November 2005.

Amongst the 80 List 2 Properties, the legal title to one List 2 Property, Cheung Fat Shopping Centre, was completed on 23 March 2006. As disclosed in the Offering Circular, the legal title to the following List 2 Properties will be transferred to The Link REIT in quarterly batches and it is expected that the process of the conveyance of the legal title to the remaining List 2 Properties will be completed by the middle of 2008:

1.	Cheung Fat Shopping Centre (completed on 23 March 2006)	27.	Lek Yuen Commercial Complex	55.	Sun Chui Shopping Centre
2.	Retail and Carpark within Ap Lei Chau Estate	28.	Lok Fu Shopping Centre	56.	Sun Tin Wai Commercial Centre
3.	Cheung Hang Shopping Centre	29.	Lok Wah Commercial Centre	57.	Tai Hing Commercial Centre
4.	Cheung Hong Commercial Centre	30.	Retail and Carpark within Lok Wah (South) Estate	58.	Tai Wo Hau Commercial Centre
5.	Retail and Carpark within Cheung Wang Court	31.	Long Ping Commercial Centre	59.	Tai Yuen Commercial Centre
6.	Retail and Carpark within Choi Fai Estate	32.	Wong Tai Sin Shopping Centre	60.	Tin Shui Shopping Centre
7.	Choi Wan Commercial Complex	33.	Lung Hang Commercial Centre	61.	Tin Tsz Shopping Centre
8.	Chuk Yuen Shopping Centre	34.	Stanley Plaza	62.	Retail and Carpark within Tin Wah Estate
9.	Chun Shek Shopping Centre	35.	Mei Lam Commercial Centre	63.	Tin Wan Shopping Centre
10.	Fortune Shopping Centre	36.	Ming Tak Shopping Centre	64.	Retail and Carpark within Tin Yat Estate
11.	Fu Tung Shopping Centre	37.	On Ting Commercial Complex	65.	Carpark within Tin Yuet Estate
12.	Hing Man Commercial Centre	38.	Ping Tin Shopping Centre	66.	Tsui Lam Shopping Centre
13.	Hing Tung Shopping Centre	39.	Po Tat Shopping Centre	67.	Carpark within Tsui Ping South Estate
14.	Hing Wah Shopping Centre	40.	Po Tin Shopping Centre	68.	Tsz Ching Shopping Centre (I) & (II)
15.	Retail and Carpark within Hung Hom Estate	41.	Sam Shing Commercial Centre	69.	Tsz Lok (Tsz Wan Shan Shopping Centre)
16.	Ka Fuk Shopping Centre	42.	Sau Mau Ping Shopping Centre	70.	Carpark within Tsz Man Estate
17.	Kai Tin Shopping Centre	43.	Carpark within Sau Mau Ping (I) Estate	71.	Un Chau Shopping Centre
18.	Kai Yip Commercial Centre	44.	Retail and Carpark within Sau Mau Ping (III) Estate	72.	Carpark within Upper Ngau Tau Kok Estate
19.	Carpark within Kin Ming Estate	45.	Sha Kok Commercial Centre	73.	Lung Cheung Mall
20.	Retail and Carpark within Ko Yee Estate	46.	Shek Lei Shopping Centre Phase I	74.	Wah Sum Shopping Centre
21.	Kwai Fong Shopping Centre	47.	Shek Lei Shopping Centre Phase II	75.	Wan Tsui Commercial Complex
22.	Kwai Shing East Shopping Centre	48.	Shek Wai Kok Commercial Centre	76.	Wang Tau Hom (Wang Fai Centre)
23.	Kwong Fuk Commercial Centre	49.	Shek Yam Shopping Centre	77.	Wo Che Commercial Centre
24.	Lai Kok Shopping Centre	50.	Sheung Tak Shopping Centre	78.	Yat Tung Shopping Centre
25.	Carpark within Lai On Estate	51.	Shun Lee Commercial Centre	79.	Yau Oi Commercial Centre
26.	Lee On Shopping Centre	52.	Shun On Commercial Centre	80.	Yiu Tung Shopping Centre
		53.	Retail and Carpark within Shun Tin Estate		
		54.	Siu Sai Wan 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 and the Third Supplemental Deed dated 16 January 2006, for the period from 25 November 2005 to 31 March 2006.

HSBC Institutional Trust Services (Asia) Limited

as the Trustee of The Link Real Estate Investment Trust

Hong Kong, 29 June 2006

Auditors' Report



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

To the unitholders of

The Link Real Estate Investment Trust ("The Link REIT")

(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 financial statements of The Link Real Estate Investment Trust ("The Link REIT") and its subsidiaries (the "Group") on pages 56 to 89 which have been prepared in accordance with the relevant provisions of the Trust Deed dated 6 September 2005, as amended by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005 and the Third Supplemental Deed dated 16 January 2006 (the "Trust Deed"), 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 "Code") and generally accepted accounting principles in Hong Kong.

Respective responsibilities of the Manager and the Auditors

The Code requires the Manager of The Link REIT to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. In addition, the Code requires the financial statements of The Link REIT to contain the relevant disclosures set out in Appendix C of the Code.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the consolidated financial statements of the Group give a true and fair view of the disposition of the assets and liabilities as at 31 March 2006 and of the Group's results and cash flows for the financial period from 6 September 2005 (date of establishment) to 31 March 2006 in accordance with generally accepted accounting principles in Hong Kong 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 Code.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29 June 2006

Consolidated Income Statement

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

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

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

Notes:

- (i) Operations commenced on 25 November 2005, date of listing of The Link REIT (the "Trust") and acquisition of the retail and carpark operations.
- (ii) In accordance with the Trust Deed, The Link REIT is required to distribute to unitholders not less than 90% Distributable Income for each financial period. The Trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations to pay cash dividends and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust at the date of the termination of the Trust. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Disclosure and Presentation. Consistent with unitholders' funds being classified as a financial liability, the distributions to unitholders are part of finance costs which are recognised in the income statement.
- (iii) Distributable Income is determined in Note 13. The Distributions declared in respect of this financial period are set out in the Statement of Distributions, and will be paid out to unitholders on 30 August 2006.
- (iv) Earnings per unit, based upon profit after tax before transactions with unitholders and the average number of units in issue, is set out in Note 12.

Consolidated Balance Sheet

As at 31 March 2006

	<i>Note</i>	<i>HK\$'M</i>
Non-current assets		
Goodwill	22	3,988
Investment properties	14	35,772
Property, plant and equipment	15	32
		39,792
Current assets		
Accounts and other receivables	16	122
Deposits and prepayments		10
Short term bank deposits	17	453
Cash and cash equivalents	17	314
		899
Total assets		40,691
Current liabilities		
Receipt in advance, accruals and other payables		332
Security deposits		288
Bank borrowings	18	12,169
		12,789
Net current liabilities		11,890
Total assets less current liabilities		27,902
Non-current liabilities, excluding net assets attributable to unitholders		
Deferred tax liabilities	19	4,187
Net assets attributable to unitholders	3(h)	23,715
Units in issue		2,137,454,000
Net asset value per unit		HK\$11.09

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

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

CHENG Ming Fun Paul
Chairman
29 June 2006

SO Hing Woh Victor
Chief Executive Officer
29 June 2006

Consolidated Statement of Changes in Net Assets Attributable to Unitholders

For the financial period from 6 September 2005 (date of establishment) to 31 March 2006

	Net asset value attributable to unitholders <i>HK\$'M</i>
Proceeds from issuance of units to unitholders upon initial public offering	21,634
Profit for the period, before transactions with unitholders	2,081
Balance carried forward	23,715

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

Statement of Distributions

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

	<i>Note</i>	<i>HK\$'M</i>
Total Distributable Income	13	467
Distributable Amount for the period, to be paid to unitholders		467
As a percentage of Total Distributable Income		100%
Units in issue		2,137,454,000
Distribution per unit		21.81 HK cents

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

Notes:

- (i) Pursuant to the Trust Deed, The Link REIT is required to ensure that the total amount distributed to unitholders as distributions for each financial year/period shall be no less than 90% of "Total Distributable Income", plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the Distributable Amount for the financial period ended 31 March 2006. The distributions will be paid out to unitholders on 30 August 2006.
- (ii) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after tax attributable to unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the income statement for the relevant year/period. The adjustments to arrive at Total Distributable Income for this financial period are set out in Note 13.

Consolidated Statement of Cash Flow

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

	<i>Note</i>	<i>HK\$'M</i>
Cash generated from operations	20	938
Interest expense paid on bank borrowings		(149)
Cash flows from operating activities		789
Investing activities		
Acquisition of retail and carpark operations	22	(33,798)
Additions to investment properties	14	(21)
Additions to property, plant and equipment	15	(9)
Interest income received		3
Increase in time deposits with original maturity over 3 months		(453)
Cash outflows in investing activities		(34,278)
Financing activities		
Proceeds from issuance of new units		21,634
Bank borrowings	18	12,169
Cash flows from financing activities		33,803
Net increase in cash and cash equivalents		314
Cash and cash equivalents at beginning of the financial period		—
Cash and cash equivalents at end of the financial period		314

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

Notes to the Consolidated Financial Statements

1 Corporate information

The Link REIT is a real estate investment trust (the “Trust” or “The Link REIT”) constituted by a trust deed (“Trust Deed”) entered into on 6 September 2005 (as amended by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005 and the Third Supplemental Deed dated 16 January 2006) and is an authorised unit trust under section 104 of the Securities and Futures Ordinance (“SFO”). Upon completion of the initial public offering, The Link REIT was listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 25 November 2005 (the “Listing Date”). The proceeds of the initial public offering and the bank loan facility funded the acquisition of two subsidiaries from the Hong Kong Housing Authority (“HA”) — The Link Management Limited (the “Manager”) and The Link Holdings Limited. As a result, The Link REIT acquired the beneficial interests in the retail and carpark facilities and commenced its operations on 25 November 2005.

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

2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the Code on Real Estate Investment Trusts established by the Securities and Futures Commission of Hong Kong (the “Code”).

The Group’s functional and presentational currency is Hong Kong Dollars.

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

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

2 Basis of preparation (*Continued*)

Adoption of new/revised HKFRS

(a) ***Standards, interpretations and amendments to published standards that are not yet effective***

The following new standards, amendments and interpretations to existing standards, which have been published but are not yet effective, have not been adopted in these financial statements. These are mandatory for the Group's accounting periods beginning on or after 1 April 2006.

HKAS 19 (Amendment) Employee Benefits. This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. As the Group does not have defined benefit schemes, HKAS 19 (Amendment) is not applicable.

HKAS 21 (Amendment) Net Investment in a Foreign Operation. This amendment relates to the treatment of exchange differences arising on a monetary item that forms part of an entity's net investment in a foreign operation. As the Group does not have any foreign operations, this amendment is not applicable.

HKAS 39 (Amendment) Cash Flow Hedge Accounting of Forecast Intragroup Transactions. The amendment allows the foreign currency risk of a highly probable forecast intragroup transaction to qualify as a hedged item in the consolidated financial statements provided that certain conditions are met. This amendment is not relevant as the Group does not have any intragroup transactions that would qualify as a hedged item in the consolidated financial statements for the period ended 31 March 2006.

HKAS 39 (Amendment) The Fair Value Option. This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. This amendment is not relevant as the Group does not have any instruments classified at fair value through the profit or loss account in the consolidated financial statements for the period ended 31 March 2006.

2 Basis of preparation (Continued)

Adoption of new/revised HKFRS (Continued)

(a) *Standards, interpretations and amendments to published standards that are not yet effective* (Continued)

HKAS 39 and HKAS 4 (Amendment) **Financial Guarantee Contracts.** This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value, and subsequently measured at the higher of (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. The Manager does not believe this Amendment is relevant to the Group.

HKFRS 7 and HKAS 1 (Amendment) **Financial Instruments: Disclosures**
Presentation of Financial Statements — Capital Disclosures. HKFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposures to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to HKAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group will apply HKFRS 7 and the amendment to HKAS 1 for annual periods beginning on or after 1 April 2007.

HKFRS-Int 4 **Determining Whether an Arrangement contains a Lease.** This requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangements. It requires an assessment of whether; (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets; and (b) the arrangement conveys a right to use the asset or assets. The Manager is currently assessing the impact of HKFRS-Int 4 on the Group's operations.

HKFRS 1 and HKFRS 6 (Amendment) **First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources.** These amendments are not relevant to the Group's operations.

2 Basis of preparation *(Continued)*

Adoption of new/revised HKFRS *(Continued)*

(a) *Standards, interpretations and amendments to published standards that are not yet effective*
(Continued)

HKFRS 6	Exploration for and Evaluation of Mineral Resources. HKFRS 6 is not relevant to the Group's operations.
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds. These amendments are not relevant to the Group's operations.
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment. These amendments are not relevant to the Group's operations.
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies. These amendments are not relevant to the Group's operations.

(b) *Other HKFRS changes that are not yet effective*

In addition, the Group has not adopted the following amendments (which are not yet effective) as a consequence of amendments to the Hong Kong Companies (Amendment) Ordinance 2005. These amendments principally broaden the definition of a subsidiary under the Hong Kong Companies Ordinance.

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKFRS 3 (Amendment)	Business Combinations

The adoption of such standards or interpretations will not result in substantial changes to the Group accounting policies.

3 Principal accounting policies

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

(a) **Basis of consolidation**

The consolidated financial statements incorporate the assets and liabilities of The Link REIT and all its subsidiaries as at 31 March 2006 and the results for the financial period then ended (herein referred to as the “Group”).

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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.

Accounting policies of subsidiaries acquired have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 Principal accounting policies *(Continued)*

(b) Segment reporting

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

(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 annually, and is independently valued by external valuers.

Changes in fair value of the investment property are recognised in the income statement.

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

3 Principal accounting policies *(Continued)*

(d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period 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 improvement	2 to 5 years
Equipment	3 to 5 years
Motor vehicles	5 years

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

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

(e) Accounts receivable

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

(f) Cash and cash equivalents

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

3 Principal 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 subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries 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.

(h) Unitholders' funds as a financial liability

In accordance with the Trust Deed, The Link REIT is required to distribute to unitholders not less than 90% of the Group's Distributable Income for each financial period. The Trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations to pay cash dividends and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust at the date of the termination of the Trust. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Disclosure and Presentation. It is shown on the balance sheet as the net assets attributable to unitholders. Distributions paid to unitholders are recognised in the income statement as part of finance costs.

(i) Payables and provisions

(i) Payables

Payables represent liabilities for amounts owing by the Group at the period end which are unpaid.

(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 recognized 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.

3 Principal 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(k) (i) below.

(k) Revenue recognition

(i) *Rental income from retail properties*

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

(ii) *Gross receipts from car parks*

Gross receipts from car parks 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.

(l) Expenditure

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

(m) 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.

3 Principal accounting policies *(Continued)*

(n) 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.

(o) 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 financial statements. However, if the deferred taxation arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. 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 income tax asset is realised or the deferred tax liability is settled.

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

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

(p) External borrowings

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

(q) Financial risk factors

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

(i) Price risk

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

3 Principal accounting policies *(Continued)*

(q) **Financial risk factors** *(Continued)*

(ii) **Credit risk**

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

(iii) **Interest rate risk**

The Group has no significant interest rate risk as the Group's bank borrowings are interest bearing at predetermined rates.

(iv) **Liquidity risk**

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

(v) **Insurable risks**

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

4 Critical accounting estimates and judgements

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

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

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

4 Critical accounting estimates and judgements *(Continued)*

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

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

5 Revenues

Revenues recognised during the period comprise:

	<i>HK\$'M</i>
Rental income from retail properties	968
Gross rental receipts from car parks	305
	1,273
Other revenues	
Air-conditioning service fees	80
Other property related income	1
	81
Total revenues	1,354

Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover ("contingent rents") apply to some leases.

Rental income included contingent rents of HK\$9 million.

6 Segment information

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

7 Property operating expenses

	<i>HK\$'M</i>
Property managers' fees, security and cleansing	238
Staff costs (<i>Note 10</i>)	31
Government rent and rates	39
Repairs and maintenance	83
Utilities	95
Promotion and marketing expenses	20
Other property operating expenses	35
	541

8 Net profit before finance costs, taxation and transactions with unitholders

	<i>HK\$'M</i>
Net profit before finance costs, taxation and transactions with unitholders is stated after charging:	
Staff costs (<i>Note 10</i>)	46
Depreciation of property, plant and equipment	3
Write-off of leasehold improvement	2
Strategic Partner fee	1
Trustee's remuneration	1
Valuation fee	5
Auditors' remuneration	3
Other legal and professional fees	4

9 Finance costs on bank borrowings

	<i>HK\$'M</i>
Interest expense on bank borrowings wholly repayable within one year (<i>Note 18</i>)	201

10 Staff costs

	<i>HK\$'M</i>
Wages and salaries	45
Contributions to Mandatory Provident Fund Scheme	1
	46

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

	<i>HK\$'M</i>
Included under property operating expenses	31
Included under general and administration expenses	15
	46

(b) Directors' emoluments

The remuneration of directors for the period ended 31 March 2006 are set out below:

Name of Director	Base pay, allowance, retirement scheme contribution and other benefits (i) <i>HK\$'000</i>	Variable remuneration related to performance <i>HK\$'000</i>	Total for the period ended 31 March 2006 <i>HK\$'000</i>
Mr. CHENG Ming Fun Paul	104	—	104
Mr. SO Hing Woh Victor	1,907	—	1,907
Mr. NEOH Anthony Francis (ii)	53	—	53
Mr. ARNOLD Michael Ian	70	—	70
Mr. LEE Nai Shee Harry	70	—	70
Mr. SUN Patrick	70	—	70
Mr. ZEMAN Allan	70	—	70
Mr. FUNG Yuk Bun Patrick	70	—	70
Mr. KO Kam Chuen Stanley	70	—	70
Mr. CHAO Tse Hou Leslie	70	—	70
Mr. LIEW Mun Leong	—	—	—
Mr. PUA Seck Guan	—	—	—

10 Staff costs (Continued)

(b) Directors' emoluments (Continued)

Notes:

- (i) Other benefits include leave pay, insurance premium and club membership fee.
- (ii) Resigned on 1 March 2006.

(c) Five highest paid individuals

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

	<i>HK\$'M</i>
Basic salaries, other allowances and benefits in kind	3

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

Emoluments bands	
Nil — HK\$500,000	1
HK\$500,001 — HK\$1,000,000	3
HK\$1,500,001 — HK\$2,000,000	1

11 Taxation

Current taxation has not been provided as the Group has no estimated assessable profit for the period.

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

	<i>HK\$'M</i>
Current taxation	—
Deferred taxation	443
	443

11 Taxation (Continued)

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

	<i>HK\$'M</i>
Profit before taxation	2,524
Expected tax calculated at the Hong Kong profits tax rate of 17.5%	442
Tax effect of non-deductible expenses	2
Tax effect of non-taxable income	(1)
Taxation	443

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

The earnings per unit, based upon profit before transactions with unitholders for the period from 6 September 2005 (date of establishment) to 31 March 2006, is HK\$0.97. For the period from 6 September 2005 to the Listing Date, The Link REIT had not commenced its operations and no unit was in issue until 25 November 2005.

Diluted earnings per unit is not presented as there is no dilutive instrument throughout the period from 6 September 2005 to 31 March 2006.

Profit for the period, before transactions with unitholders	HK\$2,081 million
Number of units outstanding at the end of the period	2,137,454,000
Earnings per unit based on profit after taxation, before transactions with unitholders	HK\$0.97

13 Distributions

	<i>HK\$'M</i>
Profit after taxation for the period from 6 September 2005 (date of establishment) to 31 March 2006, attributable to unitholders	2,081
Adjustments:	
Change in fair values of investment properties	(1,949)
Deferred taxation on change in fair values	341
Other non-cash income	(6)
Total Distributable Income for the period from 6 September 2005 (date of establishment) to 31 March 2006	467
Distributable Amount for the period, to be paid to unitholders	467
As a percentage of Total Distributable Income	100%
Distribution per unit	21.81 HK cents

14 Investment properties

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

	Retail properties <i>HK\$'M</i>	Carparks <i>HK\$'M</i>	Total <i>HK\$M</i>
At beginning of the financial period	—	—	—
Acquisition of RC Operations (<i>Note 22</i>)	27,257	6,545	33,802
Additions	20	1	21
Change in fair values	1,821	128	1,949
At end of the financial period	29,098	6,674	35,772

(b) Government leases

The properties included as investment properties on the balance sheet comprise properties where the Group has legal title under government leases for a fixed number of years (with renewal rights in one case), and other properties where the granting of the government leases and legal title is in progress. The government lease profile of these properties with Government Leases granted range from 37 to 51 years.

14 Investment properties *(Continued)*

(b) **Government leases** *(Continued)*

By virtue of the Property Agreement with the HA in respect of the acquisition of the retail and carpark operations, the Group as the beneficial owner, is legally entitled to operate all these properties as if it was the legal and beneficial owner.

(c) **Fair values**

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

To arrive at the market valuations of the investment properties, CBRE valued each property individually at market value as of 31 March 2006, on assessments using a number of valuation methodologies, as further set out in note 4. In arriving at the market values, CBRE has assumed, inter alia, that legal titles to the properties are in place as of the property valuation date, notwithstanding that legal titles to certain of the properties have not been granted as of the balance sheet date.

(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 the unitholders have passed a special resolution consenting to the proposed disposal.

15 Property, plant and equipment

	Leasehold improvement	Motor vehicles	Equipment	Total
	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
At beginning of the financial period	—	—	—	—
Acquisition of RC Operations (<i>Note 22</i>)	3	2	23	28
Additions	4	—	5	9
Write-off	(2)	—	—	(2)
Depreciation charge for the period	(1)	—	(2)	(3)
Closing net book amount	4	2	26	32
At 31 March 2006				
Cost	5	2	28	35
Accumulated depreciation	(1)	—	(2)	(3)
Net book value	4	2	26	32

16 Accounts and other receivables

	<i>HK\$'M</i>
Accounts receivable (i)	66
Amount due from the Hong Kong Housing Authority (HA), net (ii)	37
Other receivables	19
	122

- (i) Receivables are denominated in Hong Kong dollars and the carrying amounts of these rental receivables approximate their fair values.

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

	<i>HK\$'M</i>
0 — 30 days	64
31 — 90 days	2
	66

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

- (ii) The net amount due from the HA can be further analysed as follows:

	<i>HK\$'M</i>
Improvement project expenditures receivable (a)	48
Other receivables (b)	39
Payables (c)	(50)
	37

- (a) The HA had carried out a number of improvement projects prior to the divestment of the RC Operations to The Link REIT. Certain of these expenditures were billed by the suppliers post divestment and were paid by The Link REIT on behalf of the HA. The amounts are included as receivables from the HA at the balance sheet date.

16 Accounts and other receivables *(Continued)*

(ii) *(Continued)*

- (b) Prior to the divestment, the HA had received certain advance rents and tenancy deposits on The Link REIT's behalf. The total amount is approximately HK\$31 million and is included as receivable from the HA. In addition, pursuant to the sale and purchase agreement in respect of the divestment of the RC Operations, any amounts determined to be due upon finalisation of the completion statement ("apportionment ledger") shall be agreed by both parties within a specified period after the divestment. An amount of HK\$8 million in respect of the apportionment ledger is also included as receivable from the HA.
- (c) The HA and The Link REIT have entered into a service level agreement pursuant to which the HA continues to provide The Link REIT with certain operational support after the divestment of the RC Operations. The service level agreement is intended to be a transitional arrangement and will be completely phased out as and when the relevant supporting services are assumed by the Manager and are no longer required to be provided by the HA. At 31 March 2006, the outstanding amount payable to the HA comprises the property service providers' fees to be reimbursed to the HA under the service level agreement.
- (d) The amounts receivable and payable are unsecured, interest free and repayable on demand.

17 Cash and cash equivalents and short-term deposits

	<i>HK\$'M</i>
Cash on hand	2
Cash at bank	9
Short-term bank deposits with original maturity less than 3 months	303
Cash and cash equivalents	314
Short-term bank deposits with original maturity more than 3 months	453
	767

Short-term bank deposits at the balance sheet date mature approximately 66 days from the end of the financial period. The effective interest rate at the balance sheet date is 4.07% per annum.

18 Bank borrowings

HK\$'M

Current

Unsecured one year bridging loan facility	12,169
---	--------

A fixed rate bank loan facility of HK\$12.5 billion with a maturity of 1 year was entered into on 4 November 2005. The loan facility granted to The Link Finance Limited, a subsidiary of the Group, is jointly and severally guaranteed by The Link Holdings Limited and The Link Properties Limited, also subsidiaries of the Group. The Trustee also executed a separate guarantee in favour of the banks providing the facility in relation to the obligations of The Link Finance Limited. The maximum amount guaranteed by the Trustee would be limited to the extent of the Deposited Property, defined as the value of all the gross assets of The Link REIT. An initial drawdown of HK\$12,169 million was made on the listing date to fund the acquisition of the retail and carpark operations.

The effective interest rate of the bank borrowings at the balance sheet date was 4.74%. The carrying amounts of the borrowings approximate their fair values.

The undrawn portion of the facility amounted to HK\$331 million as at 31 March 2006.

19 Deferred tax liabilities

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

Analysis of net deferred tax liabilities:

HK\$'M

Deferred tax assets	(173)
Deferred tax liabilities	4,360
	4,187

19 Deferred tax liabilities (*Continued*)

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

	Temporary differences <i>HK\$'M</i>	Tax losses <i>HK\$'M</i>	Total <i>HK\$'M</i>
Balance at beginning of the financial period	—	—	—
Acquisition of RC Operations (<i>Note 22</i>)	3,744	—	3,744
Recognised in the income statement:			
Increase in fair values	341		341
Capital allowance claimed	275		275
Tax losses recognised		(173)	(173)
			443
Balance at end of the financial period	4,360	(173)	4,187

20 Notes to the cash flow statement

Net cash inflow generated from operations

	<i>HK\$'M</i>
Profit before taxation and transactions with unitholders	2,524
Depreciation expenses	3
Write-off of leasehold improvement	2
Interest income	(5)
Finance costs on bank borrowings	201
Change in fair values of investment properties	(1,949)
Increase in accounts and other receivables, deposits and prepayment	(119)
Increase in receipts in advance, accruals and other payables	252
Increase in security deposits	29
Net cash inflow generated from operations	938

21 Units in issue

	The Link REIT
Units created, at initial public offering	2,137,454,000
Units at end of the financial period	2,137,454,000

The Trust issued 1,403,465,000 units to institutional investors and 733,989,000 units to retail investors on 25 November 2005 at HK\$10.30 and HK\$9.78 per unit respectively upon initial public offering. The total proceeds from the public offering is HK\$21,634 million and issuance costs in connection with the units are borne by the HA.

Traded market value of the units as of 31 March 2006 was HK\$16.80 per unit. Based on 2,137,454,000 units, market capitalisation was HK\$35,909 million.

22 Business combination

On 25 November 2005, The Link REIT acquired the retail and carpark operations from the HA. The purchase consideration payable to the HA for the retail and carpark operations was an amount equal to the proceeds from the public offering and the approximately HK\$12.2 billion drawn down from the bank loan facility.

The acquired retail and carpark operations contributed revenues of HK\$1,354 million and a net profit after tax of HK\$2,090 million for the financial period, out of the revenues and net profit after taxation of the Group, amounting HK\$1,354 million and HK\$2,081 million respectively, since their acquisition date.

Details of net assets acquired and goodwill are as follows:

	<i>HK\$'M</i>
Purchase consideration:	
— Unsecured borrowings drawn at listing date	12,169
— Fair value of units issued	21,634
Total purchase consideration	33,803
Net assets acquired — shown as below	(29,815)
Goodwill	3,988

22 Business combination (Continued)

The fair values and the carrying amounts of assets and liabilities arising from the acquisition are as follows:

	Fair value and carrying amount HK\$'M
Property, plant and equipment (Note 15)	28
Investment properties (Note 14) (Note)	33,802
Cash and cash equivalents	5
Security deposits	(259)
Other net current liabilities	(17)
Deferred tax liabilities (Note 19)	(3,744)
Net assets acquired	29,815
Goodwill	3,988
	33,803
Purchase consideration settled in cash	33,803
Cash and cash equivalents in subsidiary acquired	(5)
Cash outflow on acquisition	33,798

Note:

The investment properties were revalued at 30 September 2005 by CB Richard Ellis Limited, independent professional qualified valuers. This approximates the fair values of the investment properties at the acquisition date.

23 Commitments

(i) Capital commitments

	HK\$'M
Improvement projects to existing investment properties	
Authorised but not contracted for	84
Contracted but not provided for	116
	200

23 Commitments (*Continued*)(ii) **Operating lease commitments**

At 31 March 2006, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable leases is as follows:

	<i>HK\$'M</i>
Within 1 year	4
After 1 year, but within 5 years	2
	6

24 Connected party transactions and significant related party transactions and balances

The table set forth below summarised the names of the connected parties, as defined in the REIT Code, and nature of relationship with The Link REIT as at 31 March 2006:

Connected 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
CB Richard Ellis Limited (the "Principal Valuer")	The Principal Valuer of The Link REIT
The Children's Investment Master Fund	A significant unitholder of The Link REIT
The Wing Hang Bank Limited	Common director

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

24 Connected party transactions and significant related party transactions and balances (Continued)

(a) Transactions with connected parties/related parties

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

	<i>HK\$'M</i>
Trustee fee paid and payable to the Trustee (i) (ii)	(1)
Fee paid and payable to Strategic Partner (i) (iii)	(1)
Valuation fee paid and payable to the Principal Valuer (i)	(5)
Transactions with the HSBC Group (i) (iv)	
Interest expense to the HSBC Group on bank borrowings	(201)
Rental income from the HSBC Group on leasing of retail units	4
Interest income from the HSBC Group on short term deposits	5

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreement governing the transactions.
- (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. Such annual trustee fee shall begin to accrue from the date of the authorisation of The Link REIT by the SFC under section 104 of the SFO and, in respect of any broken period, shall be paid on a pro-rated basis.
- (iii) The Strategic Partner is entitled to receive a base fee equal to the costs and expenses reasonably incurred by the Strategic Partner in the performance of its duties and obligations under the Co-operation Agreement from the Listing Date until the termination of its appointment under the Co-operation Agreement. Such base amount is subject to a limit. The limit for the base amount for the financial period ended 31 March 2006 was US\$0.5 million.
- (iv) The transactions with HSBC Group were in accordance with market rates.
- (v) Pursuant to a bank borrowing agreement, the Trustee executed a guarantee in favour of the banks providing the facility in relation to the obligations of the Group. Details are set out in note 18.

24 Connected party transactions and significant related party transactions and balances
(Continued)

(b) Balances with related parties

The following balances were carried out with related parties:

	<i>HK\$'M</i>
Bank borrowings from the HSBC Group (<i>Note 18</i>)	12,169
Short term deposits and savings placed with HSBC Group	746
Net interest payable to the HSBC Group	50
Strategic Partner fee payable to CapitaLand Limited (<i>Note</i>)	1

Note:

The balances are unsecured, interest-free and repayable on demand.

25 Future minimum rental receivables

As at 31 March 2006, the Group had future minimum rental income receivable under non-cancellable leases as follows:

	<i>HK\$'M</i>
Within one year	1,517
Between two and five years	1,336
Later than five years	22
	2,875

Most of the operating leases are on fixed terms and for terms of 3 years.

26 Comparatives

There are no comparative figures as this is the first set of consolidated financial statements prepared for the Group since the date of its establishment.

27 Subsidiaries

The Group held the following wholly owned subsidiaries as at 31 March 2006:

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

28 Approval of the financial statements

The consolidated financial statements were authorised for issue by the Manager and the Trustee on 29 June 2006.

Performance Table

As at 31 March 2006

Total net assets value	HK\$23,715 million
Net asset value per unit	HK\$11.09
The highest premium of the traded price to net asset value (i)	HK\$6.96
Net yield per unit (ii)	5.79%
Number of units in issue	2,137,454,000

Note:

- (i) The highest premium is calculated based on the highest traded price of HK\$18.05 on the Hong Kong Stock Exchange during the period from 25 November 2005 (being The Link REIT's listing date) to 31 March 2006. The lowest traded price during the period was HK\$11.10 which is higher than the net asset value as at 31 March 2006 (subscription price of the units was HK\$10.30 as at 25 November 2005), accordingly, no discount of the traded price to net asset value is presented.
- (ii) Net yield per unit is calculated based on profit after tax before transactions with unitholders per unit for the period from 6 September 2005 to 31 March 2006 over the traded price of HK\$16.80 as at 31 March 2006.

Valuation Report

VALUATION & ADVISORY SERVICES

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

1 June 2006

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 2006

Instructions

We refer to your instructions requesting valuation advice in respect of The Link REIT portfolio. We have specifically been instructed to provide our opinion of the Market Value (as defined below) of the remaining leasehold interest in the properties within the portfolio as at 31 March 2006 subject to all existing and proposed leases/tenancy agreements and occupancy arrangements.

VALUATION & ADVISORY SERVICES



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

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

Market Value is also defined on the following basis:

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

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

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

Reliance on This Letter

For the purposes of the annual portfolio valuation as at 31 March 2006, we have prepared this letter which summarises our reports and outlines key factors which we have considered in arriving at our opinion of value. This letter alone does not contain the comprehensive data and support information included in our reports. For further information to that contained herein, reference should be made to the reports, copies of which are held by the Manager of The Link REIT.

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

- Each Report is approximately 80 to 100 pages in length and the conclusions as to the estimated values are based upon the factual information set forth in the respective Reports. Whilst CB Richard Ellis has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by The Link Management Limited (“LML”) (primarily copies of leases and financial information with respect to the Properties as well as various reports by independent consultants engaged by LML) or the government of Hong Kong (primarily statistical information relating to market conditions and demographics). The Reports contain detailed information which may be required by investors in order to fully understand the complexity of the methodology and the many variables involved.
- The methodologies used by CB Richard Ellis in valuing the Properties, namely Discounted Cash Flow Analysis, Capitalisation Approach and Direct Comparison are based upon estimates of future results and are not predictions. These valuation methodologies are briefly summarised in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for each Property are summarised in Valuation Rationale section of this letter.
- The Reports were undertaken based upon information available as at 31 March 2006. CB Richard Ellis accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

Summary — The Link REIT Portfolio

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

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

VALUATION & ADVISORY SERVICES



Since IPO, the Link Management Limited has been embarking on asset enhancement projects with the aim to enhance the value of the assets. Through re-ordering of existing shop layout, extension/re-alignment of shop fronts and creation of new retail spaces, improvement of lighting, signage and other general facilities, the retail value of the properties have improved. Re-partitioning of the 5th and 6th floors in Tsz Wan Shan Shopping Centre and conversion of a vacant workshop area into retail space in Lung Cheung Mall are two cases in point. As a private sector shopping operator running on purely commercial principles, the management has introduced changes in leasing and property management, including:

- Bringing in new retail brands to enrich the varieties available to the shoppers. Some of the brands such as Baleno, U-right, Dr. Kong and Starbucks are new to shopping centres that serve the public housing residences;
- More flexible leasing strategies to attract new tenants;
- Wider adoption of turnover rent in new tenancies to further strengthen the partnership spirit between landlord and tenants;
- More focus on customer services, and marketing and promotion to improve the shoppers' shopping experience; and
- More emphasis on cost control and efficiency improvement.

Valuation Rationale

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

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

- Quality of existing tenant covenants;

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

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

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

A brief summary of each of these valuation methods is provided as follows:

Discounted Cash Flow Analysis

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

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

- We have estimated that inflation will grow at rates between 2.20% and 2.65% per annum during next 10 years, reflecting an average growth rate over the forecast cash flow period of 2.49% per annum.
- Rental growth patterns for each individual tenancies and carpark operations reflect the rent review provisions of each lease, including staggered rental increase where applicable. We have assumed that upon expiry of the tenancies and carpark operations, typically new three-year leases will be granted on the basis of a market rent with no annual increases.

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

- We have discounted the income at each year of the cashflow on a midpoint basis which assumes an income of six months in arrears and six months in advance.

We have investigated the current market requirements for an investment return over a 10-year period from retail and car parking properties. We hold regular discussions with investors active in the market, both as purchasers and owners of shopping centres. From this evidence, we conclude that market expectations for the portfolio are currently in the order of 8.25% to 9.25%, which we have applied within our calculations. The overall portfolio internal rate of return is in the order of 8.82%.

We note that the prevailing Hong Kong 10-year Exchange Fund Notes (“EFN”) as at 31 March 2006 is 4.57%, indicating a risk premium of between 3.68% and 4.68%. Based on our analysis of comparable sales within the international REIT market, this slightly higher premium reflects the nature of the portfolio and the inherent investment risks associated with the South-East Asia region and the current status of the prevailing bond rate and capital market in Hong Kong.

Capitalisation Approach

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

The adopted fully leased net income is capitalised over the remaining tenure of the property from the valuation date at appropriate investment yields in order to produce a core capital value. We have applied individual yield to the retail and carpark components of the property to reflect the perceived higher levels of risk associated with the carpark operations. The yields adopted within our calculations generally range from 5.0% to 8.5% for the retail components and from 7.5% to 8.5% for the carpark components. The adopted yields reflect the nature, location and tenancy profile of the various properties together with current market investment criteria, as evidenced by the market evidence considered. Thereafter, appropriate capital adjustments relating to letting up costs associated with existing vacancies, rental reversion adjustments and capital expenditure requirements have been included.

Direct Comparison Approach

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

Schedule of Values

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis Initial Yield	Target 10-yr IRR
1.	Lok Fu Shopping Centre Kowloon North	38,596.1	753	91.40M	5.16%	1,753.6M	8.25%	1,708.2M	1,730.9M	5.28%	8.25%
Brief Description:		The property comprises a 4-storey with basement carpark (Centre No. 2) retail building (Phase I Centre), an adjoining 4-storey carpark building (Carpark No. 1), a 6-storey with basement level retail and carpark (Carpark No. 3) building (Phase II Centre) and a 2-storey carpark building (Phase V, Lok Fu Estate). Phase I and Phase II property were completed in 1983 and 1991 respectively. There are a total of 753 car parking spaces provided at the 4 carparks. Tenants within the property include Wellcome, specialty restaurants (Genki Sushi, Baltic Curry), Baleno, Joy Luck House Restaurant-Function Hall & Others, Pricerite, Jusco Department Store and 351 other specialty tenancies (including 33 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
2.	Chung Fu Shopping Centre Tin Shui Wai	21,301.3	1,177	70.68M	6.13%	1,087.6M	8.50%	1,093.1M	1,090.4M	6.48%	8.50%
Brief Description:		The property comprises a 9-storey retail building (Phase 1) and a 3-storey retail building (Phase 2) linked by a footbridge on the first floor. In addition, the property also includes a kindergarten and a nursery located on the ground and first floors respectively of the ancillary facilities block of Tin Chung Court. Phase 1 and Phase 2 were completed in 1999 and 2004 respectively. There are a total of 1,177 car parking spaces provided on the third to eighth floors within Phase 1 of the property and two covered on-street car parking areas located at the northern fringe and south-eastern fringe of the site. Tenants within the property include Wellcome, Kingdom Restaurant Co Ltd, Maxim's Chinese Restaurant, Park'N Shop, specialty restaurants (Golden Siam and Red Forest) and 126 other specialty tenancies (including 9 vacancies).									
Title Details:		The property is within Tin Shui Wai Town Lot No. 18 held under Government Lease for a term of 50 years commencing from 8 January 1999. Encumbrances noted on title include Deed Poll with Plan via Memorial No. YL846925 dated 8 January 1999.									
3.	Sau Mau Ping Shopping Centre Kowloon East	15,006.5	611	73.80M	6.12%	1,109.7M	8.75%	1,047.6M	1,078.7M	6.84%	8.75%
Brief Description:		The property comprises a 4-storey retail/carpark building. The property was completed in 2002. There are a total of 203 car parking spaces provided on the first and second floor of the retail building. In addition, there is a 8-storey ancillary facilities building which was completed in 1999 with 408 car parking spaces and a retail at ground level. Tenants within the property include Wellcome, Hoover Restaurant, Sau Mau Ping Market, Pricerite, McDonald's, Mannings, Circle-K, Aji Ichiban and 79 other specialty tenancies (including 8 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
4.	Tsz Lok (Tsz Wan Shan Shopping Centre) Kowloon North	18,749.5	940	59.43M	5.79%	1,089.1M	8.50%	1,062.9M	1,076.0M	5.52%	8.50%
Brief Description:		The property comprises an 8-storey retail building with an adjoining 4-storey carpark building; a 4-storey carpark building (Carpark Phase 1), a 3-storey carpark building (Carpark Phase 2) and a 3-storey carpark building with ancillary facilities (Carpark Phase 3). The property was completed in 1997. There are a total of 940 car parking spaces provided on the second floor of the 8-storey retail building, and within Carpark Phase 1, Carpark Phase 2 and Carpark Phase 3. Tenants within the property include Park'N Shop, Fung Tak Lau Chiu Chow Seafood Restaurant, Wellcome, Golden Diamond Restaurant, Well Sighted Ltd (Single Operator Market), Baleno, Marathon, U-right, Walker, Sa Sa, Nobletime and 216 other specialty tenancies (including 30 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT		Analysis	
									as at 31 March 2006	Value (HK\$)	Initial Yield	Target 10-yr IRR
5.	Sheung Tak Shopping Centre Tseung Kwan O	12,142.2	1,280	55.12M	6.09%	900.5M	8.50%	903.9M	902.2M		6.11%	8.50%
Brief Description:		The property comprises a 4-storey retail building, three 4-storey carpark buildings and a single storey carpark building. The property was completed in 1998. There are a total of 1,280 car parking spaces provided within the four carpark buildings, which also include various “open” car parking spaces located opposite Sheung Mei House. Tenants within the property include Park’N Shop, Jin Bai Jue Caterers Holdings Ltd, Wellcome, Newton Court Seafood Restaurant, Sheung Tak Market and 82 specialty tenancies (including 3 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
6.	Kai Tin Shopping Centre Kowloon East	17,582.5	461	42.51M	6.11%	812.3M	8.50%	801.2M	806.8M		5.27%	8.50%
Brief Description:		The property comprises a 5-storey retail building with a 3-storey extension, and a 6-storey carpark building. The property was completed in 1999 and the extension in 2003. There are a total of 461 car parking spaces provided within the carpark building, which also include some “open” car parking spaces located on the roof level. Tenants within the property include Wellcome, Maxim’s Chinese Restaurant, Kai Tin (Allmart) Chinese Market, U-right and 91 other specialty tenancies (including 15 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
7.	Yat Tung Shopping Centre Tung Chung	17,916.3	1,900	27.77M	6.52%	699.9M	8.50%	714.4M	707.2M		3.93%	8.50%
Brief Description:		The property comprises a 3-storey retail building and a 4-storey retail building (together known as Yat Tung Shopping Centre) and two 6-storey carpark buildings (Carpark No. 1 and Carpark No. 2). The property was built in phases from 2001 to 2003. The property also includes another carpark building which is currently not in use. There are a total of 1,900 car parking spaces provided on the ground to fifth floors of the carpark buildings. Tenants within the property include Wellcome, a Chinese restaurant, Yat Tung Market and 80 specialty tenancies (including 14 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
8.	Lung Cheung Mall Kowloon North	13,590.5	473	38.45M	5.18%	713.7M	8.25%	697.5M	705.6M		5.45%	8.25%
Brief Description:		The property comprises a 4-storey with basement level retail building and an adjoining 4-storey carpark building. The property was completed in 2001. There are a total of 473 car parking spaces provided on the third floor of the retail building and within the carpark building. Tenants within the property include Park’N Shop, Starbucks, Cafe De Coral, City Chain, Ma Belle, Full Moon Seafood Restaurant, Kingdom Restaurant Company Limited, Pricerite and 61 other specialty tenancies (including 3 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
9.	Hau Tak (II) Shopping Centre Tseung Kwan O	16,560.0	623	37.58M	6.21%	707.1M	8.75%	666.7M	686.9M	5.47%	8.75%
	Brief Description:	The property comprises a 2-storey retail building (East Wing), a 3-storey retail building (West Wing), a 4-storey carpark building adjoining the East Wing and a 5-storey carpark building adjoining the West Wing. The property was completed in 1993. There are a total of 623 car parking spaces provided within the two carpark buildings, which also include various “open” car parking spaces located along the road within the estate. Tenants within the property include Park’N Shop, Tao Heung, Hau Tak Market, Watson’s The Chemist, Circle-K, Fotomax and 60 specialty tenancies (including 10 vacancies).									
	Title Details:	The property is within Tseung Kwan O Town Lot No. 99 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title includes Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 24 February 2006.									
10.	Tin Chak Shopping Centre Tin Shui Wai	13,189.8	302	42.92M	6.54%	668.7M	8.75%	654.6M	661.7M	6.49%	8.75%
	Brief Description:	The property comprises a 4-storey retail building and a 7-storey retail/carpark building. The property was completed in 2001. There are a total of 302 car parking spaces provided on the ground to third floors of the retail/carpark building. Tenants within the property include Tin Chak (Allmart) Market, a Chinese restaurant, Wellcome and 85 specialty tenancies (including 7 vacancies).									
	Title Details:	The property is within Tin Shui Wai Town Lot No. 37 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title include Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 24 February 2006.									
11.	Wong Tai Sin Shopping Centre Kowloon North	14,408.4	688	38.48M	5.81%	633.4M	8.25%	641.6M	637.5M	6.04%	8.25%
	Brief Description:	The property comprises a 4-storey retail building with 1 basement level, an adjoining 5-storey carpark building, a single storey carpark building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Lung Lok House and Lung On House. The property was built in phases from 1982 to 1983. There are a total of 688 car parking spaces provided on the basement level of the retail building and within the two carpark buildings, which also include various “open” car parking spaces located at the northern side of Lung Tai House. Tenants within the property include The Dragon Way Restaurant Co Ltd, Park’N Shop Ltd, a Maxim’s Chinese restaurant, a department store and 201 specialty tenancies (including 36 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
12.	Choi Ming Shopping Centre Tseung Kwan O	8,686.4	765	38.15M	6.39%	560.7M	8.50%	571.7M	566.2M	6.74%	8.50%
	Brief Description:	The property comprises a 4-storey with basement level retail/carpark building (Choi Ming Shopping Centre), the ground floor of a 6-storey retail/carpark building (Choi Ming Shopping Centre extension) and an 8-storey carpark building. Choi Ming Shopping Centre was completed in 2001 and the extension in 2003. There are a total of 765 car parking spaces provided on the basement level and ground floor of Choi Ming Shopping Centre and within the 8-storey carpark building which also has various “open” car parking spaces. The car parking spaces located within the extension building do not form part of the property. Tenants within the property include Park’N Shop, Choi Ming Seafood Restaurant, Wellcome, Choi Ming Market, Japan Home Centre, Midland Property Agency and 64 other specialty tenancies (including and 6 vacancies).									
	Title Details:	The property is within Tseung Kwan O Town Lot No. 82 held under Government Lease for a term of 50 years commencing from 4 May 2001. Encumbrances noted on title includes a Deed of Mutual Covenant via Memorial No. SK481396 dated 9 July 2001.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
13.	Yau Mei & Ko Cheung (Lei Yue Mun Plaza) Kowloon East	9,088.0		36.14M	6.00%	572.0M	8.50%	558.3M	565.2M	6.39%	8.50%
Brief Description:		The property comprises a 4-storey retail podium. The property was completed in 2001. The property mainly serves the residents of Yau Tong Estate, which provides 3,196 residential apartment units and also supplements the retail and car parking needs of the residents from the nearby Yau Mei Court, Ko Cheung Court, Lei Yue Mun Estate, Ko Yee Estate & Ko Chun Court. Tenants within the property include Wellcome, Fung Tak Lau Seafood Restaurant, Lei Yue Mun Market and 62 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within New Kowloon Inland Lot No. 6459 held under Government Lease for a term of 50 years commencing from 3 June 2005.									
14.	Tai Wo Shopping Centre Tai Po	13,917.1	454	29.29M	6.02%	555.0M	8.25%	551.9M	553.5M	5.29%	8.25%
Brief Description:		The property comprises a 3-storey with basement level retail building (Phase 1) and a 2-storey with basement level retail building (Phase 2) linked by a footbridge across the KCR East Rail Tai Wo Station. In addition, the property also includes various shop units located within the residential blocks of Oi Wo House and On Wo House. The property was completed in 1989. There are a total of 454 car parking spaces provided within the basement level of Phase 1 and the basement level and ground floor of Phase 2 of the property. Tenants within the property include Park'N Shop, McDonald's, Wui Yung Restaurant, Maxim's Restaurant and 168 specialty tenancies (including 44 vacancies).									
Title Details:		The property is within Tai Po Town Lot No. 176 held under Government Lease for a term of 50 years commencing from 10 February 2000. Encumbrances noted on title include Deed of Mutual Covenant via Memorial No. TP627775 dated 5 April 2000.									
15.	Leung King Shopping Centre Tuen Mun	18,661.0	616	40.61M	7.32%	538.8M	9.00%	527.3M	533.1M	7.62%	9.00%
Brief Description:		The property comprises a 4-storey retail building and an adjoining 5-storey carpark building. The property was completed in 1988. There are a total of 616 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located along the roads within estate. Tenants within the property include Capital Restaurant, Pricerite, Jumbo Victory Household Square , Wellcome and 173 specialty tenancies (including 16 vacancies).									
Title Details:		The property is within Tuen Mun Town Lot No. 458 held under Government Lease for a term of 50 years commencing from 8 February 2001. Encumbrances noted on title include Deed of Mutual Covenant via Memorial No. TM986516 dated 2 April 2001, Deed of Mutual Grant of Rights dated 8 February 2001 (Memorial No. TM980543) in respect of TMTL 458 and Certified Copy of Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									
16.	Butterfly Shopping Centre Tuen Mun	15,291.1	313	38.76M	7.30%	539.2M	9.00%	525.4M	532.3M	7.28%	9.00%
Brief Description:		The property comprises a 3-storey retail building, a 4-storey carpark building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Tip Ling House and Tip Sum House. The property was completed in 1983. There are a total of 313 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include A Chinese restaurant, Wellcome, Mei King Supermarket & Department Store Ltd and 214 specialty tenancies (including 28 vacancies).									
Title Details:		The property is within Tuen Mun Town Lot No. 473 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title include Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 3 December 2004.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
17.	Tin Yiu Shopping Centre Tin Shui Wai	7,875.3	480	32.55M	6.89%	485.5M	8.75%	484.6M	485.1M	6.71%	8.75%
Brief Description:		The property comprises a 2-storey with 2 basement levels retail building which was completed in 1992. There are a total of 480 car parking spaces provided on the 2 basement levels of the retail building and three “open” car parking areas located along the roads within the estate. Tenants within the property include Maxim’s Chinese Restaurant, Wellcome, Maxim’s Fast Food and 123 specialty tenancies (including 14 vacancies).									
Title Details:		The property is within Tin Shui Wai Lot No. 38 held under Government Lease for a term of 50 years commencing from 17 September 2005. Encumbrances noted on title includes Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 5 December 2004.									
18.	Cheung Fat Shopping Centre Tsing Yi	14,413.1	590	31.32M	7.58%	473.0M	9.00%	462.8M	467.9M	6.69%	9.00%
Brief Description:		The property comprises a 6-storey with basement level retail building which was completed in 1989. There are a total of 590 car parking spaces provided on the basement level to second floor of the property. Tenants within the property include China Resources Supermarket (Hong Kong) Co Ltd, Park’N Shop Ltd, Greenwood Restaurant Ltd and 177 specialty tenancies (including 19 vacancies).									
Title Details:		The property is within Tsing Yi Town Lot No. 172 held under Government Lease for a term of 50 years commencing from 22 December 2005. Encumbrances noted on title include Deed of Mutual Grant of Rights with Plan (Re: Refuse Collection Point) via Memorial No. 06011802310065 dated 22 December 2005, Deed of Grant of Rights and Easements with Plan (Re: Entry Kiosk Portion) via Memorial No. 06011802310071 dated 22 December 2005, Block Waiver Letter (Certified True Copy) (Re: Surplus Car Parking Spaces of Cheung Fat Estate) via Memorial No. 06012002460155 dated 3 December 2004 and Deed of Mutual Covenant with Plans via Memorial No. 06022501550030 dated 16 February 2006.									
19.	Stanley Plaza Hong Kong South	8,655.9	426	27.51M	5.95%	452.3M	8.25%	460.3M	456.3M	6.03%	8.25%
Brief Description:		The property comprises a 6-storey retail/carpark building (Shopping Centre, Stanley Plaza), 3-storey retail building (Murray House) and a 2-storey carpark building (Ma Hang Estate). The property also includes 2 shop units located within the residential block of Leung Ma House. The property was built in phases, from 1999 to 2000. There are a total of 426 car parking spaces provided on the second to fourth floors of the retail/carpark building and on the lower ground as well as second to lower ground first floors of the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Watson’s Wine Cellar & Park’N Shop, a Chinese restaurant and 44 specialty tenancies (including several specialty restaurants and 5 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
20.	Wo Che Commercial Centre Shatin	17,331.4	828	31.17M	7.36%	452.8M	9.00%	449.9M	451.4M	6.90%	9.00%
Brief Description:		The property comprises a 4-storey retail/carpark building, four carparks within the podium of residential blocks, three isolated cooked food stalls and various retail shops on the ground floor of the residential blocks of Foo Wo House and Tai Wo House. The property was completed in 1977. There are a total of 828 car parking spaces provided within the retail/carpark building, the four carparks within the podium of residential blocks and the “open” car parking areas within the estate. Tenants within the property include Wellcome, Maxim’s Fast Food, U-right, Baleno, a Chinese restaurant and 200 other specialty tenancies (including 25 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
21.	Chuk Yuen Shopping Centre Kowloon North	12,994.7	1,103	32.29M	7.80%	451.6M	9.25%	443.4M	447.5M	7.22%	9.25%
	Brief Description:	The property comprises a 5-storey retail building, a 4-storey carpark building and various cooked food stalls. In addition, the property also includes various premises within the residential block of Sau Yuen House. The property was completed in 1984. There are a total of 1,103 car parking spaces provided on the ground floor of the retail building and within the 4-storey carpark building. Tenants within the property include Wellcome, Queenpo Investment Ltd, Watson's The Chemist and 242 specialty tenancies (including 17 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
22.	Po Tat Shopping Centre Kowloon East	6,881.3	1,083	27.34M	6.66%	445.5M	8.75%	443.9M	444.7M	6.15%	8.75%
	Brief Description:	The property comprises a 6-storey building in which G/F to 2/F are retails and 4/F to 6/F for carparks. Two 3-storey carparks are located inside residential blocks. There are a total of 1083 car parking spaces provided in Po Tat Shopping Centre and carparks. Tenants within the property include Park'N Shop, a Chinese restaurant, Po Tat Market and 42 specialty tenancies (including 7 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
23.	Siu Sai Wan Shopping Centre Hong Kong East	8,988.3	558	30.40M	6.90%	432.3M	8.75%	419.0M	425.7M	7.14%	8.75%
	Brief Description:	The property comprises a 5-storey retail building, a 6-storey carpark building and another 2-storey carpark building. The property was completed in 1989. There are a total of 558 car parking spaces provided within the two carpark buildings, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, a Chinese restaurant, King's Fortune Seafood Restaurant, Pricerite, Japan Home Centre, Optical 88, Maxim's Bakery, Hong Kong Jockey Club and 110 other specialty tenancies (including 6 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
24.	Oi Man Shopping Centre Kowloon Central	19,236.5	808	32.05M	7.57%	420.0M	9.00%	427.6M	423.8M	7.56%	9.00%
	Brief Description:	The property comprises a 3-storey retail building with an adjoining 3-storey carpark building, a 3-storey carpark building, a single storey wet market building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Chiu Man House, Hong Man House and Chung Man House. The property was completed in 1975. There are a total of 808 car parking spaces provided within the two carpark buildings. Tenants within the property include Oi Man Restaurant Ltd, a Chinese restaurant, Oi Man Supermarket Ltd and 204 specialty tenancies (including 55 vacancies).									
	Title Details:	The property is within Kowloon Inland Lot No. 9826 held under Conditions of Grant No. 10562 for a term of 75 years commencing from 1 April 1968. Encumbrances noted on the title include Agreement Relating to Supply and Distribution of Liquefied Petroleum Gas with Plan via Memorial No. UB1108903 dated 18 June 1974, Letter with Car Park Layout Plan via Memorial No. UB1121872 dated 25 November 1974 and Letter with Revised Car Park Layout Plan via Memorial No. UB1214516 dated 1 December 1975.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
25.	Ho Man Tin Plaza Kowloon Central	9,564.0	299	24.96M	5.99%	412.3M	8.25%	421.9M	417.1M	5.98%	8.25%
Brief Description:		The property comprises a 4-storey retail building and an adjoining 3-storey carpark building. The property was completed in 2000. There are a total of 299 car parking spaces provided within the carpark building. Tenants within the property include Banyan Seafood Restaurant Ltd, China Resources Vanguard (Hong Kong) Company Limited, Homantin Plaza Market, Steak Expert, U-right, MVP, the Open University of Hong Kong and 52 other specialty tenancies (including 5 vacancies).									
Title Details:		The property is within Kowloon Inland Lot No. 11119 held under Government Lease for a term of 50 years commencing from 20 November 1998. Encumbrances noted on title include Deed Poll with Plan re S.A and R.P. via Memorial No. UB7639734 dated 18 December 1998.									
26.	Tin Shing Shopping Centre Tin Shui Wai	7,418.0	1,458	29.09M	6.84%	409.5M	8.75%	413.2M	411.4M	7.07%	8.75%
Brief Description:		The property comprises a 8-storey retail building, a kindergarten and play area and a nursery of Tin Shing Court. The property was completed in 2000. There are a total of 1,458 car parking spaces provided from second to seventh floor within the carpark building. Tenants within the property include Banyan Seafood Restaurant, Park'N Shop, Tin Shing (Allmart) Chinese Market and 41 specialty tenancies (including 1 vacancy).									
Title Details:		The property is within Tin Shui Wai Town Lot No. 17 held under Government Lease for a term of 50 years commencing from 28 November 1997. Encumbrances noted on title include Deed Poll re S.A and R.P. via Memorial No. YL794535 dated 28 November 1997.									
27.	Tak Tin Shopping Centre Kowloon East	8,363.8	754	26.20M	7.04%	384.6M	8.75%	383.1M	383.9M	6.83%	8.75%
Brief Description:		The property comprises a 4-storey retail building, a 7-storey carpark building (Carpark No. 1), a 6-storey carpark building (Carpark No. 2) and a 2-storey carpark podium (Carpark No. 3) located within the residential block of Tak Hong House. In addition, the property also includes various shop units located within the residential block of Tak King House. The property was completed in 1991. There are a total 754 car parking spaces provided on the ground to fifth floors of Carpark No. 1, the ground floor to third floors of Carpark No. 2, the ground floor of Carpark No. 3 and at three “open” car parking areas within the estate and along the estate roads. Tenants within the property include Park'N Shop, New Fai Seafood Restaurant and 175 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within New Kowloon Inland Lot No. 6326 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
28.	Choi Yuen Shopping Centre Fanling/Sheung Shui	12,120.0	536	26.40M	7.27%	371.3M	8.75%	386.7M	379.0M	6.96%	8.75%
Brief Description:		The property comprises a 5-storey with basement level retail building. In addition, the property also includes various shop units located within the residential blocks of Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House. The property was completed in 1982. There are a total of 536 car parking spaces provided on the lower ground first to second floors of the retail building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park'N Shop & Watson's The Chemist, Pricerite , Wellcome , Beacon College, Choi Shing Palace Restaurant and 94 specialty tenancies (including 9 vacancies).									
Title Details:		The property is within Fanling Sheung Shui Town Lot No. 230 held under Government Lease for a term of 50 years commencing from 17 September 2005. Encumbrances noted on title include Licence with Plan via Memorial No. 05102101140015 dated 14 October 2005 and Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 3 December 2004.									

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006	Initial Yield	Target 10-yr IRR
		Value (HK\$)									
29.	Tin Shui Shopping Centre Tin Shui Wai	7,071.6	577	22.73M	6.98%	344.3M	8.75%	338.9M	341.6M	6.65%	8.75%
	Brief Description:	The property comprises a 2-storey retail building and an adjoining 4-storey retail/carpark building. The property was completed in 1992. There are a total of 577 car parking spaces provided within the retail/carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop Ltd, Banyan Seafood Restaurant Ltd, Chinese Market and 43 specialty tenancies (including 7 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
30.	Oi Tung Shopping Centre Hong Kong East	7,536.0	634	20.54M	6.47%	314.2M	8.50%	326.8M	320.5M	6.41%	8.50%
	Brief Description:	The property comprises a 3-storey retail building and a 6-storey carpark building located within the residential block of Oi Sin House. The property was completed in 2000. There are a total of 634 car parking spaces provided within the carpark podium. Tenants within the property include Park Lane Seafood Restaurant, China Resources Supermarket and 42 specialty tenancies (including 2 vacancies).									
	Title Details:	The property is within Shau Kei Wan Inland Lot No. 849 held under Government Lease for a term of 50 years commencing from 17 September 2005. Encumbrances noted on title include Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 3 December 2004.									
31.	Sha Kok Commercial Centre Shatin	10,247.5	662	23.58M	8.04%	319.4M	9.25%	319.8M	319.6M	7.38%	9.25%
	Brief Description:	The property comprises a 4-storey retail building and three isolated cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Osprey House and Sand Martin House. The property was completed in 1980. There are a total of 662 car parking spaces provided on the ground to first floors of the retail building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, a Chinese restaurant and 141 specialty tenancies (including 10 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
32.	Shun Lee Commercial Centre Kowloon East	18,988.3	731	19.66M	8.04%	311.9M	9.25%	317.5M	314.7M	6.25%	9.25%
	Brief Description:	The property comprises a 3-storey retail building (Shopping Complex I), a 5-storey retail building (Shopping Complex II), two 3-storey carpark buildings and a single storey carpark building. In addition, the property also includes various shops units located within the residential blocks of Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House. The property was completed in 1978 and 2004 for Complex II. There are a total of 731 car parking spaces provided within the three carpark buildings, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome & Mannings, Jin Bai Jue Caterers Holdings Ltd, A.S. Watson Group (HK) Ltd and 178 specialty tenancies (including 40 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
33.	Kwong Yuen Shopping Centre Shatin	6,964.0	736	23.49M	7.67%	308.9M	9.00%	315.9M	312.4M	7.52%	9.00%
Brief Description:		The property comprises five 2-storey retail buildings (Commercial Block Nos. 1 to 5), a 5-storey carpark building with a wet market on Level 5 (Carpark No. 1) and a 6-storey carpark building (Carpark No. 2). The property was completed in 1991. There are a total of 736 car parking spaces provided on Level 1 to Level 4 within the Carpark No. 1 and within Carpark No. 2. Tenants within the property include Fairwood, Wellcome, Greenwood Restaurant Ltd and 113 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within Sha Tin Town Lot No. 506 held under Government Lease for a term of 50 years commencing from 8 February 2001. Encumbrances noted on title include Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									
34.	Chung On Shopping Centre Ma On Shan	7,535.3	995	22.43M	7.71%	307.2M	9.00%	315.5M	311.4M	7.20%	9.00%
Brief Description:		The property comprises a 5-storey retail building which was completed in 1996. There are a total of 995 car parking spaces provided on the second to fourth floors of the building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Bright Pearl Seafood Restaurant, Chung On (Allmart) Market and 60 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within Sha Tin Town Lot No. 544 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title include Licence with Plan via Memorial No. 05110400930022 dated 27 October 2005 and Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 3 December 2004.									
35.	Heng On Commercial Centre Ma On Shan	10,544.0	585	23.89M	7.62%	306.0M	9.00%	310.8M	308.4M	7.75%	9.00%
Brief Description:		The property comprises a 5-storey retail building which was completed in 1987. There are a total of 585 car parking spaces provided on the ground and first floors of the building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Cansource Co Ltd and 159 specialty tenancies (including 22 vacancies).									
Title Details:		The property is within Sha Tin Town Lot No. 500 held under Government Lease for a term of 50 years commencing from 8 April 1998.									
36.	Fu Tung Shopping Centre Tung Chung	9,261.0	537	20.76M	6.77%	307.8M	8.75%	307.8M	307.8M	6.74%	8.75%
Brief Description:		The property comprises a 4-storey retail building and a 6-storey carpark building. The property was completed in 1997. There are a total of 537 car parking spaces provided on the ground to sixth floors of the carpark building. Tenants within the property include Wellcome, a Chinese restaurant, Fu Tung (Allmart) Chinese Market and 35 specialty tenancies.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006	Initial Yield	Target 10-yr IRR
		(sqm)							Value (HK\$)		
37.	Choi Wan Commercial Complex Kowloon North	15,887.7	859	22.12M	7.59%	305.0M	9.00%	297.5M	301.3M	7.34%	9.00%
	Brief Description:	The property comprises a 5-storey retail building (Commercial Complex 1), a 7-storey retail building (Commercial Complex 2), a 5-storey carpark building, a 2-storey market building (Phase II Market), various shops within Fei Fung House and various cooked food stalls. The property was completed in 1980. There are a total of 859 car parking spaces provided on the lower ground first floor to first floor of the Commercial Complex 1, on the third to sixth floors of the Commercial Complex 2 and within the carpark building. Tenants within the property include Park’N Shop, Ho Choi Restaurant Ltd, Lucky Dragon Restaurant Ltd and 211 specialty tenancies (including 22 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
38.	Po Lam Shopping Centre Tseung Kwan O	9,239.9	398	21.54M	7.81%	292.6M	9.25%	288.0M	290.3M	7.42%	9.25%
	Brief Description:	The property comprises a 3-storey retail building (Po Lam Shopping Centre), a 2-storey retail building (Market Building) and a 3-storey carpark building. In addition, the property also includes various shop units located within the residential block of Po Kan House. The property was completed in 1989. There are a total of 398 car parking spaces provided within the carpark building and at three “open” car parking areas located within the estate. Tenants within the property include Park’N Shop , Bauhinia Resturant and 128 specialty tenancies (including 19 vacancies).									
	Title Details:	The property is within Tseung Kwan O Town Lot No. 88 held under Government Lease for a term of 50 years commencing from 19 October 2004. Encumbrances noted on title include Deed of Mutual Covenant via Memorial No. SK624652 dated 10 December 2004 and Deed of Grant of Rights and Easements via Memorial No. SK624653 dated 10 December 2004.									
39.	Shan King Commercial Centre Tuen Mun	11,550.6	638	17.32M	8.25%	283.0M	9.25%	289.6M	286.3M	6.05%	9.25%
	Brief Description:	The property comprises 5-storey retail building, a 4-storey carpark building and various cooked food stalls located near the residential blocks of King Yip House and King Lok House. The property was completed in 1983. There are a total of 638 car parking spaces provided on the first to third floors of the retail building and on the ground to second floors of the carpark building. Tenants within the property include Wellcome, King Shing Restaurant Ltd and 142 specialty tenancies (including 27 vacancies).									
	Title Details:	The property is within Tuen Mun Town Lot No. 469 held under Government Lease for a term of 50 years commencing from 20 August 2004.									
40.	Fu Shin Shopping Centre Tai Po	9,146.4	525	19.64M	7.58%	286.1M	9.00%	281.5M	283.8M	6.92%	9.00%
	Brief Description:	The property comprises a 6-storey retail building and various cooked food stalls. The property was completed in 1986. There are a total of 525 car parking spaces provided within the retail building, which also include various “open” car parking spaces along the roads within the estate. Tenants within the property include Business Rank Ltd, China Resources Vanguard (Hong Kong) Company Limited and 143 specialty tenancies (including 35 vacancies).									
	Title Details:	The property is within Tai Po Town Lot No. 189 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title include Deed of Cost sharing with Plan via Memorial No. 05120202540093 dated 8 November 2005.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)		Initial Yield	Target 10-yr IRR
41.	Tsui Ping North Shopping Circuit Kowloon East	10,215.5	421	18.29M	7.57%	276.9M	9.00%	280.5M	278.7M		6.56%	9.00%
Brief Description:		The property comprises a 2-storey retail podium located within the residential blocks and a 4-storey carpark building. The property was completed in 1990. There are a total of 421 car parking spaces provided on the ground floor of the retail podium and the carpark building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Perfect Restaurant, Wellcome and 208 specialty tenancies (including 51 vacancies).										
Title Details:		The property is within Kwun Tong Inland Lot No. 754 held under Government Lease for a term of 50 years commencing from 24 January 2002. Encumbrances noted on title include Deed of Mutual Grant of Rights of Way with Plan via Memorial No. UB8613234 dated 24 January 2002.										
42.	Fung Tak Shopping Centre Kowloon North	6,766.0	487	18.00M	7.39%	275.3M	9.00%	274.5M	274.9M		6.55%	9.00%
Brief Description:		The property comprises a 5-storey retail building and an adjoining 6-storey carpark building. The property was completed in 1991. There are a total of 487 car parking spaces provided on the ground floor, first floor and fourth floor of the retail building and within the carpark building. Tenants within the property include Cafe De Coral, Park'N Shop Ltd, Fung Tak Seafood Restaurant and 107 specialty tenancies (including 15 vacancies).										
Title Details:		The property is within New Kowloon Inland Lot No. 6318 held under Government Lease for a term of 50 years commencing from 8 April 1998. Encumbrances noted on title include Deed Poll with Plans via Memorial No. UB7454647 dated 8 April 1998 and Undertaking by the Hong Kong Housing Authority via Memorial No. UB7459932 dated 8 April 1998.										
43.	Hin Keng Shopping Centre Shatin	8,988.6	636	21.14M	8.03%	256.6M	9.25%	255.8M	256.2M		8.25%	9.25%
Brief Description:		The property comprises a 6-storey retail building (Wing A), a 3-storey retail building (Wing B) and three isolated cooked food stalls. The property was completed in 1987. There are a total of 636 car parking spaces provided on the third to fifth floors within Wing A of the property, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include A Chinese restaurant, Welfery Investment Ltd (a cooked food operator), China Resources Supermarket and 139 specialty tenancies (including 13 vacancies).										
Title Details:		The property is within Sha Tin Town Lot No. 503 held under Government Lease for a term of 50 years commencing from 10 February 2000. Encumbrances noted on title include Modification Letter via Memorial No. ST1138743 dated 17 February 2000 and Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.										
44.	Yau Oi Commercial Centre Tuen Mun	9,386.6	780	19.69M	8.29%	257.5M	9.25%	254.5M	256.0M		7.69%	9.25%
Brief Description:		The property comprises a 3-storey retail building, an adjoining single storey retail building (New Annex Block), a 5-storey carpark building with wet market, a 4-storey carpark building and various cooked food stalls. In addition, the property also includes various shop units located within the residential block of Oi Yung House. The property was completed in 1980. There are a total of 780 car parking spaces provided on the first to fourth floors of the 5-storey carpark building and within the 3-storey carpark building. Tenants within the property include Wellcome, a Chinese restaurant and 117 specialty tenancies (including 25 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (<i>HK\$</i>)	DCF Analysis		ASSESSMENT as at 31 March 2006 Value (<i>HK\$</i>)	Analysis	
							IRR	Value (<i>HK\$</i>)		Initial Yield	Target 10-yr IRR
45.	Fu Tai Shopping Centre Tuen Mun	5,825.0	635	15.00M	6.73%	250.9M	8.75%	247.1M	249.0M	6.02%	8.75%
Brief Description:		The property comprises a 3-storey retail building, an adjoining 6-storey carpark building and a 7-storey retail building which is linked to the second floor of the 3-storey retail building. The property was completed in 2000. There are a total of 635 car parking spaces provided within the carpark building. Tenants within the property include Park’N Shop, a Chinese restaurant, and 34 specialty tenancies (including 5 vacancies).									
Title Details:		The property is within Tuen Mun Town Lot No. 418 held under Government Lease for a term of 50 years commencing from 12 March 2001.									
46.	Lei Tung Commercial Centre Hong Kong West	9,126.0	687	16.00M	7.83%	246.0M	9.25%	244.8M	245.4M	6.52%	9.25%
Brief Description:		The property comprises a 5-storey retail building (Phase 1) and a 4-storey with 3 basement levels retail/carpark building (Phase 2), which are linked by 2 footbridges across the Lei Tung Estate Bus Terminal. In addition, the property also includes a 2-storey carpark building (Carpark No. 1) and a 3-storey carpark building (Carpark No. 2). The property was completed in 1988. There are a total of 687 car parking spaces provided within the three basement levels of Phase 2 building and on the ground to first floors of both Carpark No. 1 and Carpark No. 2. Tenants within the property include Park’N Shop, Hung Fook Restaurant and 159 specialty tenancies (including 60 vacancies).									
Title Details:		The property is within Ap Lei Chau Inland Lot No. 133 held under Government Lease for a term of 50 years commencing from 20 December 2004.									
47.	Kwai Shing East Shopping Centre Tsuen Wan/ Kwai Chung	10,296.1	583	14.98M	7.17%	242.2M	8.75%	244.0M	243.1M	6.16%	8.75%
Brief Description:		The property comprises a 5-storey retail building (Shopping Centre), a stand-alone single storey retail building, a single storey carpark podium within Shing Ka House and a storey of carpark on the fourth floor of the Regional Maintenance Office. The property was completed in 1999. There are a total of 583 car parking spaces provided on the second to fourth floors within the Shopping Centre, on the fourth floor of the Regional Maintenance Office and within the carpark podium of Shing Ka House. Tenants within the property include Fu Wah Seafood Restaurant Limited, Wellcome, Kwai Shing Market and 52 specialty tenancies (including 9 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
48.	Lung Hang Commercial Centre Shatin	6,468.0	440	18.05M	7.61%	243.6M	9.00%	242.3M	243.0M	7.43%	9.00%
Brief Description:		The property comprises a 3-storey retail building with basement level connected to a single storey wet market building; a single storey carpark building and three cooked food stalls. In addition, the property also includes various shop units located within the residential block of Wing Sam House. The property was completed in 1983. There are a total of 440 car parking spaces provided on the lower ground first floor of the retail building and within the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, a Chinese restaurant and 121 specialty tenancies (including 7 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
49.	Fu Heng Shopping Centre Tai Po	5,177.0	517	17.93M	7.61%	229.7M	9.00%	232.9M	231.3M	7.75%	9.00%
Brief Description:		The property comprises a 3-storey with basement level retail building and a stand-alone 2-storey carpark building. The property was completed in 1990. There are a total of 517 car parking spaces provided within the basement level and ground floor of the retail building and the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include King’s Fortune Seafood Restaurant, Park’N Shop, Fu Heng Market and 22 specialty tenancies.									
Title Details:		The property is within Tai Po Town Lot No. 178 held under Government Lease for a term of 50 years commencing from 10 February 2000. Encumbrances noted on title include Deed of Mutual Covenant via Memorial No. TP627944 dated 12 April 2000 and Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									
50.	Cheung Hong Commercial Centre Tsing Yi	12,633.9	709	18.28M	7.85%	233.4M	9.25%	228.3M	230.9M	7.92%	9.25%
Brief Description:		The property comprises a 5-storey retail building (Commercial Centre No. 1) in Phase I, a 4-storey retail building (Commercial Centre No. 2), an adjoining 2-storey retail building linked by a footbridge on the third floor, and a 3-storey carpark building in Phase II. In addition, the property also includes various isolated cooked food stalls and various shop units located within the residential blocks of Hong Kwai House, Hong Tai House, Hong Fu House, Hong Shun House and Hong Mei House, and various wet market stalls located within the residential block of Hong Wo House. The property was completed in 1980. There are a total of 709 car parking spaces provided on the lower ground first floor within Commercial Centre No. 1, within the car park building and on the ground floor of the 2-storey retail building. Tenants within the property include Wellcome, Cheung Hong Restaurant Limited, Coming Sea Food Hot Pot Restaurant Ltd and 171 specialty tenancies (including 47 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
51.	Yu Chui Shopping Centre Shatin	9,734.0	1,175	10.87M	6.91%	224.0M	8.75%	228.4M	226.2M	4.81%	8.75%
Brief Description:		The property comprises a 7-storey retail building and a free-standing 4-storey ancillary facilities building. The property was completed in 2001. There are a total of 1,175 car parking spaces provided on the third to sixth floors within the retail building and on the ground to fourth floors of the ancillary facilities building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, King’s Fortune Seafood Restaurant and 33 specialty tenancies (including 2 vacancies).									
Title Details:		The property is within Sha Tin Town Lot No. 462 held under Government Lease for a term of 50 years commencing from 18 May 2001. Encumbrances noted on title include Completion Certificate re Blocks J, K & L via Memorial No. ST1231366 dated 13 July 2001 and Completion Certificate re Blocks M, N, O, P, Q, R & S via Memorial No. ST1232070 dated 13 July 2001.									
52.	Tai Wo Hau Commercial Centre Tsuen Wan/ Kwai Chung	7,278.6	609	15.93M	8.07%	220.4M	9.25%	225.7M	223.1M	7.14%	9.25%
Brief Description:		The property comprises a 4-storey retail building (Commercial Centre 1), a single storey retail building (Commercial Centre 2), a 4-storey carpark building, a single storey carpark under Tai Wo Hau Indoor Recreation Centre and a 2-storey carpark under Tai Wo Hau Community Centre respectively. In addition, the property also includes various shop units located within the residential blocks of Fu Pik House, Fu Tak House and Fu On House. The property was built in phases, from 1984 to 1993. There are a total of 609 car parking spaces provided on ground floor within Commercial Centre 1 and within three carpark buildings, which also include various “open” car parking spaces located outside Fu Wah House within the estate. Tenants within the property include Wellcome, Po Hong Restaurant Ltd and 174 specialty tenancies (including 45 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	Target 10-yr IRR
									as at 31 March 2006	Initial Yield	
		Value (HK\$)							Value (HK\$)		
53.	Wah Ming Shopping Centre Fanling/ Sheung Shui	6,226.0	295	17.52M	7.58%	221.9M	9.00%	223.4M	222.7M	7.87%	9.00%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 3-storey retail/carpark building which are linked by a footbridge on the second floor. The property was completed in 1990. There are a total of 295 car parking spaces provided within the second floor of the retail building and the first and second floors of the retail/carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Lai Kai Yan and 66 specialty tenancies (including 6 vacancies).									
	Title Details:	The property is within Fanling Sheung Shui Town Lot No. 204 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
54.	Sun Chui Shopping Centre Shatin	6,362.6	620	17.31M	8.04%	222.4M	9.25%	222.4M	222.4M	7.78%	9.25%
	Brief Description:	The property comprises a 2-storey retail building linked to a single storey wet market building; a 6-storey carpark building, two single storey carpark buildings and three isolated cooked food stalls. In addition, the property also includes the M.A.C. office unit located within the residential block of Sun Yee House. The property was completed in 1983. There are a total of 620 car parking spaces are provided within the three carpark buildings, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, a Chinese restaurant and 107 specialty tenancies (including 13 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
55.	Lek Yuen Commercial Complex Shatin	10,697.2	433	14.50M	8.20%	219.6M	9.25%	222.7M	221.2M	6.56%	9.25%
	Brief Description:	The property comprises a 3-storey retail building, an ancillary 3-storey retail building with wet market and retail area (Ancillary Block No. 1), several cooked food stalls adjacent to the wet market, a 3-storey retail building adjacent to Wing Shui House with a Chinese restaurant (Ancillary Block No. 2). In addition, the property also includes various shop units located within the residential blocks of Fook Hoi House, Wah Fung House and Fu Yu House. The property was completed in 1976. There are a total of 433 car parking spaces provided on the ground floor within the retail building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Dun Ho Seafood Restaurant (Lek Yuen) Co. Ltd, Japan Home Centre, China Resources Supermarket (Hong Kong) Company Limitd and 168 specialty tenancies (including 33 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
56.	Tai Yuen Commercial Centre Tai Po	10,983.1	594	14.35M	7.63%	222.5M	9.00%	217.9M	220.2M	6.52%	9.00%
	Brief Description:	The property comprises a 4-storey retail building (Commercial Centre No. 1), a 2-storey retail building (Annex Block) that is inter-linked to a 2-storey with basement level retail building (Commercial Centre No. 2); and a stand-alone 4-storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Tai Man House, Tai Tak House and Tai Wing House. The property was completed in 1980. There are a total of 594 car parking spaces provided within Commercial Centre No. 2 and the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Million Join Ltd, Wellcome, Japan Home Centre (HK) Ltd and 156 specialty tenancies (including 37 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT		Analysis	
									as at 31 March 2006	Value (HK\$)	Initial Yield	Target 10-yr IRR
57.	Kwong Fuk Commercial Centre Tai Po	6,500.0	461	16.00M	8.00%	210.0M	9.25%	208.9M	209.5M		7.64%	9.25%
Brief Description:		The property comprises a 5-storey retail building with recreational areas on the podium level, various shop units located within the residential block of Kwong Yan House and various cooked food stalls. The property was completed in 1983. There are a total of 461 car parking spaces provided on the ground and first floors of the property, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Strong Sing Ltd, Crvanguard Shop and 135 specialty tenancies (including 31 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
58.	Yung Shing Shopping Centre Fanling/ Sheung Shui	5,820.0	283	12.60M	6.95%	207.5M	8.75%	208.7M	208.1M		6.06%	8.75%
Brief Description:		The property comprises a 3-storey retail building and an adjoining 7-storey retail/carpark building. The property was completed in 1999. There are a total of 283 car parking spaces provided within the retail/carpark building. Tenants within the property include China Resources Supermarket, a Chinese restaurant and 28 specialty tenancies (including 4 vacancies).										
Title Details:		The property is within Fanling Sheung Shui Town Lot No. 207 held under Government Lease for a term of 50 years commencing from 16 July 1999.										
59.	Kwai Fong Shopping Centre Tsuen Wan/ Kwai Chung	6,010.0	483	12.87M	7.70%	205.3M	9.00%	206.6M	206.0M		6.25%	9.00%
Brief Description:		The property comprises a 2-storey retail building, a 3-storey carpark building and a 4-storey carpark building. In addition, the property also includes various shop units located within the residential block of Kwai Kin House. The property was built in phases, from 1995 to 2000. There are a total of 483 car parking spaces provided within two carpark buildings of the property. Tenants within the property include Wellcome, Cafe Rendezvous, Huge Bright (Hong Kong) Ltd and 103 specialty tenancies (including 34 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
60.	Lee On Shopping Centre Ma On Shan	4,632.8	390	14.34M	7.65%	199.7M	9.00%	198.7M	199.2M		7.20%	9.00%
Brief Description:		The property comprises a 4-storey retail building which was completed in 1993. There are a total of 390 car parking spaces provided on the lower ground third floor and lower ground second floor within the retail building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Jin Bai Jue Caterers Holdings Ltd, Park'N Shop, Maxim's Fast Food and 71 specialty tenancies (including 15 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)		Initial Yield	Target 10-yr IRR
61.	Lok Wah Commercial Centre Kowloon East	10,211.0	650	11.15M	7.60%	197.0M	9.00%	199.2M	198.1M		5.63%	9.00%
Brief Description:		The property comprises a 3-storey retail/carpark building and an adjoining 4-storey carpark building. In addition, the property also includes various shop units located on the ground floor of the residential blocks of Shun Wah House and Ning Wah House. The property was completed in 1985. There are a total of 650 car parking spaces provided on the ground floor of the retail building and within the carpark building, which also include various "open" car parking spaces located outside the retail building. Tenants within the property include Park'N Shop, a Chinese restaurant and 61 other specialty tenancies (including 7 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
62.	King Lam Shopping Centre Tseung Kwan O	5,367.0	418	15.41M	7.86%	194.0M	9.25%	194.2M	194.1M		7.94%	9.25%
Brief Description:		The property comprises a 4-storey retail/carpark building including various shop units located within the residential block of King Chung House. The property was completed in 1990. There are a total of 418 car parking spaces provided on the first to third floors of the retail/carpark building. Tenants within the property include Rich Success Holdings Limited, Park'N Shop and 85 specialty tenancies (including 12 vacancies).										
Title Details:		The property is within Tseung Kwan O Town Lot No. 83 held under Government Lease for a term of 50 years commencing from 8 February 2001.										
63.	Kam Tai Shopping Centre Ma On Shan	4,294.0	758	13.48M	7.22%	191.4M	8.75%	196.6M	194.0M		6.95%	8.75%
Brief Description:		The property comprises a 7-storey retail/carpark building which was completed in 2000. There are a total of 758 car parking spaces provided on the second to sixth floors of the retail building. Tenants within the property include Luk Yau, Startlong Development Ltd and 22 specialty tenancies (including 1 vacancy).										
Title Details:		The property is within Sha Tin Town Lot No. 447 held under Government Lease for a term of 50 years commencing from 29 June 1998. Encumbrances noted on title include Deed Poll with Plan re S.A and R.P. via Memorial No. ST1042421 dated 29 June 1998.										
64.	Shek Yam Shopping Centre Tsuen Wan/ Kwai Chung	6,729.0	424	11.65M	7.62%	191.1M	9.00%	195.9M	193.5M		6.02%	9.00%
Brief Description:		The property comprises a 7-storey retail/carpark building and an adjoining 2-storey carpark building. The property was completed in 2000. There are a total of 424 car parking spaces provided on the first to fourth floors within the retail building and within the carpark building. Tenants within the property include Park'N Shop, Lucky House Restaurant and 45 specialty tenancies (including 6 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

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No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
								Value (HK\$)	Yield	Initial Yield	Target 10-yr IRR
65.	Tai Hing Commercial Centre Tuen Mun	10,741.0	672	13.64M	8.44%	191.0M	9.25%	195.8M	193.4M	7.05%	9.25%
Brief Description:		The property comprises two 2-storey retail buildings which were completed in 1977. There are a total of 672 car parking spaces provided within the various “open” car parking areas within the estate. Tenants within the property include Wellcome, a Chinese restaurant and 143 specialty tenancies (including 40 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
66.	Shek Lei Shopping Centre Phase II Tsuen Wan/ Kwai Chung	7,847.1	179	12.59M	7.14%	190.0M	8.75%	194.0M	192.0M	6.56%	8.75%
Brief Description:		The property comprises a 6-storey retail building. The property was completed in 1999. There are a total of 179 car parking spaces provided on the fourth to fifth floors of the retail building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Super Shark Fin Restaurant Holdings Limited and 76 specialty tenancies (including 8 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
67.	Hing Wah Shopping Centre Hong Kong East	7,206.0	268	10.34M	6.73%	188.3M	8.75%	188.2M	188.3M	5.49%	8.75%
Brief Description:		The property comprises a 2-storey retail building and an 8-storey carpark building. The property was completed in 2000. There are a total of 268 car parking spaces provided on the ground to fifth floors of the carpark building, which also include “open” car parking spaces located on the podium level of the retail building. Tenants within the property include Banyan Seafood Restaurant, Park’N Shop, Hing Wah Market and 35 specialty tenancies (including 3 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
68.	Shek Wai Kok Commercial Centre Tsuen Wan/ Kwai Chung	12,167.6	578	12.40M	8.43%	183.3M	9.25%	192.0M	187.7M	6.61%	9.25%
Brief Description:		The property comprises a 4-storey retail building, with an adjoining 3-storey carpark building (Carpark Block 1) and a 4-storey carpark building (Carpark Block 2). In addition, the property also includes various shop units located within the residential blocks of Shek Fong House and Shek Ho House. The property was completed in 1980. There are a total of 578 car parking spaces provided on the first floor of Carpark Block 1 and within Carpark Block 2, which also include various “open” car parking spaces next to the retail building. Tenants within the property include Wellcome, Toplead Investment Ltd and 117 specialty tenancies (including 42 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

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No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (<i>HK\$</i>)	DCF Analysis IRR	Value (<i>HK\$</i>)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (<i>HK\$</i>)	Initial Yield	Target 10-yr IRR
69.	Yiu On Shopping Centre Ma On Shan	4,956.3	547	14.44M	8.05%	184.6M	9.25%	189.0M	186.8M	7.73%	9.25%
	Brief Description:	The property comprises a 6-storey retail building which was completed in 1989. There are a total of 547 car parking spaces provided on the first to fifth floors, which also include various “open” car parking spaces on the roof level of the property. Tenants within the property include Adore Co Ltd, Park’N Shop, Heng Yiu Market and 28 specialty tenancies (including 3 vacancies).									
	Title Details:	The property is within Sha Tin Town Lot No. 505 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
70.	On Ting Commercial Complex Tuen Mun	10,073.6	546	13.70M	7.60%	187.7M	9.00%	183.1M	185.4M	7.39%	9.00%
	Brief Description:	The property comprises a 3-storey retail building (Shopping Centre), another 3-storey retail building (New Annex Block) and a 5-storey retail/carpark building. In addition, the property also includes various shop units located within the residential block of Ting Cheung House. The property was completed in 1980. There are a total of 546 car parking spaces provided on the first to fourth floors of the retail/carpark building. Tenants within the property include Park’N Shop, Everlasting Spark Ltd, Cafe De Coral and 123 specialty tenancies (including 18 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
71.	Retail and Carpark within Ap Lei Chau Estate Hong Kong West	4,493.8	325	13.92M	8.00%	179.4M	9.25%	183.3M	181.4M	7.68%	9.25%
	Brief Description:	The property comprises a 2-storey market building and a 6-storey carpark building. The property also includes various shop units located within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House. The property was completed in 1980. There are a total of 325 car parking spaces provided on the first to fifth floors of the carpark building, which also include various “open” car parking spaces located along the estate roads adjacent to Lei Fook House and Lei Yee House. Tenants within the property include Park’N Shop, a Chinese restaurant and 87 specialty tenancies (including 3 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
72.	Long Ping Commercial Centre Yuen Long	8,785.6	564	12.67M	7.83%	182.1M	9.25%	179.1M	180.6M	7.01%	9.25%
	Brief Description:	The property comprises a 6-storey retail building and a 2-storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Yuk Ping House, Shek Ping House and Kang Ping House. The property was completed in 1987. There are a total of 564 car parking spaces provided on the ground floor and mezzanine floor of the retail building, the carpark building and various “open” car parking areas located within the estate. Tenants within the property include Wellcome, Long View Restaurant Ltd and 111 specialty tenancies (including 36 vacancies).									
	Title Details:	The property is within Yuen Long Town Lot No. 521 held under Government Lease for a term of 50 years commencing from 15 March 2006. Encumbrances noted on title include Block Waiver Letter via Memorial No. 06032802180093 dated 3 December 2004.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
								as at 31 March 2006	Initial	Target
								Value (HK\$)	Yield	10-yr IRR
73.	Kai Yip Commercial Centre Kowloon Central	7,116.4	383	12.18M	7.80%	180.3M	9.25%	177.6M	179.0M	6.81% 9.25%
Brief Description:		The property comprises a 4-storey retail building and various cooked food stalls. In addition, the property also includes various shop units located within the Kai Yip Community Hall and the residential blocks of Kai Yin House and Kai Lok House. The property was completed in 1981. There are a total of 383 car parking spaces provided on the first to third floors of the retail building. Tenants within the property include China Resources Supermarket (Hk) Co Ltd, Vast Fill Limited and 98 specialty tenancies (including 10 vacancies).								
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.								
74.	Wan Tau Tong Shopping Centre Tai Po	4,404.3	438	13.48M	7.66%	180.1M	9.00%	175.0M	177.6M	7.59% 9.00%
Brief Description:		The property comprises a single storey with basement level retail building, a stand-alone 4-storey carpark building, and a shop unit located at the ground floor of the residential block of Wan Loi House. The property was completed in 1991. There are a total of 438 car parking spaces provided on the basement level of the retail building and the carpark building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Goldrich International Investment Enterprise Ltd, Wellcome and 75 specialty tenancies (including 21 vacancies).								
Title Details:		The property is within Tai Po Town Lot No. 172 held under Government Lease for a term of 50 years commencing from 8 April 1998 as modified or varied by a Modification Letter (Memorial No. 660443 dated 5 March 2001 (insofar as it relates to Section A of TPTL 172). Encumbrances noted on title include Deed Poll with Plan re S.A, S.B, S.C, S.D, S.E, S.F & R.P via Memorial No. TP566402 dated 8 April 1998.								
75.	Tsui Lam Shopping Centre Tseung Kwan O	8,408.5	711	12.07M	8.06%	172.2M	9.25%	167.6M	169.9M	7.10% 9.25%
Brief Description:		The property comprises a 6-storey retail building, 2-cooked food stalls adjacent to the retail building, various retail shops on the ground floor of Sau Lam House and a 2-storey carpark building. The property was completed in 1989. There are a total of 711 car parking spaces provided on the second to third floors of the retail building and on the lower ground to upper ground floors of the carpark building. Tenants within the property include Park'N Shop, a Chinese restaurant and 112 specialty tenancies (including 23 vacancies).								
Title Details:		The property is within Tseung Kwan O Town Lot No. 96 held under Government Lease for a term of 50 years commencing from 15 February 2006. Encumbrances noted on title include Block Waiver Letter (Certified True Copy) Re Surplus Car Parking Spaces of Tsui Lam Estate via Memorial No. 06030802580067 dated 3 December 2004.								
76.	Wan Tsui Commercial Complex Hong Kong East	7,591.2	359	11.13M	7.80%	169.9M	9.25%	164.5M	167.2M	6.65% 9.25%
Brief Description:		The property comprises a 5-storey retail building, a single storey with basement level retail building (Market Building), a single storey carpark building adjacent to Hei Tsui House and a 2-storey carpark podium located within the residential block of Chak Tsui House. The property also includes various shop units located within the residential blocks of Yee Tsui House and Shing Tsui House, as well as a government clinic within Lee Tsui House. The property was completed in 1979. There are a total of 359 car parking spaces provided on the basement level of the Market Building, the carpark building, the lower ground, second to lower ground and first floors of the carpark podium and at two "open" car parking areas located next to Chak Tsui House and Wai Tsui House. Tenants within the property include Wellcome, Cafe De Coral and 113 specialty tenancies (including 32 vacancies).								
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.								

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
77.	Hoi Fu Shopping Centre Kowloon West	3,302.3	225	11.08M	6.81%	166.3M	8.75%	167.7M	167.0M	6.64%	8.75%
Brief Description:		The property comprises a 2-storey retail building and a 2-storey carpark building. The property was completed in 1999. There are a total of 225 car parking spaces provided within the carpark building. Tenants within the property include Garden Restaurant Management Ltd and 22 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within Kowloon Inland Lot No. 11141 held under Government Lease for a term of 50 years commencing from 16 July 1999. Encumbrances noted on title include Completion Certificate re Block A Hoi Fu Court of 37503/204120 shares via Memorial No. UB8022188 dated 16 February 2000.									
78.	Mei Lam Commercial Centre Shatin	8,057.0	375	10.96M	7.81%	170.1M	9.25%	162.5M	166.3M	6.59%	9.25%
Brief Description:		The property comprises a 3-storey retail building, an adjoining 4-storey carpark building with a wet market on the ground floor and various cooked food stalls. In addition, the property also includes a shop unit located within the residential block of Mei Fung House. The property was completed in 1981. There are a total of 375 car parking spaces provided on the first to third floors within the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Tai Wai Ho Choi Restaurant Ltd. and 132 specialty tenancies (including 37 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
79.	Wah Kwai Shopping Centre Hong Kong West	3,948.0	413	12.74M	7.53%	163.5M	9.00%	164.4M	164.0M	7.77%	9.00%
Brief Description:		The property comprises a 2-storey retail building with 2 basement levels carpark building and various shop units located within the residential block of Wah Oi House. The property was completed in 1991. There are a total of 413 car parking spaces provided within the 2 basement levels of the retail building. Tenants within the property include Wah Kwai Harbour Restaurant Limited, Park’N Shop, Cafe De Coral, Wah Kwai Market and 22 specialty tenancies (including 3 vacancies).									
Title Details:		The property is within Aberdeen Inland Lot No. 443 held under Government Lease for a term of 50 years commencing from 8 April 1998. Encumbrances noted on title include Deed Poll with Plans re AIL 443 S.A and AIL 443 R.P. via Memorial No. UB7454646 dated 8 April 1998, Undertaking by the Hong Kong Housing Authority via Memorial No. UB7459933 dated 8 April 1998 and Letter of Re-delivery of Portion with Plan via Memorial No. UB8213570 dated 24 February 2000.									
80.	Fu Cheong Shopping Centre Kowloon West	6,150.0	547	7.71M	7.62%	159.8M	9.00%	159.0M	159.4M	4.84%	9.00%
Brief Description:		The property comprises a 2-storey retail building and a 4-storey carpark building. The property was completed in 2002. There are a total of 547 car parking spaces provided within the carpark building. Tenants within the property include Park’N Shop, Flower City Restaurant and 56 specialty tenancies (including 21 vacancies).									
Title Details:		The property is within New Kowloon Inland Lot No. 6437 held under Government Lease for a term of 50 years commencing from 17 September 2005. Encumbrances noted on title include Certified Copy of Waiver via Memorial No. 06022401500019 dated 3 December 2004.									

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
81.	Retail and Carpark within Shun Tin Estate Kowloon East	5,815.6	581	10.25M	8.08%	156.6M	9.25%	160.2M	158.4M	6.47%	9.25%
Brief Description:		The property comprises a 4-storey carpark building (Carpark No. 1), another 3-storey carpark building, a single-storey market building and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House. The property was completed in 1981. There are a total of 581 car parking spaces provided within the carpark buildings. Tenants within the property include Shun Tin Restaurant, Wellcome and 97 specialty tenancies (including 33 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
82.	Shek Lei Shopping Centre Phase I Tsuen Wan/ Kwai Chung	3,665.0	459	10.73M	7.66%	155.3M	9.00%	157.0M	156.2M	6.87%	9.00%
Brief Description:		The property comprises a 4-storey retail building and a 2-storey carpark building with retail shop on the ground floor. In addition, the property also includes various shop units located within the residential blocks of Shek Ning House and Shek Sau House. The property was completed in 1993. There are a total of 459 car parking spaces provided on the first to third floors of the retail building and within the carpark building. Tenants within the property include Wellcome and 124 specialty tenancies (including 20 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
83.	Hiu Lai Shopping Centre Kowloon East	3,285.0	637	11.37M	7.81%	148.6M	9.00%	158.0M	153.3M	7.42%	9.00%
Brief Description:		The property comprises a 9-storey retail/carpark building together with two kindergarten units located at the residential blocks of Hiu Tin House and Hiu Hong House. The property was completed in 1996. There are a total of 637 car parking spaces provided on the first to eighth floors of retail/carpark building. Tenants within the property include Pacific Commercial Management Ltd and 4 specialty tenancies.									
Title Details:		The property is within New Kowloon Inland Lot No. 6205 held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB6165630 dated 11 November 1994.									
84.	Po Tin Shopping Centre Tuen Mun	5,893.9	62	7.50M	6.57%	154.9M	8.75%	150.5M	152.7M	4.91%	8.75%
Brief Description:		The property comprises a 4-storey retail building which was completed in 2000. There are a total of 62 “open” car parking spaces located along the roads within the estate. Tenants within the property include Banyan Seafood Restaurant Ltd, Park’N Shop and 24 specialty tenancies (including 4 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)	Initial Yield	Target 10-yr IRR	
85.	Un Chau Shopping Centre Kowloon West	4,393.0	213	10.37M	6.96%	154.1M	8.75%	149.0M	151.6M	6.84%	8.75%	
	Brief Description:	The property comprises one single-storey retail podium (Phase I), a 2-storey retail building (Phase III), a 2-storey carpark building and a single storey carpark building. The property was completed in 1999. There are a total of 213 car parking spaces provided within the carpark buildings. Tenants within the property include Wellcome, a Chinese restaurant and 42 specialty tenancies (including 4 vacancies).										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
86.	Kwong Tin Shopping Centre Kowloon East	5,641.0	53	8.80M	7.30%	148.8M	9.00%	145.4M	147.1M	5.98%	9.00%	
	Brief Description:	The property comprises a 3-storey retail building. The property was completed in 1993. There are a total of 53 carpark spaces are provided on the first floor of retail building. Tenants within the property include Wellcome, Lucky House Seafood Restaurant and 34 specialty tenancies (including 8 vacancies).										
	Title Details:	The property is within New Kowloon Inland Lot No. 6445 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on title include Certified Copy of Waiver Letter via Memorial No. 06022401500019 dated 3 December 2004.										
87.	Lei Cheng Uk Shopping Centre Kowloon West	7,294.0	461	8.96M	8.14%	140.5M	9.25%	146.0M	143.3M	6.26%	9.25%	
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 2-storey carpark building. The property was completed in 1984. There are a total of 461 car parking spaces provided on three levels of the retail building and the adjoining carpark building. Tenants within the property include Wellcome, Train Well Investments Limited and 28 specialty tenancies (including 2 vacancies).										
	Title Details:	The property is within New Kowloon Inland Lot No. 6416 held under Government Lease for a term of 50 years commencing from 24 January 2002. Encumbrances noted on title include Deed of Mutual Covenant (Memorial No. 8649658) dated 21 March 2002, Waiver Letter (Memorial No. 8909681) dated 4 April 2003, Deed of Cost Sharing re Footbridge via Memorial No. UB8613238 dated 24 January 2002 and Waiver Letter from the Government of the HKSAR by Lands Department via Memorial No. 05122002490010 dated 1 December 2005.										
88.	Chun Shek Shopping Centre Shatin	5,757.2	583	9.18M	7.88%	139.3M	9.25%	138.0M	138.7M	6.62%	9.25%	
	Brief Description:	The property comprises a 4-storey retail building, an adjoining 4-storey carpark building (Carpark No. 1) with a wet market on the ground floor; and a 2-storey carpark building (Carpark No. 2) located near Fung Shing Court. In addition, the property also includes various shop units located within the residential block of Shek Jing House. The property was completed in 1984. There are a total of 583 car parking spaces provided on the first to third floors within Carpark No. 1 and Carpark No. 2, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Oscar Restaurant and 86 specialty tenancies (including 16 vacancies).										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
89.	Sui Wo Court Commercial Centre Shatin	5,893.6	980	10.30M	8.39%	131.6M	9.25%	135.7M	133.7M	7.70%	9.25%
Brief Description:		The property comprises a 2-storey retail building, two 3-storey carpark buildings and a 6-storey carpark building. The property was completed in 1980. There are a total of 980 car parking spaces provided within the three carpark buildings, which also include various “open” car parking spaces located on the roof level of the 2-storey retail building. Tenants within the property include Park’N Shop and 71 specialty tenancies (including 15 vacancies).									
Title Details:		The property is within Section A of Sha Tin Town Lot No. 43 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Letter (with Car Parking Layout Plan Annexed) via Memorial No. ST184477 dated 24 June 1978, Management Undertaking via Memorial No. ST185162 dated 31 July 1978, Waiver Letter via Memorial No. ST1116540 dated 2 August 1999, Certified Copy of Approved Memo dated 29 October 2004 via Memorial No. ST1396071 dated 29 October 2004 and Supplemental Waiver Letter via Memorial No. 06012401850072 dated 30 November 2004.									
90.	Tin Ping Shopping Centre Fanling/ Sheung Shui	5,520.6	471	10.05M	7.91%	131.4M	9.25%	131.9M	131.7M	7.63%	9.25%
Brief Description:		The property comprises a 5-storey retail building with basement level and a cooked food stall. In addition, the property also includes various shop units located within the residential block of Tin Ming House. The property was completed in 1989. There are a total of 471 car parking spaces provided on the lower ground floor and on third to fifth floors within the retail building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, Fu Moon Seafood Restaurant, Fairwood Fast Food and 66 specialty tenancies (including 30 vacancies).									
Title Details:		The property is within Fanling Sheung Shui Town Lot No. 208 held under Government Lease for a term of 50 years commencing from 10 February 2000.									
91.	On Yam Shopping Centre Tsuen Wan/ Kwai Chung	3,794.0	347	9.23M	8.17%	129.7M	9.25%	132.6M	131.2M	7.03%	9.25%
Brief Description:		The property comprises a 7-storey retail building which was completed in 1994. There are a total of 347 car parking spaces provided on the first to sixth floors within the retail building, which also include various “open” car parking spaces located at the eastern side of Tak Yam House. Tenants within the property include Wellcome, Enrich Dragon Limited and 63 specialty tenancies (including 21 vacancies).									
Title Details:		The property is within Kwai Chung Town Lot No. 497 held under Government Lease for a term of 50 years commencing from 14 October 2005. Encumbrances noted on the title include Certified Copy of Waiver Letter via Memorial No. 0022401500019 dated 3 December 2004.									
92.	Hing Tung Shopping Centre Hong Kong East	4,559.0	420	7.77M	7.73%	122.2M	9.00%	126.5M	124.4M	6.25%	9.00%
Brief Description:		The property comprises a 6-storey retail building. The property was completed in 1995. There are a total of 420 car parking spaces provided on the lower ground third floor to lower ground first floor of the property, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, Golden Boat Restaurant and 31 specialty tenancies (including 8 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)		Initial Yield	Target 10-yr IRR
93.	Kwai Hing Shopping Centre Tsuen Wan/ Kwai Chung	2,356.0	277	8.22M	7.61%	117.7M	9.00%	122.2M	120.0M		6.85%	9.00%
	Brief Description:	The property comprises a 2-storey retail building and a 3-storey carpark building. The property was completed in 1991. There are a total of 277 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located next to the carpark building. Tenants within the property include Wellcome, Rich Capital International Limited and 42 specialty tenancies (including 12 vacancies).										
	Title Details:	The property is within Kwai Chung Town Lot No. 489 held under Government Lease for a term of 50 years commencing from 24 January 2002.										
94.	Tin Tsz Shopping Centre Tin Shui Wai	3,608.0	289	10.26M	8.04%	119.2M	9.25%	119.2M	119.2M		8.61%	9.25%
	Brief Description:	The property comprises a 2-storey retail building, an adjoining 4-storey carpark building and various shop units located within the residential blocks of Tsz Ping House. The property was completed in 1997. There are a total of 289 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Booze Hot Pot & Seafood, Cafe De Coral and 20 specialty tenancies (including 1 vacancy).										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
95.	Sun Tin Wai Commercial Centre Shatin	5,140.6	320	5.91M	7.86%	117.7M	9.25%	114.5M	116.1M		5.09%	9.25%
	Brief Description:	The property comprises a 6-storey retail building and various isolated cooked food stalls. The property was completed in 1981. There are a total of 320 car parking spaces provided within the retail building, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Park'N Shop and 111 specialty tenancies (including 59 vacancies).										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
96.	Cheung Wah Shopping Centre Fanling/ Sheung Shui	6,238.0	353	7.82M	8.17%	113.3M	9.25%	116.1M	114.7M		6.82%	9.25%
	Brief Description:	The property comprises a 3-storey retail building, a 4-storey carpark building (Carpark No.1), a 2-storey carpark building (Carpark No.2) and various shop units located within the residential blocks of Cheung Lai House and Cheung Chung House. The property was completed in 1984. There are a total of 353 car parking spaces provided on the ground to second floors of Carpark No.1 and ground to first floors of Carpark No.2, which also include various "open" car parking spaces located along the roads within the estate. Tenants within the property include Park'N Shop, Golden Garden Seafood Restaurant and 80 specialty tenancies (including 32 vacancies).										
	Title Details:	The property is within Fanling Sheung Shui Town Lot No. 226 held under Government Lease for a term of 50 years commencing from 16 June 2004.										

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
97.	Cheung Hang Shopping Centre Tsing Yi	5,687.0	327	8.98M	8.25%	112.2M	9.25%	113.6M	112.9M	7.96%	9.25%
Brief Description:		The property comprises a 5-storey retail building and a stand-alone 4-storey carpark building. The property was completed in 1990. There are a total of 327 car parking spaces provided within the lower ground third floor and second floor of the retail building and within the stand-alone carpark building. Tenants within the property include Jin Bai Jue Restaurant, Fairwood Fast Food, Wellcome and 81 specialty tenancies (including 9 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
98.	Retail and Carpark within Cheung Wang Court Tsing Yi	1,069.0	333	8.77M	8.50%	109.8M	9.25%	110.9M	110.4M	7.94%	9.25%
Brief Description:		The property comprises a 2-storey carpark podium which was completed in 2001 and a single storey retail building which has just been completed. There are a total of 333 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located along the roads within the estate. As currently leased, the property incorporates 7 retail/commercial tenancies, in addition to 333 car park spaces leased by Wilson until 31-8-2006.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
99.	Ka Fuk Shopping Centre Fanling/ Sheung Shui	5,076.0	312	7.05M	8.06%	110.3M	9.25%	110.3M	110.3M	6.39%	9.25%
Brief Description:		The property comprises a 5-storey retail/carpark building and a 2-storey retail building linked by a footbridge on the first floor. The property was completed in 1995. There are a total of 312 car parking spaces provided on the second to fourth floors of the retail/carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, Tai Ping Market and 28 specialty tenancies (including 8 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
100.	Wah Sum Shopping Centre Fanling/ Sheung Shui	2,480.0	356	8.44M	7.67%	104.8M	9.00%	104.6M	104.7M	8.06%	9.00%
Brief Description:		The property comprises a 2-storey retail building and an adjoining 4-storey carpark building. The property was completed in 1995. There are a total of 356 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Pacific Commercial Co Ltd and 3 specialty tenancies.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)		Initial Yield	Target 10-yr IRR
101.	Siu Lun Shopping Centre Tuen Mun	2,985.0	463	8.09M	7.22%	103.5M	8.75%	104.0M	103.8M		7.79%	8.75%
Brief Description:		The property comprises a 2-storey retail building and two 4-storey carpark buildings. The property was completed in 1993. There are a total of 463 car parking spaces provided within the two carpark buildings. Tenants within the property include Park'N Shop, Fairwood Fast Food and 9 specialty tenancies.										
Title Details:		The property is within Tuen Mun Town Lot No. 357 held under Government Lease for a term commencing from 6 September 1991 to 30 June 2047. Encumbrances noted on title include Deed Poll with Plan re S.A, S.B, S.C & R.P. via Memorial No. TM509119 dated 24 September 1991.										
102.	Yiu Tung Shopping Centre Hong Kong East	6,200.0	685	6.55M	7.80%	103.8M	9.00%	102.6M	103.2M		6.35%	9.00%
Brief Description:		The property comprises a 3-storey retail building, a 2-storey carpark building (Carpark No. 1) and an 8-storey carpark building (Carpark No. 2). The property was completed in 1994. There are a total of 685 car parking spaces provided within Carpark No. 1 and the ground to fifth floors of Carpark No. 2. Tenants within the property include Wellcome, Smart Seafood Restaurant and 66 specialty tenancies (including 31 vacancies).										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
103.	Tsz Ching Shopping Centre (I) & (II) Kowloon North	1,679.0	882	6.35M	7.18%	96.8M	8.75%	102.7M	99.8M		6.36%	8.75%
Brief Description:		The property comprises a 3-storey retail/carpark building (Shopping Centre 1), a 3-storey retail/carpark building with basement level (Shopping Centre 2) and a stand-alone 5-storey carpark building. The property was built in phases from 1996 to 2001. There are a total of 882 car parking spaces provided on basement second floor to basement first floor within Shopping Centre 1, on basement first floor and first to second floors within Shopping Centre 2 and on first to fourth floors of the carpark building. Tenants within the property include Park'N Shop and 13 specialty tenancies.										
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
104.	Kam Ying Court Shopping Centre Ma On Shan	3,444.5	492	7.76M	7.84%	95.1M	9.00%	96.4M	95.8M		8.10%	9.00%
Brief Description:		The property comprises a 3-storey retail building which was completed in 1991. There are a total of 492 car parking spaces provided within the lower ground third floor and lower ground second floor, which also include various "open" car parking spaces on the ground floor of the retail building. Tenants within the property include Cafe De Coral, Park'N Shop, Ma On Shan Terrace Chinese Market and 11 specialty tenancies.										
Title Details:		The property is within Sha Tin Town Lot No. 305 held under Government Lease for a term commencing from 16 May 1990 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. ST527505 dated 16 May 1990 and Deed Poll via Memorial No. ST527790 dated 16 May 1990.										

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (<i>HK\$</i>)	DCF Analysis IRR	Value (<i>HK\$</i>)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (<i>HK\$</i>)	Initial Yield	Target 10-yr IRR
105.	Wang Tau Hom (Wang Fai Centre) Kowloon North	2,333.1	290	6.31M	8.25%	90.1M	9.25%	93.9M	92.0M	6.86%	9.25%
Brief Description:		The property comprises a 3-storey retail building, a single storey wet market building and a 5-storey carpark building. The property was completed in 1982. There are a total of 290 car parking spaces provided within the carpark building, and various “open” car parking spaces located outside Wang Hin House and Wang Kwong House. Tenants within the property include Fairwood Fast Food and 98 specialty tenancies (including 38 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
106.	Tsing Yi Commercial Complex Tsing Yi	4,239.0	344	5.86M	7.76%	90.8M	9.25%	91.3M	91.1M	6.43%	9.25%
Brief Description:		The property comprises a 4-storey retail building including various cooked food stalls on the first floor, a 4-storey carpark building (Carpark No. 1) with a retail shop on the ground floor and a 3-storey carpark building (Carpark No. 2). The property was completed in 1986. There are a total of 344 car parking spaces provided within Carpark No. 1 and Carpark No. 2, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Wellcome, Flower City Restaurant and 60 specialty tenancies (including 22 vacancies).									
Title Details:		The property is within Tsing Yi Town Lot No. 167 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
107.	Ming Tak Shopping Centre Tseung Kwan O	3,485.0	383	5.37M	7.67%	90.1M	9.00%	89.9M	90.0M	5.97%	9.00%
Brief Description:		The property comprises a 2-storey retail building and a 4-storey carpark building. The property was completed in 1999. There are a total of 383 car parking spaces provided on the first to third floors of the carpark building, which also include various “open” car parking spaces located along the roads within the estate. Tenants within the property include Park’N Shop, Dong Huang Restaurant and 34 specialty tenancies (including 4 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
108.	Retail and Carpark within Tung Tau Estate Kowloon North	3,587.1	493	4.88M	8.40%	81.7M	9.25%	85.9M	83.8M	5.82%	9.25%
Brief Description:		The property comprises a 2-storey with basement level retail building and a 3-storey carpark building. In addition, the property also includes various shop units within the residential blocks of Cheung Tung House, Hong Tung House, On Tung House, Yue Tung House and Wong Tung House. The property was completed in 1982. There are a total of 493 car parking spaces provided within the carpark building and various “open” car parking spaces located next to Ying Tung House, Yat Tung House, On Tung House and Wong Tung House. Tenants within the property include Park’N Shop, Jin Bai Jue Caterers Holdings Ltd and 91 specialty tenancies (including 44 vacancies).									
Title Details:		The property is within New Kowloon Inland Lot No. 6413 held under Government Lease for a term of 50 years commencing from 24 January 2002. Encumbrances noted on title include Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
109.	Ping Tin Shopping Centre Kowloon East	2,032.0	406	6.15M	7.66%	79.6M	9.00%	80.5M	80.1M	7.67%	9.00%
	Brief Description:	The property comprises a 3-storey retail building, and a 4-storey carpark building. The property was completed in 1997. There are a total of 406 car parking spaces provided within the carpark building and on the ground to first floors of the ancillary facilities building. Tenants within the property include Wang On Shopping Centre Management Ltd and 1 specialty tenancy									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
110.	Retail and Carpark within Hong Pak Court Kowloon East	1,668.0	549	4.98M	8.03%	77.2M	9.25%	82.0M	79.6M	6.26%	9.25%
	Brief Description:	The property comprises a 7-storey carpark building with two kindergarten units located on the sixth floor. The property was completed in 1993. There are a total of 549 car parking spaces provided on the ground to fifth floors of the carpark building. As currently leased, the property incorporates 2 retail/commercial tenancies (including 1 vacancy), in addition to 549 car park spaces leased by Vinci until 31-8-2006.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6095 held under Government Lease for a term commencing from 25 September 1991 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. UB4996037 dated 25 September 1991 and Deed Poll re S.A & R.P. with Plan via Memorial No. UB4998015 dated 26 September 1991.									
111.	Yin Lai Court Shopping Centre Tsuen Wan/ Kwai Chung	1,512.0	150	5.47M	6.87%	81.2M	8.75%	77.7M	79.5M	6.88%	8.75%
	Brief Description:	The property comprises a 4-storey retail/carpark building which was completed in 1991. There are a total of 150 car parking spaces provided on the lower ground third floor to lower ground first floor of the retail/carpark building. Tenants within the property include China Resources Purchasing Co Ltd and 3 specialty tenancies.									
	Title Details:	The property is within Section A of Kwai Chung Town No. 389 held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047. Encumbrances noted on the title include — Management Undertaking re KCTL 389 via Memorial No. TW695886 dated 21 September 1990 and Deed of Release via Memorial No. TW1454034 dated 5 February 2002.									
112.	Kin Sang Shopping Centre Tuen Mun	3,609.0	273	6.03M	8.07%	77.9M	9.25%	77.1M	77.5M	7.77%	9.25%
	Brief Description:	The property comprises a 3-storey retail building and an adjoining 3-storey carpark building. The property was completed in 1990. There are a total of 273 car parking spaces provided on the ground floor to roof level of the carpark building. Tenants within the property include Wellcome, New Choice Seafood Restaurant and 58 specialty tenancies (including 18 vacancies).									
	Title Details:	The property is within Tuen Mun Town Lot No. 441 held under Government Lease for a term of 50 years commencing from 8 April 1998. Encumbrances noted on title include Deed Poll with Plan re S.A & R.P. via Memorial No. TM839233 dated 8 April 1998.									

No.	Property Name District	IFA No. <i>(sqm)</i>	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value <i>(HK\$)</i>	DCF Analysis IRR	Value <i>(HK\$)</i>	ASSESSMENT	Analysis	
									as at 31 March 2006 Value <i>(HK\$)</i>	Initial Yield	Target 10-yr IRR
113.	Hing Tin Commercial Centre Kowloon East	2,762.3	387	5.48M	8.25%	74.8M	9.25%	76.6M	75.7M	7.24%	9.25%
Brief Description:		The property comprises a 2-storey retail building, a 4-storey carpark building (Carpark No. 1), a 2-storey carpark building (Carpark No. 2) and various cooked food stalls. In addition, the property also includes various shop units located within the residential blocks of Mei Tin House and Yan Tin House. The property was completed in 1988. There are a total 387 car parking spaces provided within the carpark buildings. Tenants within the property include Wellcome, a Chinese restaurant and 70 specialty tenancies (including 19 vacancies).									
Title Details:		The property is within New Kowloon Inland Lot No. 6377 held under Government Lease for a term of 50 years commencing from 8 February 2001.									
114.	Tin Wan Shopping Centre Hong Kong West	3,331.0	417	4.96M	7.83%	73.6M	9.00%	76.4M	75.0M	6.62%	9.00%
Brief Description:		The property comprises a 5-storey retail building, an adjoining 5-storey carpark building and the ground floor of the Housing for Senior Citizens. The property was completed in 1997. There are a total of 417 car parking spaces provided on the first to fourth floors of the carpark building and the ground floor of Housing for Senior Citizens. Tenants within the property include Park'N Shop, Formluc Development Ltd and 25 specialty tenancies (including 6 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
115.	Retail and Carpark within Lok Wah (South) Estate Kowloon East	1,574.6	226	4.36M	8.50%	74.2M	9.25%	74.0M	74.1M	5.89%	9.25%
Brief Description:		The property comprises a single storey market building, a 4-storey carpark building, various cooked food stalls and various shop units located on the ground floor of the residential block of Chin Wah House. The property was completed in 1984. There are a total of 226 car parking spaces provided on the ground to third floors of the carpark building. As currently leased, the property incorporates 91 retail/commercial tenancies (including 25 vacancies), in addition to 226 car park spaces leased by Vinci until 31-8-2006.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
116.	Lai Kok Shopping Centre Kowloon West	7,276.0	140	4.58M	8.13%	68.6M	9.25%	68.1M	68.4M	6.69%	9.25%
Brief Description:		The property comprises a 3-storey retail building, a 3-storey carpark building and a single storey wet market building. In addition, the property also includes various shop units located within the residential blocks of Lai Huen House, Lai Lan House and Lai Mei House. The property was completed in 1981. There are a total of 140 car parking spaces provided within the carpark building. Tenants within the property include Lee Kun Chiu Kee Supermarket, Pavilion Restaurant Ltd and 80 specialty tenancies (including 40 vacancies).									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (<i>HK\$</i>)	DCF Analysis IRR	Value (<i>HK\$</i>)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (<i>HK\$</i>)	Initial Yield	Target 10-yr IRR
117.	Tin Ma Court Commercial Centre Kowloon North	3,618.7	585	4.09M	8.00%	62.5M	9.25%	62.3M	62.4M	6.56%	9.25%
	Brief Description:	The property comprises a 4-storey retail building and an adjoining 5-storey carpark building. The property was completed in 1986. There are a total of 585 car parking spaces provided at the carpark building. Tenants within the property include Park'N Shop, Grace Wise Ltd, Tin Ma Market and 15 specialty tenancies (including 3 vacancies).									
	Title Details:	The property is within New Kowloon Inland Lot No. 5994 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB2960214 dated 9 January 1986.									
118.	Retail and Carpark within Cheung On Estate Tsing Yi	363.0	484	4.92M	8.21%	58.7M	9.25%	65.0M	61.9M	7.95%	9.25%
	Brief Description:	The property comprises a 4-storey carpark building (Phase 1), a 2-storey carpark building (Phase 2) and 11 shop units on ground floor of On Tao House. The property was completed in 1988. There are a total of 484 car parking spaces provided within the two carpark buildings. As currently leased, the property incorporates 7 retail/commercial tenancies, in addition to 484 car park spaces leased by Wilson until 31-5-2007.									
	Title Details:	The property is within Tsing Yi Town Lot No. 160 held under Government Lease for a term of 50 years commencing from 8 April 1998. Encumbrances noted on title include Deed Poll with Plans re S.A to S.G and R.P. via Memorial No. TW1201218 dated 8 April 1998.									
119.	Shun On Commercial Centre Kowloon East	6,666.1	459	2.73M	8.20%	50.3M	9.25%	51.7M	51.0M	5.34%	9.25%
	Brief Description:	The property comprises a 2-storey retail building, an adjoining 4-storey carpark building and various shop units located within the residential blocks of On Chak House, On Kwan House, On Chung House and On Yat House. The property was completed in 1978. There are a total of 459 car parking spaces provided on the first floor to roof level of the carpark building, which also include various "open" car parking spaces located next to the building. Tenants within the property include Shun On Restarant Ltd and 39 specialty tenancies (including 12 vacancies).									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
120.	Retail and Carpark within Ko Chun Court Kowloon East	681.0	323	4.01M	8.00%	47.8M	9.25%	51.8M	49.8M	8.04%	9.25%
	Brief Description:	The property comprises a 6-storey carpark/retail building and a kindergarten unit located within the residential Block C of Ko Chun Court. The property was completed in 1993. There are a total of 323 car parking spaces provided within the carpark building. As currently leased, the property incorporates 3 retail/commercial tenancies, in addition to 323 car park spaces leased by Wilson until 31-8-2006.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6189 held under Government Lease for a term from 3 June 1993 to 30 June 2047. Encumbrances noted on title includes a Deed of Mutual Covenant and Deed of Grant vide Memorial No. 6357422 dated 13 July 1995 (NKIL 6189 R.P.).									

No.	Property Name District	IFA <i>(sqm)</i>	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT	Analysis	
					Yield	Value <i>(HK\$)</i>	IRR	Value <i>(HK\$)</i>	as at 31 March 2006 Value <i>(HK\$)</i>	Initial Yield	Target 10-yr IRR
121.	Sam Shing Commercial Centre Tuen Mun	6,652.3	176	4.10M	8.43%	48.2M	9.25%	50.2M	49.2M	8.33%	9.25%
Brief Description:		The property comprises a 3-storey retail/carpark building, an adjoining single storey market building, various cooked food stalls and various shop stalls. In addition, the property also includes various shop units located within the residential blocks of Chun Yu House, Fung Yu House and Moon Yu House. The property was completed in 1980. There are a total of 176 car parking spaces provided on the ground to second floors of the retail/carpark building, which also include various “open” car parking spaces located along the roads within the estate.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
122.	Fortune Shopping Centre Kowloon West	2,012.4	153	3.19M	8.06%	49.7M	9.25%	48.3M	49.0M	6.50%	9.25%
Brief Description:		The property comprises a 2-storey retail building and a 4-storey carpark building. The property was completed in 2000. There are a total of 153 car parking spaces provided within the carpark building. As currently leased, the property incorporates 26 retail/commercial tenancies (including 3 vacancies), in addition to 153 car park spaces leased by Mack until 31-8-2006.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
123.	Carpark within Lai On Estate Kowloon West		181	3.86M	8.50%	45.1M	9.00%	51.7M	48.4M	7.98%	9.00%
Brief Description:		The property comprises a 3-storey carpark building which was completed in 1993. There are a total of 181 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located to the south-eastern side of Lai Ching House.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
124.	Po Hei Court Commercial Centre Kowloon West	1,271.0		3.72M	7.50%	47.8M	9.00%	47.6M	47.7M	7.79%	9.00%
Brief Description:		The property comprises a single storey retail podium. The property was completed in 1993. The property mainly serves the residents of Po Hei Court which provides 390 residential apartment units.									
Title Details:		The property is within New Kowloon Inland Lot No. 6117 held under Government Lease for a term commencing from 17 July 1992 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. UB5358369 dated 17 July 1992.									
125.	Carpark within Kin Ming Estate Tseung Kwan O		763	1.06M	8.50%	46.6M	9.00%	46.4M	46.5M	2.27%	9.00%
Brief Description:		The property comprises a 6-storey retail/carpark building (Choi Ming Shopping Centre Extension) except the ground floor. The property was completed in 2003. There are a total of 763 car parking spaces provided within the retail/carpark building.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT		Analysis	
									as at 31 March 2006	Value (HK\$)	Initial Yield	Target 10-yr IRR
126.	Retail and Carpark within Mei Chung Court Shatin	100.0	385	3.49M	8.04%	39.9M	8.75%	43.8M	41.9M		8.32%	8.75%
Brief Description:		The property comprises a 4-storey carpark building with a retail shop on the first floor. The property was completed in 1996. There are a total of 385 car parking spaces provided within the carpark building. As currently leased, the property incorporates 1 retail/commercial tenancies, in addition to 385 car park spaces leased by Imperial until 31-8-2006.										
Title Details:		The property is within Sha Tin Town Lot No. 396 held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047. Encumbrances noted on title include Deed Poll with Plan via Memorial No. ST796719 dated 11 November 1994.										
127.	Siu Hei Commercial Centre Tuen Mun	2,175.8	560	3.02M	7.85%	38.0M	9.00%	40.5M	39.3M		7.69%	9.00%
Brief Description:		The property comprises a 3-storey retail building and a 4-storey carpark building. The property was completed in 1986. There are a total of 560 car parking spaces provided within the carpark building. As currently leased, the property incorporates 35 retail/commercial tenancies (including 1 vacancy), in addition to 560 car park spaces leased by Mack until 30-11-2006.										
Title Details:		The property is within Tuen Mun Town Lot No. 255 held under Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898 and has been extended until 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking re TM255 via Memorial No. TM257757 dated 22 May 1985 and Deed Poll re S.A & R.P. via Memorial No. TM260389 dated 14 August 1985.										
128.	Retail and Carpark within Tong Ming Court Tseung Kwan O	1,977.0	291	3.05M	7.95%	37.7M	9.00%	40.5M	39.1M		7.81%	9.00%
Brief Description:		The property comprises a 5-storey carpark building with various retail shop units located on the ground floor of the carpark building, Tong Wong House and Tong Fu House. The property was completed in 1999. There are a total of 291 car parking spaces provided on the first to fourth floors of the carpark building. As currently leased, the property incorporates 4 retail/commercial tenancies, in addition to 291 car park spaces leased by Wilson until 31-8-2006.										
Title Details:		The property is within Tseung Kwan O Town Lot No. 54 held under Government Lease for a term commencing from 26 June 1997 to 30 June 2047. Encumbrances noted on title include Deed Poll (with Plan) re S.A and R.P. via Memorial No. SK283730 dated 26 June 1997.										
129.	Retail and Carpark within Ching Wah Court Tsing Yi	1,102.0	348	3.06M	8.25%	36.4M	9.25%	39.8M	38.1M		8.02%	9.25%
Brief Description:		The property comprises a 2-storey with basement level carpark building. Two retail units and an office unit are located on the ground and first floors of the carpark building respectively. The property was completed in 1984. There are a total of 348 car parking spaces provided within the carpark building including "open" car parking spaces located on the roof level.										
Title Details:		The property is within Tsing Yi Town Lot No. 100 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking re TYTL 100 via Memorial No. TW345215 dated 22 May 1985 and Deed Poll as per Plan re S.A & R.P. via Memorial No. TW369712 dated 9 January 1986.										

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
130.	Carpark within Wah Lai Estate Tsuen Wan/ Kwai Chung		411	2.76M	8.50%	34.5M	9.00%	39.4M	37.0M	7.46%	9.00%
	Brief Description:	The property comprises a 5-storey carpark podium which was completed in 2001. There are a total of 411 car parking spaces provided within the carpark podium.									
	Title Details:	The property is within Kwai Chung Town Lot No. 445 held under Government Lease for a term of 50 years commencing from 25 May 2001. Encumbrances noted on title includes Deed Poll with Plan re S.A & R.P. via Memorial No. TW1410452 dated 25 May 2001 and Consent Memo on Partitioning via Memorial No. TW1413148 dated 4 June 2001.									
131.	Carpark within Tin King Estate Tuen Mun		380	3.10M	8.50%	34.3M	9.00%	38.1M	36.2M	8.56%	9.00%
	Brief Description:	The property comprises the ground to second floors of a 5-storey carpark building which was completed in 1989. The indoor recreation centre located on the third and fourth floors of the carpark building do not form part of the property. There are a total of 380 car parking spaces provided on the ground to second floors of the carpark building, which also include various “open” car parking spaces located along the roads within the estate.									
	Title Details:	The property is within Tuen Mun Town Lot No. 444 held under Government Lease for a term of 50 years commencing from 18 March 1999.									
132.	Retail and carpark within Wo Ming Court Tseung Kwan O	682.0	379	2.85M	8.22%	33.2M	9.25%	36.6M	34.9M	8.17%	9.25%
	Brief Description:	The property comprises a 6-storey carpark building and a kindergarten unit located within the residential block of Wo Yat House. The property was completed in 1999. There are a total of 379 car parking spaces provided within the carpark building. As currently leased, the property incorporates 1 retail/commercial tenancy, in addition to 379 car park spaces leased by Wilson until 31-8-2006.									
	Title Details:	The property is within Tseung Kwan O Town Lot No. 52 held under Government Lease for a term of 50 years commencing from 28 November 1997. Encumbrances noted on title include Deed Poll re S.A and R.P. via Memorial No. SK304182 dated 28 November 1997.									
133.	Retail and Carpark within Tsui Wan Estate Hong Kong East	1,262.0	182	2.68M	8.07%	33.7M	9.25%	35.2M	34.5M	7.77%	9.25%
	Brief Description:	The property comprises a 3-storey retail/office building, a single storey carpark building and various shop stalls (Tsui Wan Shopping Centre). The property was completed in 1993. There are a total of 182 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located along the roads within the estate. As currently leased, the property incorporates 11 retail/commercial tenancies (including 1 vacancy), in addition to 182 car park spaces leased by Vinci until 31-8-2006.									
	Title Details:	The property is within Chai Wan Inland Lot No. 166 held under Government Lease for a term of 50 years commencing from 18 March 1999. Encumbrances noted on title includes Approval Letter on Telecommunication Installation via Memorial No. UB7745467 dated 18 March 1999 and Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT		Analysis Target 10-yr IRR
									as at 31 March 2006	Initial Yield	
134.	Carpark within Tsz Man Estate Kowloon North		364	2.73M	8.50%	31.9M	9.00%	36.5M	34.2M	7.98%	9.00%
Brief Description:		The property comprises a 4-storey carpark building which was completed in 1994. There are a total of 364 car parking spaces provided within the 4-storey carpark building.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
135.	Hing Man Commercial Centre Hong Kong East	3,144.0	226	1.17M	8.13%	34.9M	9.00%	33.2M	34.1M	3.43%	9.00%
Brief Description:		The property comprises a 5-storey retail/carpark building. The property was completed in 1982. There are a total of 226 car parking spaces provided on the lower ground third to lower ground first floors of the retail/carpark building.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
136.	Retail and Carpark within Lok Nga Court Kowloon East	1,172.0	265	1.85M	8.05%	33.6M	9.25%	33.9M	33.8M	5.48%	9.25%
Brief Description:		The property comprises a 5-storey carpark building which was completed in 1984 with an Indoor Game Hall on the top level. There are a total of 265 car parking spaces provided on the lower ground second to second floors of the carpark building, which also include various "open" car parking spaces located on the road inside court.									
Title Details:		The property is within New Kowloon Inland Lot No. 5969 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Deed Poll re S.A & R.P. with plan via Memorial No. UB2454077 dated 23 July 1983.									
137.	Carpark within Po Pui Court Kowloon East		277	2.78M	8.50%	31.2M	9.00%	35.6M	33.4M	8.33%	9.00%
Brief Description:		The property comprises a 3-storey carpark building which was completed in 1995. There are a total of 277 car parking spaces provided on the ground to second floors of the property.									
Title Details:		The property is within Kwun Tong Inland Lot No. 728 held under Government Lease for a term commencing from 8 February 1994 to 30 June 2047. Encumbrances noted on title include Deed Poll with Plan re S.A & R.P. of KTIL 728 via Memorial No. UB5917702 dated 9 February 1994.									
138.	Carpark within Ka Tin Court Shatin		348	2.75M	8.50%	30.5M	9.00%	34.4M	32.5M	8.46%	9.00%
Brief Description:		The property comprises a 3-storey carpark building which was completed in 1988. There are a total of 348 car parking spaces provided within the carpark building.									
Title Details:		The property is within Sha Tin Town Lot No. 290 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking via Memorial No. ST361842 dated 10 March 1987 and Deed Poll with Plan re S.A. & R.P. via Memorial No. ST361969 dated 10 March 1987.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis		ASSESSMENT	Analysis	
							IRR	Value (HK\$)	as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
139.	Carpark within Tin Yuet Estate Tin Shui Wai		560	1.48M	8.50%	30.0M	9.00%	30.9M	30.5M	4.86%	9.00%
Brief Description:		The property comprises a 4-storey carpark building which was divided into two portions. The property was completed in 2000. There are a total of 560 car parking spaces provided within the carpark building.									
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
140.	Carpark within Yee Kok Court Kowloon West		240	2.46M	8.50%	28.1M	9.00%	32.0M	30.1M	8.18%	9.00%
Brief Description:		The property comprises a 4-storey with basement level carpark building which was completed in 1981. There are a total of 240 car parking spaces provided within the carpark building.									
Title Details:		The property is within New Kowloon Inland Lot No. 5911 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Deed Poll re S.A and R.P. with Plan via Memorial No. UB2060964 dated 10 April 1981.									
141.	Retail and Carpark within Tsz Oi Court Kowloon North	1,236.0	199	2.08M	8.00%	28.3M	9.25%	30.4M	29.4M	7.06%	9.25%
Brief Description:		The property comprises a 6-storey carpark building with a kindergarten tenancy on the fifth floor and a free-standing kindergarten. The property was built in phases from 1997 to 2000. There are a total of 199 car parking spaces provided within the carpark building. As currently leased, the property incorporates 2 retail/commercial tenancies, in addition to 199 car park spaces leased by Wilson until 31-8-2006.									
Title Details:		The property is within New Kowloon Inland Lot Nos. 6211 and 6265 held under Government Leases respectively for a term from 9 June 1995 to 30 June 2047 and a term of 50 years commencing from 7 May 1999. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB6324856 dated 9 June 1995 (NKIL 6211).									
142.	Retail and Carpark within Nam Cheong Estate Kowloon West	753.0	156	2.03M	8.15%	28.3M	9.25%	30.4M	29.4M	6.89%	9.25%
Brief Description:		The property comprises a single storey carpark building. In addition, the property also includes various shop units located within the residential blocks of Cheong Shun House, Cheong Yat House and Cheong Yin House and various "open" car parking spaces within the estate. The property was completed in 1989. There are a total of 156 car parking spaces provided within the single storey carpark building, which also include various "open" car parking spaces located within the estate.									
Title Details:		The property is within New Kowloon Inland Lot No. 6427 held under Government Lease for a term of 50 years commencing from 17 August 2005.									
143.	Retail and Carpark within Po Nga Court Tai Po	1,296.0	246	2.38M	8.08%	28.3M	9.25%	30.5M	29.4M	8.10%	9.25%
Brief Description:		The property comprises a 3-storey carpark building and various kindergarten units within the residential blocks of Ka Wo House and Hing Wo House. The property was completed in 1989. There are a total of 246 car parking spaces provided within the carpark building including various "open" car parking spaces located on the roof level. As currently leased, the property incorporates 2 retail/commercial tenancies, in addition to 246 car park spaces leased by Vinci until 28-2-2009.									
Title Details:		The property is within Tai Po Town Lot No. 73 held under Government Lease for a term commencing from 29 March 1988 to 30 June 2047. Encumbrances noted on title include Management Undertaking re TP282456 dated 13 May 1988 and Deed Poll with Plan via Memorial No. TP280640 dated 29 March 1988.									

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation		DCF Analysis		ASSESSMENT as at 31 March 2006 Value (HK\$)	Analysis	
					Yield	Value (HK\$)	IRR	Value (HK\$)		Initial Yield	Target 10-yr IRR
144.	Retail and Carpark within Tin Yat Estate Tin Shui Wai	816.0	446	1.29M	8.19%	28.5M	9.25%	29.3M	28.9M	4.47%	9.25%
	Brief Description:	The property comprises a 7-storey carpark building with a shop unit on the ground floor which was completed in 2001. There are a total of 446 car parking spaces provided within the property. As currently leased, the property incorporates 1 retail/commercial tenancy, in addition to 446 car park spaces leased by Mack until 30-6-2006.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
145.	Retail and Carpark within Yan Shing Court Fanling/Sheung Shui	1,122.0	252	1.67M	8.05%	27.1M	9.00%	29.1M	28.1M	5.95%	9.00%
	Brief Description:	The property comprises a 6-storey carpark building with various shop units and premises on the ground floor. The property was completed in 1993. There are a total of 252 car parking spaces provided within the carpark building including “open” car parking spaces on the roof level of the building. As currently leased, the property incorporates 5 retail/commercial tenancies (including 3 vacancies), in addition to 252 car park spaces leased by Wilson until 31-8-2006.									
	Title Details:	The property is within Fanling Sheung Shui Town Lot No. 39 held under Government Lease for a term commencing from 10 September 1992 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. N277473 dated 10 September 1992 and Deed Poll via Memorial No. N277645 dated 11 September 1992.									
146.	Carpark within Yue On Court Hong Kong West		296	2.42M	8.50%	25.8M	9.00%	29.7M	27.8M	8.71%	9.00%
	Brief Description:	The property comprises a 5-storey carpark building which was completed in 1988. There are a total of 296 car parking spaces provided within the carpark building.									
	Title Details:	The property is within Ap Lei Chau Inland Lot No. 117 held under Government Lease for a term of 75 years commencing from 1 February 1982 renewable for a further 75 years. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB3581841 dated 29 December 1987.									
147.	Retail and Carpark within Yan Ming Court Tseung Kwan O	652.0	262	2.39M	8.21%	26.6M	9.25%	28.7M	27.7M	8.62%	9.25%
	Brief Description:	The property comprises a 3-storey carpark building with retail shop units located on the ground floor. The property was completed in 1990. There are a total of 262 car parking spaces provided within the carpark building. As currently leased, the property incorporates 2 retail/commercial tenancies, in addition to 262 car park spaces leased by Wilson until 31-8-2006.									
	Title Details:	The property is within Junk Bay Town Lot No. 4 held under Government Lease for a term commencing from 22 January 1987 to 30 June 2047. Encumbrances noted on title include Management Undertaking by the Hong Kong Housing Authority via Memorial No. SK110296 dated 22 May 1985, Deed or Release via Memorial No. SK625323 dated 25 November 2004, Deed of Variation by District Lands Officer, Sai Kung via Memorial No. SK119875 dated 14 May 1987, Deed poll with Plan re S.A & R.P. via Memorial No. SK126970 dated 13 May 1988, Temporary Waiver via Memorial No. SK379913 dated 10 February 1999 and Temporary Waiver via Memorial No. SK497856 dated 27 September 2001.									
148.	Retail and Carpark within Hong Yat Court Kowloon East	654.0	355	2.16M	8.16%	25.6M	9.00%	28.7M	27.2M	7.96%	9.00%
	Brief Description:	The property comprises a 7-storey carpark building with a kindergarten unit on the sixth floor. The property was completed in 1993. There are a total of 355 car parking spaces provided on the ground to fifth floors of the carpark building. As currently leased, the property incorporates 1 retail/commercial tenancy, in addition to 355 car park spaces leased by Vinci until 31-8-2006.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6329 held under Government Lease for a term of 50 years commencing from 5 February 2001. Encumbrances noted on title include Completion Certificate re Blocks A, B, C, D & E via Memorial No. UB8364668 dated 20 April 2001.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
149.	Retail and Carpark within Ying Fuk Court Kowloon North	73.0	163	2.07M	8.06%	25.9M	9.25%	27.4M	26.7M	7.74%	9.25%
	Brief Description:	The property comprises a 4-storey carpark building with a retail shop unit located on the ground floor. The property was completed in 2001. There are a total of 163 car parking spaces provided within the carpark building.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6266 held under Government Lease for a term of 50 years commencing from 7 May 1999. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB7765524 dated 7 May 1999.									
150.	Carpark within Tsui Ping South Estate Kowloon East		229	2.16M	8.50%	24.1M	9.00%	27.2M	25.7M	8.40%	9.00%
	Brief Description:	The property comprises a 3-storey carpark/estate management office building which was completed in 1990. There are a total of 229 car parking spaces located on the ground to first floors within the property and at an “open” car parking area located at the northern side of Tsui Hon House.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
151.	Retail and Carpark within Sau Mau Ping (III) Estate Kowloon East	140.0	205	1.97M	7.61%	24.9M	9.00%	25.7M	25.3M	7.77%	9.00%
	Brief Description:	The property comprises a 4-storey carpark building which was completed in 1996 with 205 car parking spaces and one retail at ground level.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
152.	Carpark within Ying Ming Court Tseung Kwan O		274	2.10M	8.50%	23.3M	9.00%	26.2M	24.8M	8.46%	9.00%
	Brief Description:	The property comprises a 2-storey carpark building which was completed in 1989. There are a total of 274 car parking spaces provided within the carpark building.									
	Title Details:	The property is within Junk Bay Town Lot No. 4 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking by the Hong Kong Housing Authority via Memorial No. SK110296 dated 22 May 1985, Deed of Release via Memorial No. SK625323 dated 25 November 2004, Deed of Variation by District Lands Officer, Sai Kung via Memorial No. SK119875 dated 14 May 1987, Deed Poll with Plan re S.A & R.P. via Memorial No. SK126970 dated 13 May 1988, Temporary Waiver via Memorial No. SK379913 dated 10 February 1999 and Temporary Waiver via Memorial No. SK497856 dated 27 September 2001.									
153.	Retail and Carpark within Fung Wah Estate Hong Kong East	912.0	161	1.86M	8.33%	22.8M	9.25%	24.5M	23.7M	7.85%	9.25%
	Brief Description:	The property comprises a 2-storey carpark building and various shop units located within the residential blocks of Hiu Fung House and Sau Fung House. The property was completed in 1993. There are a total of 161 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located along the roads within the estate.									
	Title Details:	The property is within Chai Wan Inland Lot No. 169 held under Government Lease for a term of 50 years commencing from 10 February 2000.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	
									as at 31 March 2006 Value (HK\$)	Analysis Initial Yield Target 10-yr IRR
154.	Carpark within Sau Mau Ping (I) Estate Kowloon East		395	0.66M	8.50%	22.3M	9.00%	22.9M	22.6M	2.90% 9.00%
Brief Description:		The property comprises a 3-storey carpark podium within the residential block of Sau Ming House which was completed in 2002. There are a total of 395 car parking spaces provided on the ground to second floors of the carpark building.								
Title Details:		This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.								
155.	Carpark within Wang Fuk Court Tai Po		408	1.56M	8.50%	20.8M	9.00%	23.6M	22.2M	7.04% 9.00%
Brief Description:		The property comprises a 4-storey with basement level carpark building which was completed in 1983. There are a total of 408 car parking spaces provided within the property.								
Title Details:		The property is within Tai Po Town Lot No. 27 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking re TPTL 27 via Memorial No. TP211287 dated 16 January 1983 and Deed Poll re S.A and R.P. via Memorial No. TP211362 dated 5 February 1983.								
156.	Retail and Carpark within Siu On Court Tuen Mun	1,587.0	273	1.85M	8.34%	21.2M	9.25%	22.5M	21.9M	8.47% 9.25%
Brief Description:		The property comprises a 4-storey carpark building and various shop units within the residential blocks of Ting Hei House, Ting On House and Ting Yin House. The property was completed in 1981. There are a total of 273 car parking spaces provided within the carpark building. As currently leased, the property incorporates 2 retail/commercial tenancies, in addition to 273 car park spaces leased by Mack until 31-8-2006.								
Title Details:		The property is within Tuen Mun Town Lot No. 216 held under Government Lease for a term of 99 years less the last 3 days thereof commencing from 1 July 1898 and has been extended until 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking re TMTL 216 via Memorial No. TM202689 dated 10 April 1981 and Deed Poll re S.A & R.P. of TMTL 216 via Memorial No. TM202690 dated 10 April 1981.								
157.	Retail and Carpark within Choi Ha Estate Kowloon East	1,991.0	205	1.47M	7.85%	21.6M	9.25%	20.6M	21.1M	6.97% 9.25%
Brief Description:		The property comprises a 5-storey carpark building with a kindergarten on the fourth floor. In addition, the property also includes various shop units located within the residential blocks of Choi Sing House and Choi Yuet House. The property was completed in 1989. There are a total of 205 car parking spaces provided within the 5-storey carpark building.								
Title Details:		The property is within New Kowloon Inland Lot No. 6348 held under Government Lease for a term of 50 years commencing from 10 February 2000.								
158.	Retail and Carpark within Tung Hei Court Hong Kong East	589.0	146	1.72M	8.00%	20.1M	9.25%	22.0M	21.1M	8.16% 9.25%
Brief Description:		The property comprises a shop unit on the ground floor of the residential block of King Hei House and a 2-storey carpark building. The property was completed in 1995. There are a total of 146 car parking spaces provided within the carpark building. As currently leased, the property incorporates 1 retail/commercial tenancy, in addition to 146 car park spaces leased by Vinci until 31-8-2006.								
Title Details:		The property is within Section A of Shau Kei Wan Inland Lot No. 834 held under Government Lease for a term commencing from 20 June 1989 to 30 June 2047.								

No.	Property Name District	IFA (<i>sqm</i>)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (<i>HK\$</i>)	DCF Analysis IRR	Value (<i>HK\$</i>)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (<i>HK\$</i>)	Initial Yield	Target 10-yr IRR
159.	Carpark within Ching Wang Court Tsing Yi		179	1.62M	8.50%	18.7M	9.00%	20.9M	19.8M	8.17%	9.00%
	Brief Description:	The property comprises a 2-storey carpark underneath 2 residential blocks. The property was completed in 2001. There are a total of 179 car parking spaces provided within the carpark podium.									
	Title Details:	The property is within Tsing Yi Town Lot No. 137 held under Government Lease for a term of 50 years commencing from 20 April 1999. Encumbrances noted on title include Completion Certificate for Blocks A & B via Memorial No. TW1386915 dated 8 January 2001.									
160.	Carpark within King Lai Court Kowloon North		158	1.51M	8.50%	17.4M	9.00%	19.6M	18.5M	8.14%	9.00%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1989. There are a total of 158 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located next to the carpark building.									
	Title Details:	The property is within New Kowloon Inland Lot No. 5943 held under Government Lease for a term commencing from 4 March 1985 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. UB4066180 dated 20 April 1989.									
161.	Retail and Carpark within Tin Wah Estate Tin Shui Wai	145.0	287	1.02M	8.25%	17.4M	8.75%	18.4M	17.9M	5.72%	8.75%
	Brief Description:	The property comprises a retail shop on the ground floor and the car parking spaces on the ground to second floors of a 7-storey ancillary facilities building which was completed in 1999. There are a total of 287 car parking spaces provided on the ground to second floors of the property.									
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.									
162.	Carpark within Ning Fung Court Tsuen Wan/ Kwai Chung		299	1.44M	8.50%	16.8M	9.00%	18.8M	17.8M	8.07%	9.00%
	Brief Description:	The property comprises a 3-storey carpark podium which was completed in 2001. There are a total of 299 car parking spaces provided within the carpark podium.									
	Title Details:	The property is within Kwai Chung Town Lot No. 477 held under Government Lease for a term of 50 years commencing from 15 October 1999.									
163.	Carpark within San Wai Court Tuen Mun		185	1.45M	8.50%	16.0M	9.00%	17.7M	16.9M	8.59%	9.00%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1990. There are a total of 185 car parking spaces provided within the carpark building.									
	Title Details:	The property is within Tuen Mun Town Lot No. 326 held under Government Lease for a term commencing from 3 January 1989 to 30 June 2047. Encumbrances noted on title include Management Undertaking re TMTL 326 via Memorial No. TM362340 dated 3 January 1989, Deed of Release via Memorial No. TM1077106 dated 29 August 2003 and Deed Poll with Plan re S.A and R.P. via Memorial No. TM362341 dated 3 January 1989.									

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)	Initial Yield	Target 10-yr IRR	
164.	Carpark within Ming Nga Court Tai Po		345	1.12M	8.50%	16.4M	9.00%	15.5M	16.0M	6.99%	9.00%	
	Brief Description:	The property comprises a 2-storey with basement level carpark building which was completed in 1985. There are a total of 345 car parking spaces provided within the property.										
	Title Details:	The property is within Tai Po Town Lot No. 36 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking via Memorial No. TP229471 dated 2 April 1985 and Deed Poll with Plan re S.A & R.P. via Memorial No. TP232475 dated 14 August 1985.										
165.	Carpark within Upper Ngau Tau Kok Estate Kowloon East		228	0.74M	8.50%	15.6M	9.00%	16.1M	15.9M	4.66%	9.00%	
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 2002. There are a total of 228 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located along the roads within the estate.										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
166.	Carpark within Tin Yau Court Tin Shui Wai		192	1.28M	8.50%	14.6M	9.00%	16.2M	15.4M	8.34%	9.00%	
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1992. There are a total of 192 car parking spaces provided within the carpark building.										
	Title Details:	The property is within Tin Shui Wai Town Lot No. 10 held under Government Lease for a term commencing from 23 January 1992 to 30 June 2047. Encumbrances noted on title include Management Undertaking by The Hong Kong Housing Authority via Memorial No. YL493831 dated 23 January 1992 and Deed Poll with Plan re S.A and R.P. via Memorial No. YL493832 dated 23 January 1992.										
167.	Carpark within Yee Nga Court Tai Po		159	1.23M	8.50%	14.1M	9.00%	16.1M	15.1M	8.12%	9.00%	
	Brief Description:	The property comprises various covered on-street car parking spaces which was completed in 1993. There are a total of 159 car parking spaces within the property.										
	Title Details:	The property is within Tai Po Town Lot No. 120 held under Government Lease for a term commencing from 22 May 1991 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. TP355569 dated 22 May 1991 and Deed Poll with Plan via Memorial No. TP356000 dated 22 May 1991.										
168.	Retail and Carpark within Hung Hom Estate Kowloon Central	371.0	45	1.01M	7.75%	14.6M	9.25%	14.7M	14.7M	6.88%	9.25%	
	Brief Description:	The property comprises a single storey carpark podium. In addition, the property also includes various shop units located within the residential block of Hung Fai House. The property was completed in 1999. There are a total of 45 car parking spaces provided within the carpark podium, which also include various "open" car parking spaces located along the roads within the estate. As currently leased, the property incorporates 3 retail/commercial tenancies (including 1 vacancy), in addition to 45 car park spaces leased by Lica until 31-5-2008.										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										

No.	Property Name District	IFA No.	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT	Analysis	
									as at 31 March 2006 Value (HK\$)	Initial Yield	Target 10-yr IRR
169.	Retail and carpark within Tin Wang Court Kowloon North	949.0	79	1.21M	8.07%	13.9M	9.25%	14.4M	14.2M	8.50%	9.25%
	Brief Description:	The property comprises a 3-storey carpark building with a shop kindergarten unit located on the second floor. The property was completed in 1992. There are a total of 79 car parking spaces provided within the carpark building. As currently leased, the property incorporates 2 retail/commercial tenancies, in addition to 79 car park spaces leased by Vinci until 31-8-2006.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6131 held under Government Lease for a term commencing from 21 May 1991 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. UB4823671 dated 21 May 1991 and Deed Poll re S.A & R.P. with Plan via Memorial No. UB4833163 dated 27 May 1991.									
170.	Carpark within Hong Keung Court Kowloon North		93	1.15M	8.50%	13.1M	9.00%	14.3M	13.7M	8.38%	9.00%
	Brief Description:	The property comprises a 2-storey carpark building which was completed in 1999. There are a total of 93 carpark spaces provided within the carpark building.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6239 held under Government Lease for a term of 50 years commencing from 8 January 1999. Encumbrances noted on title include Deed Poll with Plan re S.A & R.P. via Memorial No. UB7659760 dated 8 January 1999.									
171.	Retail and Carpark within Hong Shui Court Kowloon East	32.0	102	1.09M	8.00%	12.9M	9.25%	13.4M	13.2M	8.24%	9.25%
	Brief Description:	The property comprises a 2-storey carpark building with a retail/commercial unit located on the lower ground floor. The property was completed in 1999. There are a total of 102 car parking spaces provided within the carpark building.									
	Title Details:	The property is within New Kowloon Inland Lot No. 6227 held under Government Lease for a term of 50 years commencing from 14 May 1998. Encumbrances noted on title include Deed Poll with Plan re S.A, S.B & R.P. via Memorial No. UB7499398 dated 14 May 1998.									
172.	Retail and Carpark within Tai Ping Estate Fanling/Sheung Shui	326.0	101	1.16M	8.18%	13.0M	9.25%	13.2M	13.1M	8.85%	9.25%
	Brief Description:	The property comprises a 2-storey carpark building with two retail shops on the ground floor of the residential block of Ping Hay House. The property was completed in 1989. There are a total of 101 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located between Ping Chi House and Ping Ching House within the estate.									
	Title Details:	The property is within Fanling Sheung Shui Town Lot No. 223 held under Government Lease for a term of 50 years commencing from 24 January 2002. Encumbrances noted on title include Deed of Grant of Rights with Plan via Memorial No. N525275 dated 24 January 2002 and Waiver Letter via Memorial No. 05122002490010 dated 1 December 2005.									
173.	Carpark within Kam On Court Ma On Shan		238	0.50M	8.50%	12.0M	9.00%	12.0M	12.0M	4.18%	9.00%
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1987. There are a total of 238 car parking spaces provided within the property.									
	Title Details:	The property is within Sha Tin Town Lot No. 283 held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been extended for a term of 50 years expiring on 30 June 2047 by the New Territories Leases (Extension) Ordinance. Encumbrances noted on title include Management Undertaking via Memorial No. ST361841 dated 10 March 1987 and Deed Poll with Plan via Memorial No. ST361970 dated 10 March 1987.									

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)	Initial Yield	Target 10-yr IRR	
174.	Retail and Carpark within Choi Fai Estate Kowloon North	97.0	93	0.82M	7.95%	10.3M	9.25%	11.5M	10.9M	7.55%	9.25%	
	Brief Description:	The property comprises a 3-storey carpark building and a shop unit within the residential block of Choi Ip House. The property was completed in 1995. There are a total of 93 car parking spaces provided within the carpark building.										
	Title Details:	This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoing of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.										
175.	Carpark within Kwai Hong Court Tsuen Wan/ Kwai Chung		88	0.85M	8.50%	10.0M	9.00%	11.5M	10.8M	7.91%	9.00%	
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1993. There are a total of 88 car parking spaces provided within the carpark building.										
	Title Details:	The property is within Kwai Chung Town Lot No. 420 held under Government Lease for a term commencing from 1 March 1990 to 30 June 2047. Encumbrances noted on title include Management Undertaking via Memorial No. TW844445 dated 23 July 1992 and Completion Certificate via Memorial No. TW897277 dated 15 June 1993.										
176.	Carpark within Fung Lai Court Kowloon North		134	0.82M	8.50%	9.0M	9.00%	10.6M	9.8M	8.37%	9.00%	
	Brief Description:	The property comprises a 3-storey carpark building which was completed in 1997. There are a total of 134 car parking spaces provided within the carpark building, which also include various "open" car parking spaces located at the western side of Fung Yan House.										
	Title Details:	The property is within New Kowloon Inland Lot No. 6240 held under Government Lease for a term commencing from 7 June 1996 to 30 June 2047. Encumbrances noted on title include Completion Certificate re Blocks A & B via Memorial No. UB7381547 dated 27 November 1997.										
177.	Carpark within Lower Wong Tai Sin (I) Estate Kowloon North		70	0.74M	8.50%	8.5M	9.00%	9.8M	9.2M	7.99%	9.00%	
	Brief Description:	The property comprises two "open" car parking areas which were completed in 1982. There are a total of 70 car parking spaces provided at the two "open" car parking areas located next to Lung Wah House and Lung Chak House.										
	Title Details:	The property is within New Kowloon Inland Lot No. 6373 held under Government Lease for a term of 50 years commencing from 8 February 2001. Encumbrances noted on title include Deed of Grant of Rights of Way and Easements with 2 Plans via Memorial No. UB8310490 dated 12 February 2001.										
178.	Carpark within Chuk Yuen (North) Estate Kowloon North		61	0.66M	8.50%	7.7M	9.00%	8.8M	8.3M	7.90%	9.00%	
	Brief Description:	The property comprises two "open" car parking areas which were completed in 1987. There are a total of 61 car parking spaces provided within the two "open" car parking areas located next to Chung Yuen House and Yung Yuen House.										
	Title Details:	The property is within New Kowloon Inland Lot No. 6327 held under Government Lease for a term of 50 years commencing from 18 March 1999.										

VALUATION & ADVISORY SERVICES

No.	Property Name District	IFA (sqm)	Car Park No.	Net Passing Income HK\$pa	Capitalisation Yield	Value (HK\$)	DCF Analysis IRR	Value (HK\$)	ASSESSMENT as at 31 March 2006		Analysis	
									Value (HK\$)		Initial Yield	Target 10-yr IRR
179.	Carpark within Pang Ching Court Kowloon North		67	0.55M	8.50%	6.4M	9.00%	7.4M	6.9M		7.98%	9.00%
	Brief Description: The property comprises an “open” car parking area which was completed in 1991. There are a total of 67 car parking spaces provided at the “open” car parking area located next to Pang Ching Court.											
	Title Details: The property is within New Kowloon Inland Lot No. 6121 held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047. Encumbrances noted on title include Deed Poll re S.A & R.P. with Plan via Memorial No. UB4556239 dated 25 September 1990.											
180.	Retail and Carpark within Ko Yee Estate Kowloon East	45.0	38	0.40M	8.22%	4.5M	8.25%	4.7M	4.6M		8.67%	8.25%
	Brief Description: The property comprises a single storey carpark building and a retail shop unit located at the lift tower. The property was completed in 1994. There are a total of 38 car parking spaces provided within the carpark building, which also include various “open” car parking spaces located close to the entrance of the carpark building. As currently leased, the property incorporates 1 retail/commercial tenancy, in addition to 38 car park spaces leased by Lica until 31-3-2008.											
	Title Details: This property is classified as a List 2 property where the Government Lease and Deed of Mutual Covenant is pending. We have assumed that the HKHA will assign to the Link REIT a proper legal title which is transferable, free from encumbrances, premiums, restrictions and outgoings of an onerous nature. The lease is assumed to be for a term of 50 years from the date of valuation.											
TOTAL PORTFOLIO		1,015,027	79,440			35,776M		35,761M	35,772M		6.54%	8.82%

In conclusion, the analysis of the key investment parameters is as follows:

Retail Facilities

- Retail value is HK\$29.098 Billion;
- Indicating HK\$28,667 per square metre of IFA ; and
- Initial yield is 6.34%.

Car Parking Facilities

- Carpark value is HK\$6.674 Billion;
- Indicating HK\$84,015 per car parking space; and
- Initial yield is 7.42%.

Total Portfolio

- Total portfolio value is \$35.772 Billion;
- Initial yield is 6.54%; and
- Internal rate of return is 8.82%.

Valuation Assessment

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

HK\$35.772 Billion (Hong Kong Dollars: Thirty Five Billion Seven Hundred and Seventy Two Million)

Refer to above schedule for the individual property value.

Disclaimer

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

VALUATION & ADVISORY SERVICES



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

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

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

Yours faithfully,
CB Richard Ellis

Danny Mohr AAPI MRICS
Executive Director
Valuation & Advisory Services

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

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

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

Corporate Information

Board of Directors of the Manager

Chairman

(also an Independent Non-executive Director)

CHENG Ming Fun Paul

Executive Director and

Chief Executive Officer

SO Hing Woh Victor

Non-executive Directors

LIEW Mun Leong

PUA Seck Guan

Independent Non-executive Directors

ARNOLD Michael Ian

CHAO Tse Hou Leslie

CHOW Wing Kin Anthony

FUNG Yuk Bun Patrick

KO Kam Chuen Stanley

LEE Nai Shee Harry

SUN Patrick

ZEMAN Allan

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Registered Office of the Manager

18th Floor, 8 Queen's Road Central

Hong Kong

Unit Registrar and Transfer Office

Computershare Hong Kong Investor
Services Limited

Rooms 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

Trustee

HSBC Institutional Trust Services
(Asia) Limited

Company Secretary to the Manager

LAM Wan Ting

Auditors of The Link REIT

PricewaterhouseCoopers

Principal Valuer

CB Richard Ellis Limited

Hong Kong Legal Advisor

Linklaters

Information for Unitholders

Unit Listing

The Link REIT's units are listed on The Stock Exchange of Hong Kong Limited.
The stock code is 823.

Investor Calendar

Final results announcement for the period ended 31 March 2006	29 June 2006
Closure of register of unitholders	17 to 23 August 2006 (both dates inclusive)
2006 annual general meeting	23 August 2006
Distribution payment date	30 August 2006
Interim results announcement for the six months ended 30 September 2006	November 2006

- * The register of unitholders of The Link REIT will be closed from 17 to 23 August 2006 (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 registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 pm on 16 August 2006.

Investor Information

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

Investor Relations Contact

Please direct enquiries to:

Investor Relations Officer

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Website Address

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The Link Real Estate Investment Trust

