

Interim Report 2007/08

Six Months Ended 30 September 2007



1. **8 Happiness Chinese Restaurant, Wong Tai Sin Shopping Centre**
Featuring an array of cuisines, the newly opened restaurants offer customers an exquisite dining experience at an equally reasonable price.
2. **JP Books, Tsz Wan Shan Shopping Centre**
Bookstores introduced to our portfolio receive a favourable response from shoppers.
3. **Lok Fu Shopping Centre**
Our shopping centres are filled with promotions and decorations during festive times.
4. **Lung Cheung Mall**
To capitalise on the synergy between our retail and carpark facilities, a series of incentive parking promotions are launched to attract more patronage.
5. **Hau Tak (Allmart) Fresh Market, Hau Tak Shopping Centre**
Ancillary to shopping centres, our fresh markets provide a wide variety of grocery and the freshest choice for a home-made meal.
6. **Kai Tin Shopping Centre**
We are committed to bringing inviting shopping experiences to customers, prosperous business opportunities to tenants and rewarding financial returns to investors.



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Corporate Information

Board of Directors of the Manager

Chairman (also an Independent
Non-Executive Director)

Nicholas Robert SALLNOW-SMITH

Executive Directors

Victor SO Hing Woh (Chief Executive Officer)

CHEW Fook Aun (Chief Financial Officer)

Non-Executive Directors

Ian Keith GRIFFITHS

John HO Chi On

KEE Teck Koon

PUA Seck Guan

Independent Non-Executive Directors

Michael Ian ARNOLD

Leslie CHAO Tse Hou

Anthony CHOW Wing Kin

Patrick FUNG Yuk Bun

Stanley KO Kam Chuen

Richard WONG Yue Chim

Allan ZEMAN

Audit Committee

Patrick FUNG Yuk Bun (Chairman)

Stanley KO Kam Chuen

Richard WONG Yue Chim

Allan ZEMAN

Disclosures Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

CHEW Fook Aun

Anthony CHOW Wing Kin

PUA Seck Guan

Victor SO Hing Woh

Finance and Investment Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

Michael Ian ARNOLD

Leslie CHAO Tse Hou

CHEW Fook Aun

Ian Keith GRIFFITHS

John HO Chi On

KEE Teck Koon

Victor SO Hing Woh

Human Resources and Compensation Committee

Michael Ian ARNOLD (Chairman)

John HO Chi On

Stanley KO Kam Chuen

KEE Teck Koon

Victor SO Hing Woh

Richard WONG Yue Chim

Nomination Committee

Nicholas Robert SALLNOW-SMITH (Chairman)

Michael Ian ARNOLD

Anthony CHOW Wing Kin

Victor SO Hing Woh

Responsible Officers of the Manager

Victor SO Hing Woh

CHEW Fook Aun

Simon HO Kam Por

Authorised Representatives of The Link REIT

CHEW Fook Aun

Phoebe LAM Wan Ting

Qualified Accountant of the Manager

CHEW Fook Aun

Company Secretary of the Manager

Phoebe LAM Wan Ting

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditors of The Link REIT

PricewaterhouseCoopers

Principal Valuer

CB Richard Ellis Limited

Hong Kong Legal Advisors

Baker & McKenzie

Kao, Lee & Yip

Linklaters

Woo Kwan Lee & Lo

Principal Bankers

Bank of China (Hong Kong) Limited

The Bank of Tokyo-Mitsubishi UFJ, Ltd,

Hong Kong Branch

BNP Paribas Hong Kong Branch

DBS Bank Ltd, Hong Kong Branch

The Hongkong and Shanghai Banking

Corporation Limited

Standard Chartered Bank (Hong Kong) Limited

Registered Office of the Manager

18th Floor, 8 Queen's Road Central,

Hong Kong

Unit Registrar and Transfer Office

Computershare Hong Kong Investor

Services Limited

Shops 1712–1716, 17th Floor,

Hopewell Centre,

183 Queen's Road East,

Wanchai, Hong Kong

Information for Unitholders

Unit Listing

The Link Real Estate Investment Trust's ("The Link REIT") units are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Details of units in issue are set out in Note 18 to the Condensed Consolidated Interim Financial Information.

The stock code is 823.

Investor Calendar

Interim results announcement for the six months ended 30 September 2007	15 November 2007
Closure of register of unitholders (for distribution)*	29 November to 3 December 2007 (both dates inclusive)
Record date for the interim distribution	3 December 2007
Scrip distribution election period closes [^]	28 December 2007
Distribution payment date	On or about 15 January 2008
Final results announcement for the year ending 31 March 2008	June 2008 [#]

* For the purpose of the distribution, the register of unitholders of The Link REIT will be closed from 29 November to 3 December 2007 (both dates inclusive), during which no transfer of units can be registered. To qualify for the distribution, all transfers, accompanied by the relevant unit certificates, must be lodged with The Link REIT's unit registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 28 November 2007.

[^] A distribution reinvestment scheme is available to the unitholders and the unitholders can elect to receive the distribution in respect of the six months ended 30 September 2007 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. An announcement explaining further information of the distribution reinvestment scheme will be released on or about 3 December 2007 and a circular containing the details together with the relevant election form or entitlement advice will be sent to unitholders on or about 7 December 2007.

[#] tentative date

Investor Information

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

Investor Relations Contact

Please direct enquiries to:

Investor Relations Officer

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Wong Tai Sin, Kowloon, Hong Kong

Telephone: (852) 2175 1800

Facsimile: (852) 2175 1900

Email: ir@thelinkreit.com

Website Address

www.thelinkreit.com

Financial Highlights

		Six months ended 30 September 2007 (Unaudited)	Six months ended 30 September 2006 (Unaudited)	Changes %
Revenue	HK\$M	2,056	1,956	5.11%
Net property income	HK\$M	1,243	1,164	6.79%
Distributable income	HK\$M	776	702	10.54%
Distribution per unit (DPU)				
Interim DPU for the period	HK cents	36.11	32.81	10.06%
Distribution yield (annualised)				
on listing price of HK\$10.30 per unit	%	7.01	6.37	10.05%
on market price as at period end	%	4.22	4.05	4.20%
Expenditure to income ratio for the period	%	39.53	40.50	(2.40%)
Expenditure to income ratio excluding estate common area costs for the period	%	37.55	39.16	(4.11%)
Occupancy rate at period end	%	90.5	92.3	(1.95%)
Composite reversion rate for the period	%	13.69	4.89	179.96%
Composite reversion rate for the period excluding education/welfare	%	13.92	5.22	166.67%
Average base unit rent excluding self use offices at period end (per square foot)	HK\$	24.4	23.0	6.09%
Average base unit rent excluding self use offices, education/welfare, HD office and ancillary at period end (per square foot)	HK\$	26.6	25.4	4.72%
Retention rate for the period	%	73.21	91.40	(19.90%)
Number of turnover rent tenants at period end		752	408	84.31%
Carpark income per bay per month	HK\$	955.1	912.7	4.65%
Carpark utilisation rate at period end	%	71.6	72.7	(1.51%)

Financial Highlights

		As at 30 September 2007	As at 31 March 2007	Changes %
Valuation of investment properties at period/year end	HK\$M	42,352	39,557	7.07%
Net asset value at period/year end	HK\$M	29,259	26,789	9.22%
Net asset value per unit at period/year end	HK\$	13.62	12.53	8.70%
Market price per unit at period/year end	HK\$	17.10	18.80	(9.04%)
Market capitalisation at period/year end	HK\$M	36,738	40,184	(8.58%)
Premium of unit price to net asset value per unit at period/year end	%	25.55	50.04	(48.94%)
Borrowings to total assets ratio at period/year end	%	25.23	26.92	(6.28%)

Management Discussion and Analysis

The board of directors (the "Board") of The Link Management Limited (the "Manager"), as Manager of The Link REIT is pleased to report the unaudited interim results of The Link REIT and its subsidiaries (the "Group") for the six months ended 30 September 2007.

For the six months ended 30 September 2007, Total Distributable Income was HK\$776 million (30 September 2006: HK\$702 million), representing a growth of 10.5% over the corresponding interim period ended 30 September 2006. Distribution per unit approved by the Board for the period is HK36.11 cents (30 September 2006: HK32.81 cents).

Operational Review

The Link REIT was the first and is the largest Hong Kong REIT with a geographically diverse portfolio of 180 properties, comprising 149 integrated retail and carpark facilities, two standalone retail facilities and 29 standalone carpark facilities. As at 30 September 2007, the portfolio provided an internal floor area ("IFA") of approximately 1,015,000 square metres of retail space and around 80,000 carpark spaces. Approximately 8%, 33% and 59% of the total IFA are located on Hong Kong Island, in Kowloon and the New Territories, respectively.

The Link Management Limited, acting as the Manager of The Link REIT is licensed by the Securities and Futures Commission ("SFC") to conduct the regulated activity of asset management and is responsible for managing The Link REIT's portfolio of 180 properties.

Leasing

During the period under review, the Manager has continued with adopting a flexible leasing strategy in order to attract and retain tenants but also in keeping with asset enhancement plans, aligning tenancies for phased refurbishment/renovation work. In many such instances, tenancies have been renewed on terms of less than three years which is the usual term for commercial leases. Trade mix upgrading and planning is carried out on a continual basis and is done in line with planned expiry of tenancies as well as asset enhancement projects.

The occupancy rate of the retail facilities was 90.5% as at 30 September 2007 (30 September 2006: 92.3%). The utilisation rate for the carpark facilities, calculated as a percentage of total monthly tickets sold compared with the total number of monthly carpark spaces available as at 30 September 2007 was 71.6% (30 September 2006: 72.7%).

Management Discussion and Analysis

Category	Total IFA			Leased IFA			Vacant IFA		
	30 Sep 2007 (sqm)	31 Mar 2007 (sqm)	30 Sep 2006 (sqm)	30 Sep 2007 (sqm)	31 Mar 2007 (sqm)	30 Sep 2006 (sqm)	30 Sep 2007 (sqm)	31 Mar 2007 (sqm)	30 Sep 2006 (sqm)
Retail	797,499	795,405	782,054	737,642	733,782	734,274	59,857	61,623	47,780
Market	81,726	82,354	82,790	64,413	63,864	66,787	17,313	18,490	16,003
Cooked Food Stalls	14,238	14,193	14,238	8,789	9,213	9,395	5,449	4,980	4,843
Education/Welfare	85,819	85,379	86,234	79,579	80,414	80,883	6,240	4,965	5,351
HD office and ancillary	26,532	27,612	39,101	19,585	19,852	36,185	6,947	7,760	2,916
Total excluding Self use offices	1,005,814	1,004,943	1,004,417	910,008	907,125	927,524	95,806	97,818	76,893
Self use offices	9,158	10,335	11,321						
Total including Self use offices	1,014,972	1,015,278	1,015,738						
Excluding Self use offices, Education/Welfare only	919,995	919,564	918,183	830,429	826,711	846,641	89,566	92,853	71,542
Excluding Self use offices, Education/Welfare, HD office and ancillary	893,463	891,952	879,082	810,844	806,859	810,456	82,619	85,093	68,626

Category	Occupancy rate			Vacancy rate			Average base rent per leased IFA		
	30 Sep 2007 (%)	31 Mar 2007 (%)	30 Sep 2006 (%)	30 Sep 2007 (%)	31 Mar 2007 (%)	30 Sep 2006 (%)	30 Sep 2007 (HK\$ psf)	31 Mar 2007 (HK\$ psf)	30 Sep 2006 (HK\$ psf)
Retail	92.5	92.3	93.9	7.5	7.7	6.1	24.0	23.3	22.8
Market	78.8	77.5	80.7	21.2	22.5	19.3	56.1	54.3	53.8
Cooked Food Stalls	61.7	64.9	66.0	38.3	35.1	34.0	31.5	30.7	30.3
Education/Welfare	92.7	94.2	93.8	7.3	5.8	6.2	4.4	4.3	4.3
HD office and ancillary	73.8	71.9	92.5	26.2	28.1	7.5	11.5	11.5	10.2
Total excluding Self use offices	90.5	90.3	92.3	9.5	9.7	7.7	24.4	23.6	23.0
Excluding Self use offices, Education/Welfare only	90.3	89.9	92.2	9.7	10.1	7.8	26.3	25.5	24.8
Excluding Self use offices, Education/Welfare, HD office and ancillary	90.8	90.5	92.2	9.2	9.5	7.8	26.6	25.9	25.4

During the six months ended 30 September 2007, the portfolio's average rent reversion rate was 13.69% (30 September 2006: 4.89%) and that for the retail shopping space was 15.44% (30 September 2006: 5.36%). The reversion rate at individual shopping centres showed a large variance as rental levels were affected by the local operating business environment and the quality of the individual centres. Short term extensions also affected the reversion rate as they were granted at minimal adjustments to tie in with the planned and phased re-alignment of trade mix and asset enhancement projects.

We have also achieved good progress in increasing tenancies with turnover rent clauses so that we can share in the upside with our tenants as their businesses improve. As at 30 September 2007, the number of tenancies with such clauses has increased to 752 (30 September 2006: 408) with turnover rent for the six months period ended 30 September 2007 amounting to HK\$23 million (30 September 2006: HK\$12 million). Carpark income per bay per month for the period ended 30 September 2007 was approximately HK\$955 (30 September 2006: HK\$913).

Management Discussion and Analysis

Composite Reversion Rate	Six months ended	Year ended	Six months ended
	30 September	31 March	30 September
	2007	2007	2006
	%	%	%
Retail	15.44	11.09	5.36
Market	7.60	6.38	5.10
Cooked Food Stalls	17.67	7.21	7.61
Education/Welfare	0.58	0.82	1.14
Ancillary	11.67	11.22	9.12
Overall	13.69	9.87	4.89
Overall excluding Education/Welfare	13.92	10.28	5.22

Revenue	Six months ended	Six months ended
	30 September	30 September
	2007	2006
	HK\$'M	HK\$'M
Retail	1,147	1,067
Market	231	230
Cooked Food Stalls	18	20
Education/Welfare	23	23
HD offices and ancillary	37	45
Promotional venue	21	16
Carparks	456	435
Other revenues	123	120
Total	2,056	1,956

Management Discussion and Analysis

Portfolio Management

The Manager has continued with its efforts in reducing operating costs. Expenditure to income ratio for the period was 39.5%, an improvement since the last interim results of 40.5%. Excluding estate common area costs, the expenditure to income ratio for our portfolio for the period was 37.6% (30 September 2006: 39.2%). The Manager will endeavour to control costs but it is inevitable, as more List 2 property titles are transferred to us, that government rent will increase. It is presently envisaged that all the property titles will be transferred by the end of 2008.

The installation of the carpark management information and automation system is progressing well and is expected to be completed by mid 2008. This new system, together with the upgrading and standardisation of CCTV systems, will further enhance operational efficiency, customer services and reduce operating costs.

Marketing and Promotion

On 17 October 2007, the Manager and Chong Hing Bank together launched "The Link Credit Card" (the "Card"), the first credit card with "The Link" branding. Public response to the Card has been overwhelming with over three thousand applications received on the first three days of the launch. The Card will serve to bring the public more shopping and dining benefits as well as to help tenants promote their products and services to The Link's broad customer base.

The dynamic marketing and promotional endeavours of the Manager have continued to enliven the business ambience of our shopping centres. Not only have our tenants benefited from the increased footfall brought about by these exciting events and multi-dimensional activities, further improvements in customer satisfaction with our shopping centres help strengthen the corporate image of The Link.

Asset Enhancements

Asset enhancement continues to be one of the Manager's main drivers to improve the quality of the portfolio in tandem with re-aligning existing tenancies and introducing new trade and tenant mix to improve rental income.

During the six months ended 30 September 2007, four phases of certain asset enhancement projects were completed to the Manager's satisfaction, namely Phase 2 of Lung Cheung Mall, Phase 1 of Lok Fu Shopping Centre, Phase 1 of Chung On Shopping Centre and the conversion of the vacant market into retail shops at Ming Tak Shopping Centre.

Good progress is being achieved at other shopping centres undergoing asset enhancement. Short term extensions to existing tenancies or temporary tenancies, where practicable, are let to reduce rental void periods prior to renovations. The Manager expects to also complete Phase 3 of Tsz Wan Shan, Phase 3 of Hau Tak and Choi Ming before the financial year end.

Feasibility studies are still in progress by the Manager to identify additional asset enhancement opportunities in the future.

Management Discussion and Analysis

Master Programme for Twenty Six Asset Enhancement Projects

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

Completed Asset Enhancement Phases/Projects

Announced in 2005/IPO	Announced in 2006	Announced in 2007	Internal Floor Area* (sqm)
(1) Tsz Wan Shan Phases 1 & 2			14,400
(2) Hau Tak Phases 1 & 2			6,980
(3) Lung Cheung Phases 1 & 2			14,198
(4) Lok Fu Phase 1			2,450
(8) Chung On Phase 1			6,223
	(15) Ming Tak		3,620
		(21) Kai Tin — see note below	17,161
		TOTAL	65,032

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

* Completed and unaffected area.

Management Discussion and Analysis

Master Programme for Twenty Six Asset Enhancement Projects

Project	Commencement	Target Completion	Capital Expenditure HK\$M	
(1) Tsz Wan Shan	Phases 1 & 2 Phase 3	Aug 2005 Aug 2006	Completed 1st Quarter 2008	see below 29.8
(2) Hau Tak	Phases 1 & 2 Phase 3 Phase 4	Oct 2005 Dec 2006 Dec 2006	Completed 1st Quarter 2008 2nd Quarter 2009	see below 40.0 6.0
(3) Lung Cheung	Phase 1 Phase 2	Nov 2005 Nov 2006	Completed Completed	see below see below
(4) Lok Fu	Phase 1 Phase 2	Aug 2006 Jun 2007	Completed 2nd Quarter 2010	see below 120.0
(5) Choi Ming		Apr 2007	4th Quarter 2007	10.0
(6) Tai Wo		Jan 2007	1st Quarter 2009	46.0
(7) Stanley		Aug 2006	4th Quarter 2008	100.0
(8) Chung On	Phase 1 Phase 2	Oct 2006 Oct 2006	Completed 4th Quarter 2008	see below 6.0
(9) Chung Fu		May 2008	4th Quarter 2009	72.0
(10) Wong Tai Sin		Aug 2006	2nd Quarter 2009	31.0
(11) Butterfly		Aug 2007	1st Quarter 2009	35.0
(12) Cheung Fat		Oct 2006	1st Quarter 2010	80.0
(13) Wo Che		May 2007	1st Quarter 2009	50.0
(14) Lek Yuen		Mar 2007	3rd Quarter 2009	29.0
(15) Ming Tak		Sep 2006	Completed	see below
(16) Leung King		Sep 2006	1st Quarter 2010	58.0
(17) Siu Sai Wan		Oct 2007	4th Quarter 2009	49.0
(18) Oi Man		Oct 2007	4th Quarter 2009	75.0
(19) Kwai Fong		Mar 2008	4th Quarter 2010	29.0
(20) Fu Tung		Nov 2007	4th Quarter 2008	28.0
(21) Kai Tin		see below	see below	see below
(22) Tin Yiu		Mar 2007	2nd Quarter 2009	32.0
(23) Choi Yuen		Dec 2007	3rd Quarter 2009	77.5
(24) Tak Tin		Apr 2008	3rd Quarter 2010	31.0**
(25) Hing Wah		Apr 2008	3rd Quarter 2010	53.0
(26) Wan Tsui		Apr 2008	4th Quarter 2009	66.0
Total				1,153.3

** Amount of capital expenditure subject to approval

Completed Asset Enhancement Phases/Projects

Project	Commencement	Completion Date	Capital Expenditure HK\$M	
Fully completed projects				
(3) Lung Cheung	Phase 1	Nov 2005	May 2006	9.1
	Phase 2	Nov 2006	Jun 2007	10.0
(15) Ming Tak		Sep 2006	Jun 2007	8.0
Partially completed projects				
(1) Tsz Wan Shan	Phases 1 & 2	Aug 2005	May 2006	29.0
(2) Hau Tak	Phases 1 & 2	Oct 2005	Mar 2006	22.0
(4) Lok Fu	Phase 1	Aug 2006	Jun 2007	10.0
(8) Chung On	Phase 1	Oct 2006	Sep 2007	9.6
Deferred project				
(21) Kai Tin	see note below	see note below	see note below	
Total				97.7

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

Management Discussion and Analysis

Financial Review

Revenue and Net Property Income

Revenue and net property income from the properties portfolio for the six months ended 30 September 2007 were HK\$2,056 million (30 September 2006: HK\$1,956 million) and HK\$1,243 million (30 September 2006: HK\$1,164 million), respectively. Total retail revenue for the six months period amounted to

HK\$1,477 million (30 September 2006: HK\$1,401 million) with HK\$456 million (30 September 2006: HK\$435 million) of carpark income and HK\$123 million (30 September 2006: HK\$120 million) of other income. Net property income represented approximately 60% of total revenue after the deduction of property management costs and other property operating expenses resulting in an expenditure to income ratio of approximately 40%.

	Six months ended 30 September 2007		Six months ended 30 September 2006	
	HK\$'M	% of Revenue	HK\$'M	% of Revenue
Property management costs	339	17	350	18
Other property operating expenses	474	23	442	22
Total property expenses	813	40	792	40
Net property income	1,243	60	1,164	60

Management Discussion and Analysis

Total Distributable Income

Total Distributable Income was HK\$776 million for the six months ended 30 September 2007 as compared to HK\$702 million for the same period last year. It is the Manager's current policy to distribute to unitholders 100% of The Link REIT's Total Distributable Income. The distribution per unit for the six months ended 30 September 2007 is HK36.11 cents (30 September 2006: HK32.81 cents) which represents an annualised distribution yield of 4.22% based on the last traded price of HK\$17.10 as of 30 September 2007.

The record date for the interim distribution will be 3 December 2007 and the register of unitholders will be closed from 29 November 2007 to 3 December 2007, both dates inclusive. The distribution to unitholders will be effected on or about 15 January 2008.

A distribution reinvestment scheme is available to unitholders and unitholders can elect to

receive the distribution in respect of the period ended 30 September 2007 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. An announcement explaining further information of the distribution reinvestment scheme will be released on or about 3 December 2007 and a circular containing the details together with the relevant election form or entitlement advice will be sent to unitholders on or about 7 December 2007.

Property Valuation

As at 30 September 2007, CB Richard Ellis Limited ("CBRE") performed an interim valuation of The Link REIT's property portfolio and a revaluation gain of HK\$2,655 million was recorded when compared with the valuation as at 31 March 2007.

The movements of fair values are tabulated below:

	Retail properties HK\$'M	Carparks HK\$'M	Total HK\$'M
At 1 April 2007	32,251	7,306	39,557
Additions	133	7	140
Change in fair values	2,351	304	2,655
At 30 September 2007	34,735	7,617	42,352
% change	+7.7%	+4.3%	+7.1%

Management Discussion and Analysis

Financial Position

As at 30 September 2007, certain of the Group's investment properties, amounting to approximately HK\$4.8 billion (31 March 2007:

HK\$4.4 billion) were mortgaged to secure the Group's loan facilities. As at 30 September 2007, the maturity profile of the Group's borrowings is as follows:

	30 September 2007		31 March 2007	
	HK\$'M	% of total	HK\$'M	% of total
Due in the first year	2,198	18	—	—
Due in the second year	1,396	11	2,196	18
Due in the third year	4,000	33	5,395	44
Due in the fourth year	—	—	—	—
Due in the fifth year	4,587	38	4,586	38
Total	12,181	100	12,177	100

The average outstanding life of the Group's loan facilities as at 30 September 2007 was 32 months.

As at 30 September 2007, the Group had outstanding interest rate swap contracts which amounted to HK\$4 billion in total, enabling the Group to hedge its interest rate exposure and to have a more stable interest rate profile in the next few years. Accordingly, approximately 54% of the total available facilities are at fixed rates. In terms of the Group's available financial resources as at 30 September 2007, the Group had total undrawn bank loan facilities of HK\$400 million and net cash at bank and in hand of HK\$1,721 million. The deposits are with maturities that have been

well planned to satisfy the financial commitments and working capital requirements of the Group. The Manager has adopted a principal preservation approach in its cash management to ensure flexibility to meet the operational needs of the Group. In addition, the generation of strong recurrent cashflows from the Group's investment property portfolio provides the Group with a strong financial position and enables the Group to finance any capital expenditure that The Link REIT may incur in relation to major renovations, improvement works and other value-enhancing strategic initiatives. Fluctuations in exchange rates pose minimal exposure to the Group as majority of the Group's assets and liabilities are dominated in Hong Kong dollars.

Management Discussion and Analysis

Gearing Ratio

As at 30 September 2007, the loan to asset ratio for the Group was 25.2% (31 March 2007: 26.9%), based on total borrowings of HK\$12,181 million (31 March 2007: HK\$12,177 million) and total gross asset value of HK\$48,275 million (31 March 2007: HK\$45,235 million), after the revaluation conducted by CBRE for the properties portfolio, the result of which has been reflected in the interim financial information. The Group continued to maintain most of its borrowings on an unsecured basis, with unsecured debt accounting for approximately 68.3% of total available facilities as at 30 September 2007. The Group will continue to obtain financing on an unsecured basis whenever possible.

Credit Ratings

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

Gross Liabilities and Net Assets

As at 30 September 2007, gross liabilities (excluding net assets attributable to unitholders) accounted for HK\$19,016 million

(31 March 2007: HK\$18,446 million), or 39.4% (31 March 2007: 40.8%) of total gross asset value. As at 30 September 2007, net assets attributable to unitholders amounted to HK\$29,259 million or HK\$13.62 per unit (31 March 2007: HK\$26,789 million or HK\$12.53 per unit).

Units in Issue

A distribution reinvestment scheme was adopted by The Link REIT in respect of the final distribution for the year ended 31 March 2007. Pursuant to the distribution reinvestment scheme, unitholders can elect to receive the distribution in the form of cash, or in the form of new units of The Link REIT, or a combination of both. On 22 August 2007, 10,980,317 units were issued at a price of HK\$17.09 per unit pursuant to the said distribution reinvestment scheme, resulting in a total of 2,148,434,317 units in issue as at 30 September 2007. The units have been actively traded during the period under review. The closing price of the units as at 30 September 2007 was HK\$17.10 (31 March 2007: HK\$18.80) with total market capitalisation amounting to HK\$36,738 million (31 March 2007: HK\$40,184 million). The closing price reflected a premium of 25.6% (31 March 2007: 50.0%) over the net asset value of HK\$13.62 (31 March 2007: HK\$12.53) per unit.

Management Discussion and Analysis

Human Resources Development

The Manager's remuneration policy is built upon the principles of providing an equitable, motivating and competitive remuneration package with a view to attracting, motivating and retaining high performing staff. As an on-going practice of adhering to these principles, the Manager reviews the remuneration policies and practices in line with market practices and with assistance provided by an independent consultant. All full-time and permanent staff are eligible for a discretionary bonus, the payment of which is based on both the individual staff's performance and the performance of The Link REIT. Staff benefits, amongst others, include the mandatory provident fund, annual leave, sick leave, maternity leave, medical insurance, life and personal accident insurance, employee compensation, club membership, etc. As at 30 September 2007, the Manager had 391 (31 March 2007: 340) staff. Key activities of the Manager include leasing, property management, enhancement and maintenance works, investment, fund management and associated corporate services.

Awards

In October 2007, The Link Management Limited was presented the "Outstanding

Corporate Strategy Award 2007" by East Week. This Award was organised by East Week to commend enterprises with outstanding business strategies. The panel of judges selected the outstanding enterprises from various business sectors according to their business development strategy, leadership and quality of management, corporate culture, corporate mission and creativity.

Appreciation

On 23 July 2007, Dr Harry LEE Nai Shee and Mr Patrick SUN ceased to be Independent Non-Executive Directors ("INED") of the Manager upon their retirement by rotation from the Board at the 2007 annual general meeting of The Link REIT.

On 3 September 2007, Mr LIEW Mun Leong, a nominee of the Manager's strategic partner CapitaLand Limited ("CapitaLand"), resigned as a Non-Executive Director of the Manager. Mr KEE Teck Koon was nominated by CapitaLand to replace Mr Liew on the same date.

The Board would like to thank Dr Lee, Messrs Sun and Liew for their invaluable contributions to the Manager and The Link REIT during their tenure of service.

Management Discussion and Analysis

In addition on 3 September 2007, Professor Richard WONG Yue Chim and Mr Ian Keith GRIFFITHS were appointed as an INED and Non-Executive Director of the Manager respectively.

On 2 November 2007, the Board announced that Mr Victor SO Hing Woh will resign as Chief Executive Officer and Executive Director of the Manager and a member of the Disclosures Committee, Finance and Investment Committee, Human Resources and Compensation Committee ("HRC") and Nomination Committee of the Manager, and will cease to be a Responsible Officer of the Manager with effect from 30 November 2007. On the same day, the Board also announced that Mr Ian David Murray ROBINS will succeed Mr Victor SO Hing Woh as Chief Executive Officer of the Manager upon his satisfying the requirements for and obtaining approval as a Responsible Officer from the SFC. During the interim period, Mr CHEW Fook Aun, Chief Financial Officer, Executive Director and Responsible Officer of the Manager, will assume the role of Acting Chief Executive Officer of the Manager.

The Board would like to acknowledge and thank Mr So for his outstanding contribution in building up and laying a strong foundation for the Manager to continue its long term sustainable growth. The Board offers its best wishes to him.

Prospects

We continue to remain optimistic and challenged by our future prospects. We have made continuing progress with our asset enhancement projects and we can see the results of our work bearing fruit in respect of the projects which have been completed. We are encouraged by the good results achieved and we will continue with the programme to ensure that the other continuing projects achieve similar results. We will endeavour to ensure that the work continues with minimal disruption to tenants and customers.

Changes and upgrades to trade and tenant mix is very much part of the continuing evolution of our shopping centres and together with asset enhancement work will help us progressively increase rental income through rental reversion as the leasing cycle reverts.

We remain committed and focused and will continue to strive to work for the benefit of all our unitholders, tenants and the community in which we serve.

Nicholas Robert SALLNOW-SMITH
Chairman
The Link Management Limited
as Manager of The Link Real Estate
Investment Trust

15 November 2007

Corporate Governance

With the objectives of establishing and maintaining high standards of corporate governance, the Manager is committed to certain policies and procedures to ensure that The Link REIT is well-managed and operates in a transparent manner. 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 authorised by the SFC under section 104 of the Securities and Futures Ordinance (the "SFO") and regulated by the provisions of the Code on Real Estate Investment Trusts issued by the SFC (the "REIT Code"). The Manager which was established to manage the portfolio of The Link REIT is licensed under the SFO to carry on regulated activity of asset management. HSBC Institutional Trust Services (Asia) Limited, as the trustee of The Link REIT (the "Trustee") is a registered trust company in Hong Kong and responsible for the safe custody of the assets of The Link REIT. The Link REIT has adopted an internalised management structure whereby the Trustee is the registered owner of all the issued shares of the Manager. The Link REIT as the first real estate investment trust in Hong Kong is committed to maintaining high standards of corporate governance in the interest of its unitholders.

Compliance

During the period ended 30 September 2007, the Manager and The Link REIT has complied with the provisions of the REIT Code, the relevant provisions of the SFO, the relevant sections of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the trust deed dated 6 September 2005 between the Trustee and the Manager constituting The Link REIT as amended and supplemented from time to time by supplemental deeds (the "Trust Deed") and the requirements and procedures laid down in the compliance manual (except as stated in the paragraph below) of the Manager adopted for use in relation to the management of The Link REIT.

Upon the retirement of Mr Patrick SUN as a member of the HRC on 23 July 2007, there was a short departure from the Manager's corporate governance policy which requires at least half of the members of the HRC as INEDs. On 3 September 2007, Professor Richard WONG Yue Chim was appointed as a member of the HRC.

The Manager has adopted a code governing dealings in the securities of The Link REIT by Directors equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules. Following a specific enquiry, each Director has

Corporate Governance

confirmed that he has complied with the required standard set out in the code adopted by the Manager throughout the period.

The Board has reviewed and accepted the quarterly compliance reports which were examined and endorsed by the Audit Committee. The Manager and The Link REIT have also met the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, where appropriate.

Board of Directors

The Board principally oversees the management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. It leads and guides the Manager's corporate strategy and direction and is functioning separately from, and independent of, the executive management. Pursuant to the Manager's corporate governance policy, at least half of the Directors of the Board are required to be INEDs. At present, the Board comprises 14 members, eight of whom are INEDs, four are Non-Executive Directors and the Chief Executive Officer and Chief Financial Officer are Executive Directors. The positions of Chairman who has to be an INED and Chief Executive Officer are held by two different persons in order to maintain an effective segregation of duties.

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

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

Review of Financial Results

The interim results of The Link REIT for the six months ended 30 September 2007 have been reviewed by the Audit Committee of the Manager, and approved by the Board at its meeting on 15 November 2007. The interim financial information have also been reviewed by The Link REIT's auditors in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Corporate Governance

Investor Relations

In promoting good corporate governance and transparency, The Link REIT has continuously communicated with both the stakeholders and the unitholders during the period under review.

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

Month	Event	Organiser	Venue
May 2007	Asian and Australian Property Conference	Deutsche Bank	Hong Kong
June 2007	Hong Kong Post Results Roadshow	Goldman Sachs	Hong Kong
June 2007	Best of Asia Conference	UBS	Boston, New York, London
June 2007	Regional Property Corporate Day	Morgan Stanley	Hong Kong
July 2007	Tokyo Post Results Roadshow	Daiwa Securities SMBC	Tokyo
October 2007	Greater China Investor Conference 2007	Citigroup	Macau

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

Further details of the corporate governance policies and practices that are adopted by the Manager and The Link REIT are set out on pages 53 to 68 of The Link REIT's 2007 Annual Report.

Long Term Incentive Plan

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

The principal purposes of the LTI Plan are to:

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

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

The total number of new units which may be issued pursuant to all Restricted Unit Awards and Unit Options granted under the LTI Plan shall not in aggregate exceed 10% of the number of units in issue as at the date of the adoption of the LTI Plan which is 213,745,400 Units. As at the date of this report, the total number of units available for issue under the LTI Plan is 207,634,400, represented approximately 9.66% of the total units in issue.

Long Term Incentive Plan

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

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

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

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

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

Long Term Incentive Plan

trading day); and (ii) the average of the closing prices of the units as stated in the Hong Kong Stock Exchange daily quotation sheets for the five trading days immediately preceding the date of grant.

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

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

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

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

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

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

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

Long Term Incentive Plan

During the six months ended 30 September 2007, no Unit Options were granted. Set out below is information relating to the Restricted Unit Awards and Conditional Cash Awards which were granted and remain outstanding during the said period:

Restricted Unit Awards

Name (Position)	Date of Grant	Vesting Period	Outstanding at 1 Apr 2007	Granted during the Period ¹	Vested during the Period	Lapsed during the Period	Outstanding at 30 Sep 2007 ¹
Nicholas Robert SALLNOW-SMITH (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	294,000	—	—	294,000
CHEW Fook Aun (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	573,000	—	—	573,000
Michael Ian ARNOLD (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	103,500	—	—	103,500
Leslie CHAO Tse Hou (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	78,000	—	—	78,000
Anthony CHOW Wing Kin (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	85,500	—	—	85,500
Patrick FUNG Yuk Bun (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	103,500	—	—	103,500
Stanley KO Kam Chuen (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	78,000	—	—	78,000
Allan ZEMAN (Director)	24 July 2007	24 July 2007 to 23 July 2010	N/A	85,500	—	—	85,500
Other Participants in aggregate	24 July 2007	24 July 2007 to 23 July 2010	N/A	4,710,000	—	—	4,710,000
Total			N/A	6,111,000	—	—	6,111,000

Notes:

- The figures stated are the maximum number of units that may be vested under the respective Restricted Unit Awards. The number of units that will be finally vested can range from zero to the maximum number as stated herein depending on whether, and the extent to which, the relevant vesting conditions are met.
- Upon vesting of the Restricted Unit Awards, each of the Participants will be entitled to receive a Conditional Cash Award which represents a cash amount equivalent to the aggregate of the distributions per unit to unitholders during the vesting period, multiplied by the number of units that will vest (assuming the vesting conditions are satisfied or waived, as the case may be). At the end of the period, the monetary value carried by each of the Conditional Cash Award is HK\$36.11 cents per unit.
- The closing price of the units on the Hong Kong Stock Exchange trading day immediately before the date of grant of the Restricted Unit Awards was HK\$16.78.

Based on the maximum number of units to be issued upon vesting of 6,111,000 units and the last traded price of The Link REIT's units on the Hong Kong Stock Exchange at the end of the period of HK\$17.10, the value of the units as at 30 September 2007 would be approximately HK\$104 million. Based on the terms for the above grant of Restricted Unit Awards, if the average price of the units for the stipulated period prior to vesting remains at HK\$17.10, none of the Restricted Unit Awards and Conditional Cash Awards will vest.

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

Disclosure of Interests and Holdings of Connected Persons

The Link REIT has since February 2006 adopted the disclosure of interests regime and the relevant provisions of Part XV of the SFO. Accordingly, the Trust Deed of The Link REIT was amended to the effect that the relevant provisions of Part XV of the SFO shall be deemed to apply to The Link REIT as if The Link REIT is a company with its shares listed on the Hong Kong Stock Exchange. Pursuant to the Third Schedule to the Trust Deed, any person who is interested in 5% or more of the units of The Link REIT in issue will have a notifiable interest and a duty of disclosure in respect of any acquisition of, cessation of or changes in such interest.

According to the disclosure of interests to the Manager and the Hong Kong Stock Exchange made pursuant to the provisions of Part XV of the SFO, persons having 5% or more interests in the units of The Link REIT as at 30 September 2007 are as follows:

Persons having 5% or more interests	Capacity in which interests disclosed are held	Number of Units Long Position (L)/ Short Position (S)	Percentage⁴ (%)
Deutsche Bank Aktiengesellschaft	Beneficial owner	(L) 18,338,622 ¹	0.85
Deutsche Bank Aktiengesellschaft	Investment manager	(S) 17,485,153 ¹	0.81
Deutsche Bank Aktiengesellschaft	Investment manager	(L) 14,295,104 ¹	0.67
Deutsche Bank Aktiengesellschaft	Person having a security interest in units	(L) 434,051,039 ¹	20.20
		(S) 1,687,150 ¹	0.08
The Children's Investment Master Fund	Beneficial owner	(L) 392,279,500 ²	18.35
The Children's Investment Fund Management (UK) LLP	Investment manager	(L) 392,279,500 ²	18.35
Franklin Mutual Advisers, LLC	Investment manager	(L) 128,862,979	6.03
Mr Timothy R BARAKETT	Interest of corporation controlled by the person	(L) 106,884,770 ³	5.0
Atticus Management LLC	Investment manager	(L) 106,884,770 ³	5.0
Atticus Capital LP	Investment manager	(L) 106,884,770 ³	5.0

Disclosure of Interests and Holdings of Connected Persons

Notes:

1. Deutsche Bank Aktiengesellschaft gave notice on 25 October 2007 that it had a long position of 474,988,458 units of The Link REIT and a short position of 21,959,321 units of The Link REIT on 18 October 2007, representing 22.11% and 1.02% respectively of the units in issue on that date. Regarding the long position of 474,988,458 units, 23,838,386 units were held in the capacity of beneficial owner, 14,681,104 units were held in the capacity of investment manager and 436,468,968 units were held in the capacity of person having a security interest in units. Regarding the short position of 21,959,321 units, 18,571,171 units were held in the capacity of beneficial owner and 3,388,150 units were held in the capacity of person having a security interest in units.
2. According to the register maintained by the Manager pursuant to the Third Schedule to the Trust Deed, The Children's Investment Fund Management (UK) LLP ("TCI") is the investment manager of The Children's Investment Master Fund and is accordingly deemed to be interested in the units of The Link REIT held by The Children's Investment Master Fund. Under separate confirmation, The Children's Investment Master Fund and The Children's Investment Fund Management (UK) LLP advised the Manager that they have increased their interest in units of The Link REIT to 400,226,085 units as at 30 September 2007, representing 18.63% of the units in issue on that date. The Children's Investment Master Fund is the beneficial owner of the subject units. Mr John HO Chi On, a Non-Executive Director of the Manager, is also currently a Director of The Children's Investment Fund Management (Asia) Limited. He heads up TCI's office in Hong Kong and is responsible for TCI's Asia-Pacific investment activities.
3. According to the register maintained by the Manager pursuant to the Third Schedule to the Trust Deed, Atticus Capital LP is controlled by Atticus Management LLC, which is in turn controlled by Mr Timothy R BARAKETT. Atticus Management LLC and Mr Timothy R BARAKETT are accordingly deemed to be interested in the 106,884,770 units of The Link REIT held by Atticus Capital LP.
4. The percentage set out in the table refers to the percentage as specified in the respective disclosure of interests forms or as calculated based on the units in issue on the date of relevant event (as specified in the respective disclosure of interests forms).

Save as disclosed above and according to information available to the Manager, the following persons, being connected persons of The Link REIT as defined under the REIT Code, held units of The Link REIT as at 30 September 2007:

Name	Number of Units	Percentage (%)
HSBC Group ¹	670,118	0.03
CapitaLand Limited ²	68,155,500	3.17
Wing Hang Bank Limited ³	100,000	0.00

Notes:

1. The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries ("HSBC Group") are connected persons of The Link REIT as HSBC Institutional Trust Services (Asia) Limited, the Trustee of The Link REIT, is an indirect subsidiary of The Hong Kong and Shanghai Banking Corporation Limited.
2. CapitaLand Limited is a connected person as Mr LIEW Mun Leong is a common director of CapitaLand Limited and the Manager until he resigned as Director of the Manager on 3 September 2007.
3. Wing Hang Bank Limited is a connected person as Dr Patrick FUNG Yuk Bun, Chairman of Wing Hang Bank Limited, is also a Director of the Manager.

For the directors' interests acquired pursuant to the LTI Plan, please refer to details of the grants disclosed under "Long Term Incentive Plan" section on page 24.

Save as disclosed above and so far as the Manager is aware, none of the Directors of the Manager were interested in units or held any short position in units of The Link REIT save and except that Dr Patrick FUNG Yuk Bun, an INED of the Manager, is deemed to be interested in 100,000 units as at 30 September 2007 by virtue of his association with Wing Hang Bank Limited as disclosed above.

Connected Party Transactions

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

The SFC has granted waivers to The Link REIT from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions entered into by The Link REIT subject to stipulated terms and conditions ("Waiver Conditions"). During the period under review, The Link REIT has complied with the Waiver Conditions.

The connected party transactions involving The Link REIT and its connected persons during the period were:

Connected Party Transactions – Income

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Income Derived during the Period HK\$'M
HSBC Group ¹	Trustee's connected person	Tenancies of property of The Link REIT ²	5.9 ³
HSBC Group ¹	Trustee's connected person	Interest income	4.0

Notes:

1. HSBC Group means The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries and, unless otherwise expressly stated herein, excludes the Trustee and its proprietary subsidiaries.
2. For shops and ATM installations at various locations.
3. Amount excluding deposit received.

Connected Party Transactions

Connected Party Transactions – Expenses

Name of Connected Person	Relationship with The Link REIT	Nature of the Transaction	Expenses Incurred during the Period HK\$'M
The Link Management Limited	The Manager ¹	Management fee	87.9
HSBC Institutional Trust Services (Asia) Limited	The Trustee ²	Trustee fee	1.6
CB Richard Ellis Limited	Principal Valuer	Valuation fee	0.6
CapitaLand Limited	Strategic Partner	Strategic Partner service fee	0.8
HSBC Group ³	Trustee's connected person	Loan interest, bank charges and staff benefits consultation fees	15.8

Notes:

1. The Manager, as an internalised management company of The Link REIT, recovers its expenses from The Link REIT on a cost recovery principle.
2. The Trustee is entitled to charge an annual fee at a rate of 0.008% per annum of the latest property value as determined in the latest annual valuation report of the independent valuer, subject to a minimum of HK\$150,000 per month.
3. 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.

Lease Transactions

The Link REIT and its subsidiaries have during the period entered into tenancy agreements with HSBC Group and Industrial and Commercial Bank of China (Asia) Limited ("ICBC") for lease of retail shops and/or space for the installation of ATM machines at various properties of The Link REIT.

Connected Party Transactions

Lease Transactions with Annual Rent Exceeding HK\$1 Million

Name of Tenant	Relationship with The Link REIT	Nature of the Transaction	Material Terms	Annual Income ¹ HK\$'M
The Hongkong and Shanghai Banking Corporation Limited ²	Trustee's connected person	Tenancy for shops T036-T038 at Lok Fu Shopping Centre	Extension of original tenancy and expires on 30/11/2007	1.4
Hang Seng Bank Limited ³	Trustee's connected person	Tenancy for shop No. S31D at Lok Fu Shopping Centre	Term of 8 months and expires on 30/11/2007	1.2
ICBC ⁴	Associate of a Director of the Manager	Tenancy for shops F18 & F19 A-C at Oi Man Shopping Centre	Term of 3 years and expires on 31/08/2009	1.0
		Tenancy for shop No. 216 at Tai Wo Shopping Centre	Term of 3 years and expires on 15/09/2009	1.2

Notes:

- The annual income stated refers to the rental income that would have been received for a 12-month period starting from the beginning of the financial year ending 31 March 2008 (i.e. 1 April 2007) or until tenancy expiry in accordance with the tenancy agreement if shorter than 12 months.
- The Hongkong and Shanghai Banking Corporation Limited is the indirect holding company of the Trustee.
- Hang Seng Bank Limited is a subsidiary of The Hongkong and Shanghai Banking Corporation Limited.
- Professor Richard WONG Yue Chim, an INED of the Manager, is also a common director of ICBC. Upon the appointment of Professor Wong as Director of the Manager on 3 September 2007, ICBC has become a connected person of The Link REIT for the purpose of the REIT Code. The lease transactions with ICBC set out above were all entered into prior to Professor Wong's appointment on 3 September 2007 as an INED of the Manager.

Banking Services in the Ordinary Course of Business

The Link REIT and its subsidiaries have engaged The Hongkong and Shanghai Banking Corporation Limited, the indirect holding company of the Trustee, and its subsidiaries to provide ordinary course banking and financial services, namely, bank loans and deposits, payment and receipt arrangements, MPF arrangements and medical benefits for staff during the period. Subsidiaries of The Link REIT also maintain bank accounts with ICBC for rent collection purpose.

Connected Party Transactions

Corporate Finance Transactions

The Hongkong and Shanghai Banking Corporation Limited and ICBC are the lenders of a syndicated loan facility made available to The Link Finance Limited, an indirect and wholly owned subsidiary of The Link REIT in August 2006. The outstanding balances due to The Hongkong and Shanghai Banking Corporation Limited and ICBC pursuant to this syndicated loan were HK\$598 million and HK\$184 million, respectively as at 30 September 2007.

Other Transactions

Name of Contracting Party	Relationship with The Link REIT	Nature of the Transaction	Contract Period	Contract Sum HK\$'M
Aedas Limited ¹	Associate of a Director of the Manager	Architectural consultancy services	Mar 07– Sep 07	0.7
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Jun 06–Jan 08	1.5
Aedas Limited	Associate of a Director of the Manager	Acting as the Authorised Person	Dec 05–May 08	0.5
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Oct 06–May 08	0.4
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Jun 07–Dec 08	1.7
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Jun 06–Jan 10	2.2
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Feb 07–Dec 08	0.5
Aedas Limited	Associate of a Director of the Manager	Renovation consultancy services	Feb 07–Sep 10	2.5

Note:

- Mr Ian Keith GRIFFITHS, a Non-Executive Director of the Manager, is also the Chairman of Aedas Limited. Upon the appointment of Mr Griffiths as Director of the Manager on 3 September 2007, Aedas Limited has become a connected person of The Link REIT for the purpose of the REIT Code. The contracts set out above were all entered into prior to Mr Griffiths' appointment on 3 September 2007 as a Non-Executive Director of the Manager.

The Manager confirms that all the above transactions were entered into at arm's length on normal commercial terms and in the ordinary course of business of The Link REIT.

Progress Report on the Title Transfer of the Properties

I. Properties with both legal and beneficial title held by the scheme as at 15 November 2007

1. Butterfly Shopping Centre	33. Carpark within Kam On Court
2. Cheung Fat Shopping Centre	34. Kam Tai Shopping Centre
3. Retail and Carpark within Cheung On Estate	35. Kam Ying Court Shopping Centre
4. Cheung Wah Shopping Centre	36. Kin Sang Shopping Centre
5. Retail and Carpark within Ching Wah Court	37. Carpark within King Lai Court
6. Carpark within Ching Wang Court	38. King Lam Shopping Centre
7. Retail and Carpark within Choi Ha Estate	39. Retail and Carpark within Ko Chun Court
8. Choi Ming Shopping Centre	40. Kwai Hing Shopping Centre
9. Choi Yuen Shopping Centre	41. Carpark within Kwai Hong Court
10. Carpark within Chuk Yuen (North) Estate	42. Kwong Tin Shopping Centre
11. Chung Fu Shopping Centre	43. Kwong Yuen Shopping Centre
12. Chung On Shopping Centre	44. Lei Cheng Uk Shopping Centre
13. Fu Cheong Shopping Centre	45. Lei Tung Commercial Centre
14. Fu Heng Shopping Centre	46. Leung King Shopping Centre
15. Fu Shin Shopping Centre	47. Retail and Carpark within Lok Nga Court
16. Fu Tai Shopping Centre	48. Long Ping Commercial Centre
17. Carpark within Fung Lai Court	49. Carpark within Lower Wong Tai Sin (I) Estate
18. Fung Tak Shopping Centre	50. Retail and Carpark within Mei Chung Court
19. Retail and Carpark within Fung Wah Estate	51. Carpark within Ming Nga Court
20. Hau Tak (II) Shopping Centre	52. Retail and Carpark within Nam Cheong Estate
21. Heng On Commercial Centre	53. Carpark within Ning Fung Court
22. Hin Keng Shopping Centre	54. Oi Man Shopping Centre
23. Hing Tin Commercial Centre	55. Oi Tung Shopping Centre
24. Hing Wah Shopping Centre	56. On Yam Shopping Centre
25. Hiu Lai Shopping Centre	57. Carpark within Pang Ching Court
26. Ho Man Tin Plaza	58. Po Hei Court Commercial Centre
27. Hoi Fu Shopping Centre	59. Po Lam Shopping Centre
28. Carpark within Hong Keung Court	60. Retail and Carpark within Po Nga Court
29. Retail and Carpark within Hong Pak Court	61. Carpark within Po Pui Court
30. Retail and Carpark within Hong Shui Court	62. Carpark within San Wai Court
31. Retail and Carpark within Hong Yat Court	63. Sau Mau Ping Shopping Centre
32. Carpark within Ka Tin Court	64. Carpark within Sau Mau Ping (I) Estate

Progress Report on the Title Transfer of the Properties

65.	Retail and Carpark within Sau Mau Ping (III) Estate
66.	Shan King Commercial Centre
67.	Sheung Tak Shopping Centre
68.	Siu Hei Commercial Centre
69.	Siu Lun Shopping Centre
70.	Retail and Carpark within Siu On Court
71.	Sui Wo Court Commercial Centre
72.	Retail and Carpark within Tai Ping Estate
73.	Tai Wo Shopping Centre
74.	Tak Tin Shopping Centre
75.	Carpark within Tin King Estate
76.	Tin Chak Shopping Centre
77.	Tin Ma Court Commercial Centre
78.	Tin Ping Shopping Centre
79.	Tin Shing Shopping Centre
80.	Retail and Carpark within Tin Wang Court
81.	Carpark within Tin Yau Court
82.	Tin Yiu Shopping Centre
83.	Retail and Carpark within Tong Ming Court
84.	Tsing Yi Commercial Complex
85.	Tsui Lam Shopping Centre
86.	Tsui Ping North Shopping Circuit
87.	Retail and Carpark within Tsui Wan Estate
88.	Tsz Ching Shopping Centre (I) & (II)
89.	Retail and Carpark within Tsz Oi Court
90.	Retail and Carpark within Tung Hei Court
91.	Retail and Carpark within Tung Tau Estate
92.	Lung Cheung Mall
93.	Wah Kwai Shopping Centre
94.	Carpark within Wah Lai Estate
95.	Wah Ming Shopping Centre
96.	Wan Tau Tong Shopping Centre

97.	Carpark within Wang Fuk Court
98.	Wo Che Commercial Centre
99.	Retail and Carpark within Wo Ming Court
100.	Retail and Carpark within Yan Ming Court
101.	Retail and Carpark within Yan Shing Court
102.	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)
103.	Carpark within Yee Kok Court
104.	Carpark within Yee Nga Court
105.	Yin Lai Court Shopping Centre
106.	Retail and Carpark within Ying Fuk Court
107.	Carpark within Ying Ming Court
108.	Yiu On Shopping Centre
109.	Yu Chui Shopping Centre
110.	Carpark within Yue On Court
111.	Yung Shing Shopping Centre
112.	Siu Sai Wan Shopping Centre
113.	Wong Tai Sin Shopping Centre*
114.	Chuk Yuen Shopping Centre*
115.	Tin Tsz Shopping Centre*
116.	Tai Yuen Commercial Centre*
117.	Tin Shui Shopping Centre*

* Completion notice being served by the Hong Kong Housing Authority as vendor

Progress Report on the Title Transfer of the Properties

II. Properties with beneficial title held by the scheme as at 15 November 2007

118. Retail and Carpark within Ap Lei Chau Estate	150. Ping Tin Shopping Centre
119. Cheung Hang Shopping Centre	151. Po Tat Shopping Centre
120. Cheung Hong Commercial Centre	152. Po Tin Shopping Centre
121. Retail and Carpark within Cheung Wang Court	153. Sam Shing Commercial Centre
122. Retail and Carpark within Choi Fai Estate	154. Sha Kok Commercial Centre
123. Choi Wan Commercial Complex	155. Shek Lei Shopping Centre Phase I
124. Chun Shek Shopping Centre	156. Shek Lei Shopping Centre Phase II
125. Fortune Shopping Centre	157. Shek Wai Kok Commercial Centre
126. Fu Tung Shopping Centre	158. Shek Yam Shopping Centre
127. Hing Man Commercial Centre	159. Shun Lee Commercial Centre
128. Hing Tung Shopping Centre	160. Shun On Commercial Centre
129. Retail and Carpark within Hung Hom Estate	161. Retail and Carpark within Shun Tin Estate
130. Ka Fuk Shopping Centre	162. Sun Chui Shopping Centre
131. Kai Tin Shopping Centre	163. Sun Tin Wai Commercial Centre
132. Kai Yip Commercial Centre	164. Tai Hing Commercial Centre
133. Carpark within Kin Ming Estate	165. Tai Wo Hau Commercial Centre
134. Retail and Carpark within Ko Yee Estate	166. Retail and Carpark within Tin Wah Estate
135. Kwai Fong Shopping Centre	167. Tin Wan Shopping Centre
136. Kwai Shing East Shopping Centre	168. Retail and Carpark within Tin Yat Estate
137. Kwong Fuk Commercial Centre	169. Carpark within Tin Yuet Estate
138. Lai Kok Shopping Centre	170. Carpark within Tsui Ping South Estate
139. Carpark within Lai On Estate	171. Tsz Lok (Tsz Wan Shan Shopping Centre)
140. Lee On Shopping Centre	172. Carpark within Tsz Man Estate
141. Lek Yuen Commercial Complex	173. Un Chau Shopping Centre
142. Lok Fu Shopping Centre	174. Carpark within Upper Ngau Tau Kok Estate
143. Lok Wah Commercial Centre	175. Wah Sum Shopping Centre
144. Retail and Carpark within Lok Wah (South) Estate	176. Wan Tsui Commercial Complex
145. Lung Hang Commercial Centre	177. Wang Tau Hom (Wang Fai Centre)
146. Stanley Plaza	178. Yat Tung Shopping Centre
147. Mei Lam Commercial Centre	179. Yau Oi Commercial Centre
148. Ming Tak Shopping Centre	180. Yiu Tung Shopping Centre
149. On Ting Commercial Complex	

Auditor's Review Report



羅兵咸永道會計師事務所

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE LINK MANAGEMENT LIMITED (as "Manager" of THE LINK REAL ESTATE INVESTMENT TRUST)

Introduction

We have been instructed by the Manager to review the interim financial information of The Link Real Estate Investment Trust ("The Link REIT") set out on pages 36 to 63, which comprises the condensed consolidated balance sheet of The Link REIT and its subsidiaries (together, the "Group") as at 30 September 2007 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and net assets attributable to unitholders, the condensed consolidated statement of cash flows and the statement of distributions for the six-month period then ended and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion 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.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Review Report

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 November 2007

Condensed Consolidated Interim Income Statement

For the six months ended 30 September 2007

	Note	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Revenues	3	2,056	1,956
Property operating expenses	5	(813)	(792)
Net property income		1,243	1,164
General and administrative expenses		(47)	(41)
Change in fair values of investment properties		2,655	707
Operating profit	6	3,851	1,830
Interest income		39	28
Finance costs on interest bearing liabilities	7	(310)	(292)
Profit before taxation and transactions with unitholders		3,580	1,566
Taxation	9	(602)	(274)
Profit for the period, before transactions with unitholders	10	2,978	1,292
Distribution paid to unitholders (Note (iii))		(739)	(467)
		2,239	825
Represented by :			
Change in net assets attributable to unitholders		2,283	825
Amount arising from cash flow hedging reserve movement	19	(44)	—
		2,239	825

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

Notes:

- (i) Total Distributable Income for the six months ended 30 September 2007 is determined in the Statement of Distributions. The distribution declared in respect of this financial period as set out in the Statement of Distributions will be paid out to unitholders on or about 15 January 2008.
- (ii) Earnings per unit, based upon profit after taxation and before transactions with unitholders and the weighted average number of units in issue, is set out in note 10 to the condensed consolidated interim financial information.
- (iii) This represents the final distribution of HK\$739 million for the year ended 31 March 2007 (31 March 2006: HK\$467 million) paid during the period.

Statement of Distributions

For the six months ended 30 September 2007

	Note	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Profit for the period, before transactions with unitholders		2,978	1,292
Adjustments:			
Change in fair values of investment properties		(2,655)	(707)
Deferred taxation on change in fair values of investment properties		465	124
Other non-cash income		(12)	(7)
Total Distributable Income		776	702
Interim distribution, to be paid to the unitholders		776	702
As a percentage of Total Distributable Income		100%	100%
Units in issue	18	2,148,434,317	2,137,454,000
Distribution per unit for the period		HK36.11 cents	HK32.81 cents

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

Notes:

- (i) Pursuant to the Trust Deed, The Link Real Estate Investment Trust is required to ensure that the total amount distributed to unitholders as distributions for each financial period shall be no less than 90% of "Total Distributable Income", plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the distribution for the interim reporting period ended 30 September 2007. The distribution will be paid to unitholders on or about 15 January 2008.
- (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 period.

Condensed Consolidated Interim Balance Sheet

As at 30 September 2007

	Note	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Non-current assets			
Goodwill		3,988	3,988
Investment properties	11	42,352	39,557
Property, plant and equipment	12	50	52
		46,390	43,597
Current assets			
Trade and other receivables	13	141	92
Deposits and prepayments		23	18
Short term bank deposits	14	1,672	1,475
Cash and cash equivalents	14	49	53
		1,885	1,638
Total assets		48,275	45,235
Current liabilities			
Trade payable, receipts in advance and accruals	15	715	738
Security deposits		345	318
Provision for taxation		77	—
Interest bearing liabilities	16	2,198	—
		3,335	1,056
Net current (liabilities)/assets		(1,450)	582
Total assets less current liabilities		44,940	44,179
Non-current liabilities, excluding net assets attributable to unitholders			
Interest bearing liabilities	16	9,983	12,177
Deferred tax liabilities		5,627	5,102
Other non-current liabilities	17	71	111
		15,681	17,390

Condensed Consolidated Interim Balance Sheet

As at 30 September 2007

	Note	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Total liabilities, excluding net assets attributable to unitholders		19,016	18,446
Net assets attributable to unitholders		29,259	26,789
Units in issue	18	2,148,434,317	2,137,454,000
Net asset value per unit		HK\$13.62	HK\$12.53

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

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

Nicholas Robert SALLNOW-SMITH
Chairman
15 November 2007

CHEW Fook Aun
Acting Chief Executive Officer
15 November 2007

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

For the six months ended 30 September 2007

	Note	Total equity HK\$'M	Net assets attributable to unitholders HK\$'M	Total HK\$'M
Equity/net asset value attributable to unitholders at 1 April 2006		—	23,715	23,715
Profit for the period ended 30 September 2006, before transactions with unitholders		—	1,292	1,292
Distribution paid to unitholders		—	(467)	(467)
Change in net assets attributable to unitholders for the period ended 30 September 2006		—	825	825
Equity/net asset value attributable to unitholders at 30 September 2006		—	24,540	24,540
Equity/net asset value attributable to unitholders at 1 April 2007		—	26,789	26,789
Issuance of units under distribution reinvestment scheme		—	187	187
Profit for the period ended 30 September 2007, before transactions with unitholders		—	2,978	2,978
Distribution paid to unitholders		—	(739)	(739)
Change in fair values of cash flow hedges	19	44	—	44
Amount arising from cash flow hedging reserve movement	19	(44)	44	—
Change in net assets attributable to unitholders for the period ended 30 September 2007		—	2,283	2,283
Equity/net asset value attributable to unitholders at 30 September 2007		—	29,259	29,259

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

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 September 2007

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Operating activities		
Net cash generated from operating activities	1,160	1,491
Investing activities		
Additions to investment properties	(140)	(36)
Additions to property, plant and equipment	(6)	(8)
Interest income received	35	19
Increase in short term bank deposits with original maturity of more than three months	(197)	(777)
Net cash used in investing activities	(308)	(802)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	—	3,588
Repayment of interest bearing liabilities	—	(3,600)
Interest expenses paid on interest bearing liabilities	(304)	(273)
Distribution paid to unitholders	(552)	(467)
Net cash used in financing activities	(856)	(752)
Net decrease in cash and cash equivalents	(4)	(63)
Cash and cash equivalents at the beginning of the period	53	314
Cash and cash equivalents at the end of the period	49	251

The above condensed consolidated interim statement of cash flows should be read with the accompanying notes to these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 Corporate information

The Link Real Estate Investment Trust (the “Trust” or “The Link REIT”) is an authorised unit trust under section 104 of the Securities and Futures Ordinance. The Link REIT is governed by a trust deed (“Trust Deed”) entered into on 6 September 2005 (as amended and supplemented by the First Supplemental Deed dated 4 November 2005, the Second Supplemental Deed dated 8 November 2005, the Third Supplemental Deed dated 16 January 2006, the Fourth Supplemental Deed dated 21 November 2006, the Fifth Supplemental Deed dated 13 July 2007 and the Sixth Supplemental Deed dated 23 July 2007).

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

2 Basis of preparation and accounting policies

The condensed consolidated interim financial information have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

The accounting policies adopted are consistent with those set out in the audited financial statements for the year ended 31 March 2007.

In the current interim period, the Group has applied the following new standards, amendments to standards and interpretations issued by the HKICPA, which are effective for the Group’s accounting periods beginning on or after 1 April 2007.

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

The adoption of the above has no significant impact on these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

2 Basis of preparation and accounting policies *(Continued)*

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

HKAS 23 (Revised)	Borrowing Costs, effective for accounting periods beginning on or after 1 January 2009;
HKFRS 8	Operating Segments, effective for accounting periods beginning on or after 1 January 2009;
HK(IFRIC)-Int 12	Service Concession Arrangements, effective for accounting periods beginning on or after 1 January 2008;
HK(IFRIC)-Int 13	Customer Loyalty Programmes; effective for accounting periods beginning on or after 1 July 2008; and
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction; effective for accounting periods beginning on or after 1 January 2008.

The Group will adopt the above when they become effective. The Manager does not expect the adoption of the above will have significant impact on the condensed consolidated interim financial information of the Group.

Notes to the Condensed Consolidated Interim Financial Information

3 Revenues

Revenues recognised during the period comprise:

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Rental income from retail properties	1,477	1,401
Gross rental receipts from carparks	456	435
	1,933	1,836
Other revenues		
Air conditioning service fees	121	118
Other property related income	2	2
	123	120
Total revenues	2,056	1,956

Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover amounting to HK\$23 million (2006: HK\$12 million) have been included in the rental income.

Notes to the Condensed Consolidated Interim Financial Information

4 Segment information

	Retail properties HK\$'M	Carparks HK\$'M	Head office HK\$'M	Total HK\$'M
For the six months ended 30 September 2007 (Unaudited)				
Revenues	1,600	456	—	2,056
Segment results	987	256	(47)	1,196
Change in fair values of investment properties	2,351	304	—	2,655
Interest income				39
Finance costs on interest bearing liabilities				(310)
Profit before taxation and transactions with unitholders				3,580
Taxation				(602)
Profit for the period, before transactions with unitholders				2,978
Capital expenditure	133	7	6	146
Depreciation	—	—	(6)	(6)
As at 30 September 2007 (Unaudited)				
Segment assets	34,810	7,654	102	42,566
Goodwill				3,988
Short term bank deposits				1,672
Cash and cash equivalents				49
Total assets				48,275
Segment liabilities	852	94	191	1,137
Interest bearing liabilities				12,181
Deferred tax liabilities				5,627
Other non-current liabilities				71
Total liabilities, excluding net assets attributable to unitholders				19,016
Net assets attributable to unitholders				29,259

Notes to the Condensed Consolidated Interim Financial Information

4 Segment information (Continued)

	Retail properties HK\$'M	Carparks HK\$'M	Head office HK\$'M	Total HK\$'M
For the six months ended 30 September 2006 (Unaudited)				
Revenues	1,521	435	—	1,956
Segment results	932	232	(41)	1,123
Change in fair values of investment properties	706	1	—	707
Interest income				28
Finance costs on interest bearing liabilities				(292)
Profit before taxation and transactions with unitholders				1,566
Taxation				(274)
Profit for the period, before transactions with unitholders				1,292
Capital expenditure	31	5	8	44
Depreciation	—	—	(4)	(4)
As at 31 March 2007 (Audited)				
Segment assets	32,294	7,340	85	39,719
Goodwill				3,988
Short term bank deposits				1,475
Cash and cash equivalents				53
Total assets				45,235
Segment liabilities	830	112	114	1,056
Interest bearing liabilities				12,177
Deferred tax liabilities				5,102
Other non-current liabilities				111
Total liabilities, excluding net assets attributable to unitholders				18,446
Net assets attributable to unitholders				26,789

Notes to the Condensed Consolidated Interim Financial Information

5 Property operating expenses

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	278	302
Staff costs (Note 8)	61	48
Government rent and rates	50	54
Repairs and maintenance	106	101
Utilities	211	211
Promotion and marketing expenses	27	22
Estate common area costs	41	26
Other property operating expenses	39	28
	813	792

6 Operating profit before finance costs, taxation and transactions with unitholders

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Operating profit before finance costs, taxation and transactions with unitholders is stated after charging:		
Staff costs (Note 8)	84	64
Depreciation of property, plant and equipment	6	4
Loss on disposal of fixed assets	2	—
Strategic partner fee	1	1
Trustee's remuneration	2	1
Valuation fee	1	—
Auditor's remuneration	1	1
Operating lease charges	2	2
Other legal and professional fees	3	8

Notes to the Condensed Consolidated Interim Financial Information

7 Finance costs on interest bearing liabilities

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities wholly repayable within five years (Note 16)	310	292

8 Staff costs

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Wages and salaries	78	63
Contributions to mandatory provident fund scheme	2	1
Long-term incentive plan (Note a)	4	—
	84	64

Notes to the Condensed Consolidated Interim Financial Information

8 Staff costs (Continued)

Staff costs can be further analysed as below:

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Included under property operating expenses (Note 5)	61	48
Included under general and administrative expenses	23	16
	84	64

Note:

(a) Long-term incentive plan

During the period, the Group adopted the Long-term Incentive Plan (the "Plan"), which was approved by an ordinary resolution on 23 July 2007 at the annual general meeting of the unitholders. The Plan shall be valid and effective for 10 years commencing on the adoption date.

Under the Plan, the Manager may grant three types of awards, the Restricted Unit Awards, Unit Option and Conditional Cash Awards (the "Awards") to eligible employees of the Group.

During the period, certain employees were granted the Restricted Unit Awards at nil consideration. The Restricted Unit Awards granted under the related plan, in general, are fully vested in three years from the date of grant and the eventual units to be issued under the Restricted Unit Awards are linked to the performance of The Link REIT.

The Group recognises the employee services received in exchange for the grant of the Awards as an expense, with a corresponding increase in the liability incurred, at fair value as the employees render services. This expense is to be charged to the income statement over the vesting period. Until the liability is settled, the fair value of the liability is re-measured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement for the period. The expense arising from the above Awards for the interim period ended 30 September 2007, which was charged to the income statement for the current period, amounts to HK\$4 million.

Notes to the Condensed Consolidated Interim Financial Information

9 Taxation

Hong Kong profits tax has been provided for at the rate of 17.5% on the estimated assessable profit for the period. For the period ended 30 September 2006, no current taxation has been provided for as the Group has no estimated assessable profit.

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

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Current taxation	77	—
Deferred taxation	525	274
	602	274

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

	Six months ended 30 September 2007 (Unaudited)	Six months ended 30 September 2006 (Unaudited)
Profit for the period, before transactions with unitholders	HK\$2,978 million	HK\$1,292 million
Weighted average number of units for the period	2,139,854,069	2,137,454,000
Earnings per unit based on profit after taxation, before transactions with unitholders, basic and diluted	HK\$1.39	HK\$0.60

Notes to the Condensed Consolidated Interim Financial Information

11 Investment properties

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

	Retail properties HK\$'M	Carparks HK\$'M	Total HK\$M
At 1 April 2006	29,098	6,674	35,772
Additions	239	32	271
Change in fair values	2,914	600	3,514
At 31 March 2007	32,251	7,306	39,557
At 1 April 2007	32,251	7,306	39,557
Additions	133	7	140
Change in fair values	2,351	304	2,655
At 30 September 2007	34,735	7,617	42,352

(b) **Government leases**

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

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

(c) **Fair values**

The investment properties were revalued on an open market value basis as at 30 September 2007 by CB Richard Ellis Limited ("CBRE"), an independent firm of professional qualified valuers. In arriving at the market values, CBRE has assumed, inter alia, that legal titles to the properties are in place as of the property valuation date, notwithstanding that legal titles to certain of the properties have not been granted as of the balance sheet date (see note (b) above).

(d) **REIT Code restrictions**

In accordance with the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong ("REIT Code"), the Group is prohibited from disposing of its properties for at least two years from the time such properties are acquired, unless unitholders have passed a special resolution consenting to the proposed disposal.

Notes to the Condensed Consolidated Interim Financial Information

11 Investment properties (Continued)

(e) Security for the Group's loan facilities

As at 30 September 2007, certain of the Group's investment properties, amounting to approximately HK\$4.8 billion (31 March 2007: HK\$4.4 billion), were mortgaged to secure the Group's loan facilities.

12 Property, plant and equipment

	Leasehold improvements HK\$'M	Motor vehicles HK\$'M	Equipment HK\$'M	Total HK\$'M
At 1 April 2006	4	2	26	32
Additions	16	2	11	29
Depreciation charge for the year	(1)	(1)	(7)	(9)
At 31 March 2007	19	3	30	52
At 31 March 2007				
Cost	21	4	39	64
Accumulated depreciation	(2)	(1)	(9)	(12)
Net book value	19	3	30	52
At 1 April 2007	19	3	30	52
Additions	2	—	4	6
Disposals	—	—	(3)	(3)
Depreciation charge for the period	(2)	—	(4)	(6)
Accumulated depreciation written back upon disposal	—	—	1	1
At 30 September 2007	19	3	28	50
At 30 September 2007				
Cost	23	4	40	67
Accumulated depreciation	(4)	(1)	(12)	(17)
Net book value	19	3	28	50

Notes to the Condensed Consolidated Interim Financial Information

13 Trade and other receivables

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Trade receivable (Note)	64	51
Other receivables	77	41
	141	92

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

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

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
0–30 days	54	47
31–90 days	7	2
Over 90 days	3	2
	64	51

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

Notes to the Condensed Consolidated Interim Financial Information

14 Cash and cash equivalents and short term bank deposits

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Cash in hand	2	2
Cash at bank	13	22
Short term bank deposits with original maturity of less than three months	34	29
Cash and cash equivalents	49	53
Short term bank deposits with original maturity of more than three months	1,672	1,475
	1,721	1,528

Short term bank deposits at the balance sheet date mature approximately 74 days (31 March 2007: 96 days) from the balance sheet date. The effective interest rate at the balance sheet date was 4.54% (31 March 2007: 4.09%) per annum.

15 Trade payable, receipts in advance and accruals

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Trade payable	103	64
Receipts in advance	58	59
Accruals	554	615
	715	738

Notes to the Condensed Consolidated Interim Financial Information

15 Trade payable, receipts in advance and accruals (Continued)

The ageing analysis of trade payable is as follows:

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
0–30 days	86	60
31–90 days	14	3
Over 90 days	3	1
	103	64

16 Interest bearing liabilities

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Guaranteed notes	3,594	3,591
Syndicated loan	4,587	4,586
Other loan (secured)	4,000	4,000
	12,181	12,177
Less: Current portion of interest bearing liabilities	(2,198)	—
Non-current portion of interest bearing liabilities	9,983	12,177

Notes to the Condensed Consolidated Interim Financial Information

16 Interest bearing liabilities (Continued)

Interest bearing liabilities are repayable as follows:

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Due in the first year Guaranteed notes	2,198	—
Due in the second year Guaranteed notes	1,396	2,196
Due in the third year Guaranteed notes Other loan (secured)	— 4,000	1,395 4,000
	4,000	5,395
Due in the fifth year Syndicated loan	4,587	4,586
	12,181	12,177

The effective interest rate of the interest bearing liabilities at the balance sheet date was 5.16% (31 March 2007: 4.66%). The carrying amounts of the interest bearing liabilities approximate their fair values.

Notes to the Condensed Consolidated Interim Financial Information

17 Other non-current liabilities

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Long-term incentive plan payable (Note 8)	4	—
Interest rate swaps — cash flow hedges (Note)	67	111
	71	111

Note:

The Group uses interest rate swaps to minimise its exposure to movements in interest rates in relation to its floating rates interest bearing liabilities by swapping from floating rates to fixed rates. The full fair value of these cash flow hedges are classified as non-current items as the remaining maturities of the hedged items extend for more than 12 months. Any change in fair value of the effective portion of the cash flow hedges is recognised in hedging reserve. An amount of HK\$44 million has been credited to the hedging reserve during the period (Year ended 31 March 2007: HK\$111 million had been debited to the hedging reserve).

Derivative financial instruments qualifying as cash flow hedges as at 30 September 2007 have an average maturity of 4.1 years (31 March 2007: 4.6 years) from the balance sheet date. The notional principal amount and the average fixed interest rate of the outstanding interest rate swap contracts at 30 September 2007 were HK\$4 billion (31 March 2007: HK\$4 billion) and 5.05% (31 March 2007: 5.05%) respectively.

18 Units in issue

	Number of Units
At 1 April 2006 and 1 April 2007	2,137,454,000
Units issued under distribution reinvestment scheme	10,980,317
At 30 September 2007	2,148,434,317

Traded market value of the units as at 30 September 2007 was HK\$17.10 (31 March 2007: HK\$18.80) per unit. Based on 2,148,434,317 units in issue as at 30 September 2007 (31 March 2007: 2,137,454,000 units), market capitalisation was HK\$36,738 million (31 March 2007: HK\$40,184 million).

Notes to the Condensed Consolidated Interim Financial Information

19 Reserves

	Hedging reserve HK\$'M	Earnings retained for cash flow hedge adjustments HK\$'M	Total reserves HK\$'M
At 1 April 2006	—	—	—
Change in fair values of cash flow hedges	(111)	—	(111)
Amount arising from cash flow hedging reserve movement	—	111	111
At 31 March 2007	(111)	111	—
At 1 April 2007	(111)	111	—
Change in fair values of cash flow hedges	44	—	44
Amount arising from cash flow hedging reserve movement	—	(44)	(44)
At 30 September 2007	(67)	67	—

20 Capital commitments

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Improvement projects to existing investment properties		
Authorised but not contracted for	894	752
Contracted but not provided for	339	422
	1,233	1,174

Notes to the Condensed Consolidated Interim Financial Information

21 Connected party transactions and significant related party transactions and balances

Information required to be disclosed concerning related party transactions is set out in this note unless disclosed elsewhere in these condensed consolidated interim financial information.

(a) Nature of relationship with connected/related parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 "Related Party Disclosures", and nature of their relationship with The Link REIT as at 30 September 2007:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee")*	The Trustee of The Link REIT
The Hongkong and Shanghai Banking Corporation Limited and its associates (the "HSBC Group")*	Related parties of the Trustee
CapitaLand Limited (the "Strategic Partner")*	The Strategic Partner of The Link REIT and common director
CB Richard Ellis Limited (the "Principal Valuer")	The Principal Valuer of The Link REIT
The Children's Investment Master Fund	A significant unitholder of The Link REIT
The Wing Hang Bank Limited*	Common director
Industrial and Commercial Bank of China (Asia) Limited ("ICBC")*	Common director
Aedas Limited*	Common director

* These connected parties are also considered as related parties of the Group.

Notes to the Condensed Consolidated Interim Financial Information

21 Connected party transactions and significant related party transactions and balances *(Continued)*

(b) Transactions with connected/related parties

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

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Trustee fee paid and payable to the Trustee (ii)	(2)	(1)
Fee paid and payable to the Strategic Partner (iii)	(1)	(1)
Valuation fee paid and payable to the Principal Valuer	(1)	—
Transactions with the HSBC Group (iv)		
Interest expense to the HSBC Group on interest bearing liabilities	(14)	(263)
Staff expense to the HSBC Group on medical/group life insurance	(1)	—
Rental income from the HSBC Group on leasing of retail units	6	7
Interest income from the HSBC Group on short term bank deposits	4	28
Transactions with ICBC (iv)		
Interest expense to ICBC on interest bearing liabilities	(4)	—
Rental income from ICBC on leasing of retail units	2	—
Architectural/renovation consultancy services fees paid and payable to Aedas Limited	(1)	—

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreement governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee fee (calculated and paid monthly) at a rate of 0.008% per annum of the latest property value as determined in the latest annual valuation report of an independent property valuer recommended by the Manager and appointed by the Trustee for and on behalf of The Link REIT from time to time, subject to a minimum of HK\$150,000 per month.
- (iii) The Strategic Partner is entitled to receive a base fee equal to the costs and expenses reasonably incurred by the Strategic Partner in the performance of its duties and obligations and also a performance fee under the Co-operation Agreement from the listing date until the termination of its appointment under the Co-operation Agreement.
- (iv) The transactions with the HSBC Group and ICBC were in accordance with market rates.

Notes to the Condensed Consolidated Interim Financial Information

21 Connected party transactions and significant related party transactions and balances *(Continued)*

(c) Balances with related parties

Balances with related parties are set out below:

	30 September 2007 (Unaudited) HK\$'M	31 March 2007 (Audited) HK\$'M
Interest bearing liabilities with the HSBC Group	(598)	(598)
Short term bank deposits and savings placed with the HSBC Group	185	497
Net interest receivable from the HSBC Group	1	6
Interest bearing liabilities with ICBC	(184)	—
Strategic Partner fee payable to CapitaLand Limited (Note)	(1)	(1)
Architectural/renovation consultancy services fees payable to Aedas Limited	(1)	—

Note:

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

(d) Key management compensation

The aggregate amounts of emoluments of the directors of the Group are as follows:

	Six months ended 30 September 2007 (Unaudited) HK\$'M	Six months ended 30 September 2006 (Unaudited) HK\$'M
Fees	3	2
Basic salaries, allowances and other benefits	7	3
Long-term incentive plan (Note 8(a))	1	—
	11	5

Notes to the Condensed Consolidated Interim Financial Information

22 Contingent liabilities

The Link Holdings Limited, a subsidiary, and the Trustee have jointly and severally executed guarantees in favour of a bank in respect of a facility granted to a subsidiary for issuance of bank guarantees to utilities companies. The facility amounts to HK\$70 million (31 March 2007: HK\$70 million), of which HK\$52 million has been utilised as at 30 September 2007 (31 March 2007: HK\$52 million).

23 Subsidiaries

The Link REIT held the following wholly owned subsidiaries as at 30 September 2007:

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

Notes to the Condensed Consolidated Interim Financial Information

24 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information were authorised for issue by the Manager on 15 November 2007.

Performance Table

As at 30 September 2007

	Six months ended 30 September 2007 (Unaudited)	Six months ended 30 September 2006 (Unaudited)
Net assets attributable to unitholders	HK\$29,259 million	HK\$24,540 million
Net asset value per unit	HK\$13.62	HK\$11.48
The highest premium of the traded price to net asset value (Note a)	HK\$5.58	HK\$5.97
Distribution per unit	HK36.11 cents	HK32.81 cents
Market price as at period end	HK\$17.10	HK\$16.22
Net yield per unit (Note b)	2.11%	2.02%
Number of units in issue	2,148,434,317	2,137,454,000

Note:

- (a) The highest premium is calculated based on the highest traded price of HK\$19.20 (2006: HK\$17.45) on The Stock Exchange of Hong Kong Limited during the period. The lowest traded price during the period was HK\$14.20 (2006: HK\$14.50) which is higher than the net asset value as at the period end date. Accordingly, no discount of the traded price to net asset value is presented.
- (b) Net yield per unit is calculated based on distribution per unit for the period ended 30 September 2007 of HK36.11 cents (2006: HK32.81 cents) over the last traded price as at 30 September 2007 of HK\$17.10 (2006: HK\$16.22).

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The Link Real Estate Investment Trust

