



# **The Link Real Estate Investment Trust**

**2006/07 Annual Results Presentation –  
Analysts Briefing  
8 June 2007**



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## Results Presentation

Management

Title

Victor So Hing Woh

Executive Director and CEO

Chew Fook Aun

Executive Director and CFO

Ball Wong Kim Wing

Director (Project & Planning)

# Agenda

- Distribution Statement
- Portfolio Review
- Asset Enhancements
- Financial Review



# Distribution For The Year

## Distribution Per Unit exceeds IPO commitment by 9.2%

	For the year ended 31 March 2007	Period from 6 September 2005* – 31 March 2006
<b>Distributable Income</b>	<b>\$1,441m</b>	<b>\$467m</b>
<b>Distribution per unit</b>		
- Interim	32.81 ¢	-
- Final	34.62 ¢	21.81 ¢
<b>-Total</b>	<b>67.43 ¢</b>	<b>21.81 ¢</b>
<b>Distribution yield</b>		
- based on IPO price of \$10.30	<b>6.55%</b>	<b>6.09%</b> <sup>[note 1]</sup>
<b>Effective distribution yield</b>	<b>3.59%</b> <sup>[note 2]</sup>	<b>3.73%</b> <sup>[note 1, 3]</sup>

Note 1: annualised

Note 2: based on unit price of \$18.80 on 30/3/2007

Note 3: based on unit price of \$16.80 on 31/3/2006

\* Operational since 25 November 2005, the listing date

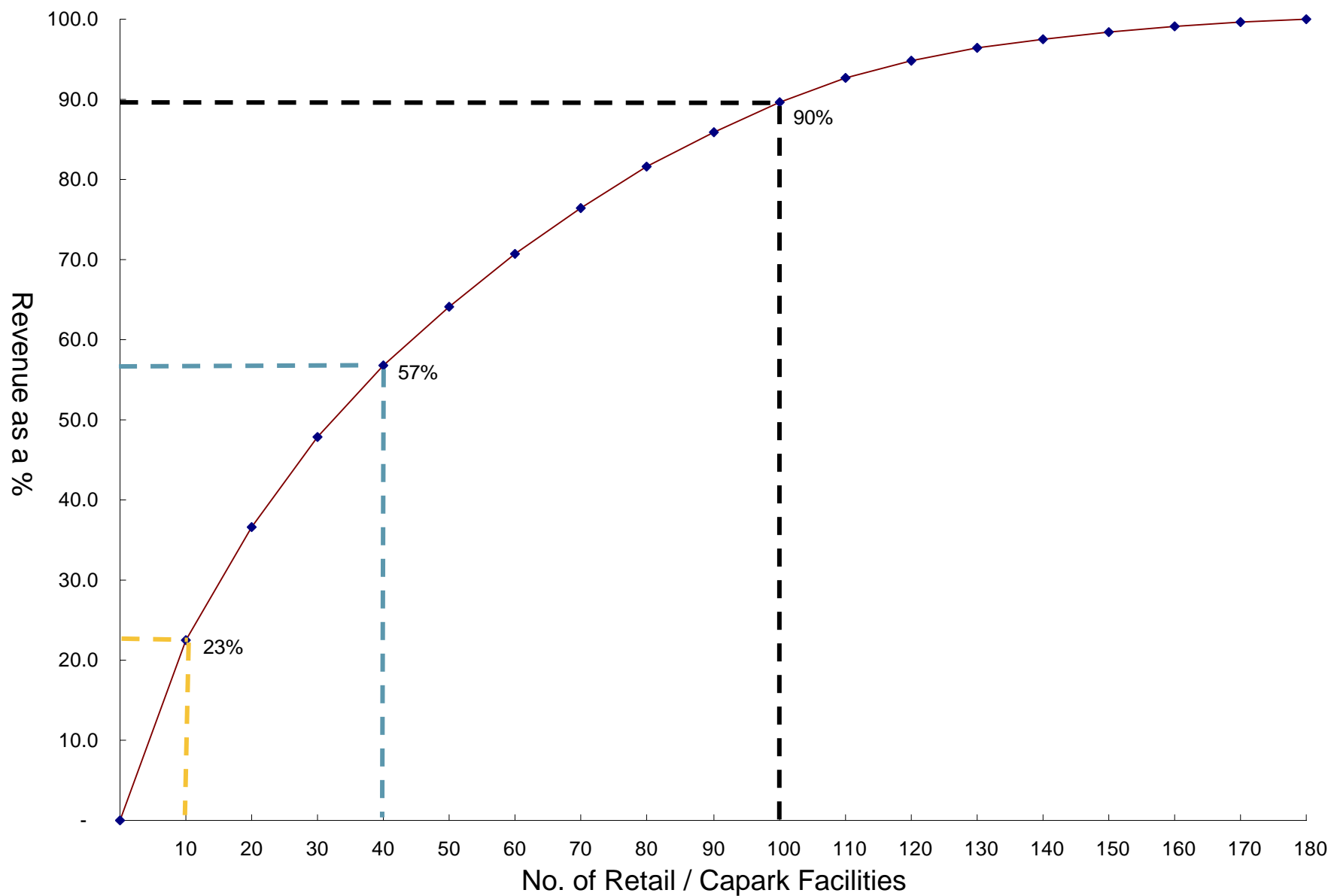
# Revenues

	Year ended 31 March 2007 HK\$' M			Period ended 31 March 2006 HK\$' M	
Revenues recognised during the period comprise:					
Rental income from retail properties	2,832	71.6%		968	71.5%
Gross rental receipts from carpark	881	22.3%		305	22.5%
Air-conditioning charges & other property related income	241	6.1%		81	6.0%
Total revenues:	3,954	100.0%		1,354	100.0%

# Revenues

	Year ended 31 March 2007 HK\$' M			Period ended 31 March 2006 HK\$' M	
Rental income from retail properties:					
Retail	2,166	76.5%		736	76.0%
Market	460	16.2%		159	16.4%
Cooked Food Stalls	40	1.4%		14	1.5%
Others	166	5.9%		59	6.1%
<i>Total</i>	<b>2,832</b>	<b>100.0%</b>		<b>968</b>	<b>100.0%</b>
Gross rental receipts from carpark:					
Monthly	696	79.0%		240	78.7%
Hourly	185	21.0%		65	21.3%
<i>Total</i>	<b>881</b>	<b>100.0%</b>		<b>305</b>	<b>100.0%</b>

# Revenue chart



# Portfolio Review

- Retail Facilities
- Carpark Facilities



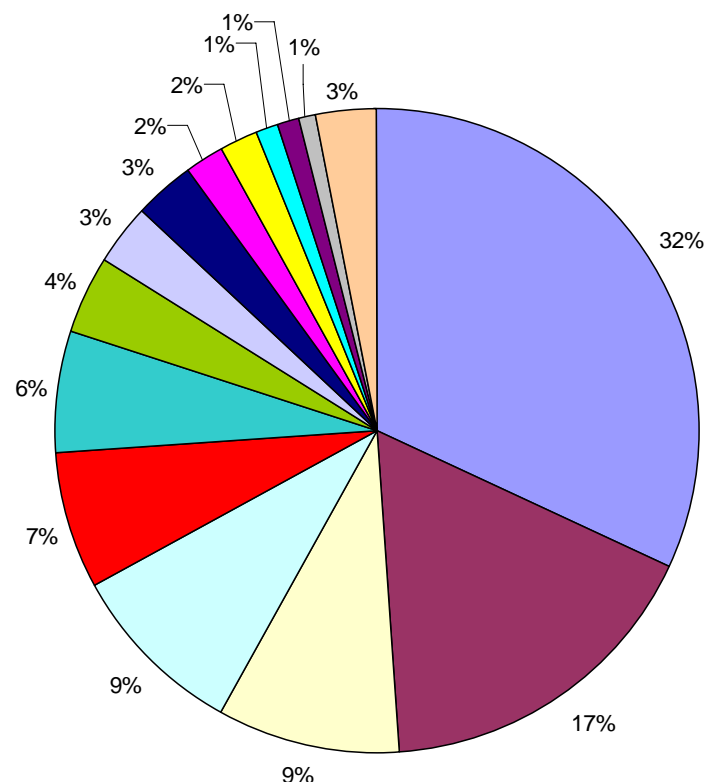
# Retail Facilities



	Year ended 31 March 2007		Period ended 31 March 2006
Occupancy Rate ( <i>at year/period end</i> )	90.30%		91.20%
Retention Rate ( <i>for the year/period</i> )	78.70%		93.40%
Composite Reversion Rate ( <i>for the year/period</i> )	9.87%		3.72%
Average Base Unit Rent ( <i>at year/period end</i> )			
- excluding self use offices	HK\$23.6/sq.ft.		HK\$23.0/sq.ft.
- excluding self use offices, Education/welfare, HD office and ancillary	HK\$25.9/sq.ft.		HK\$25.4/sq.ft.

# Retail Facilities

Trade Mix as a % of Leased IFA



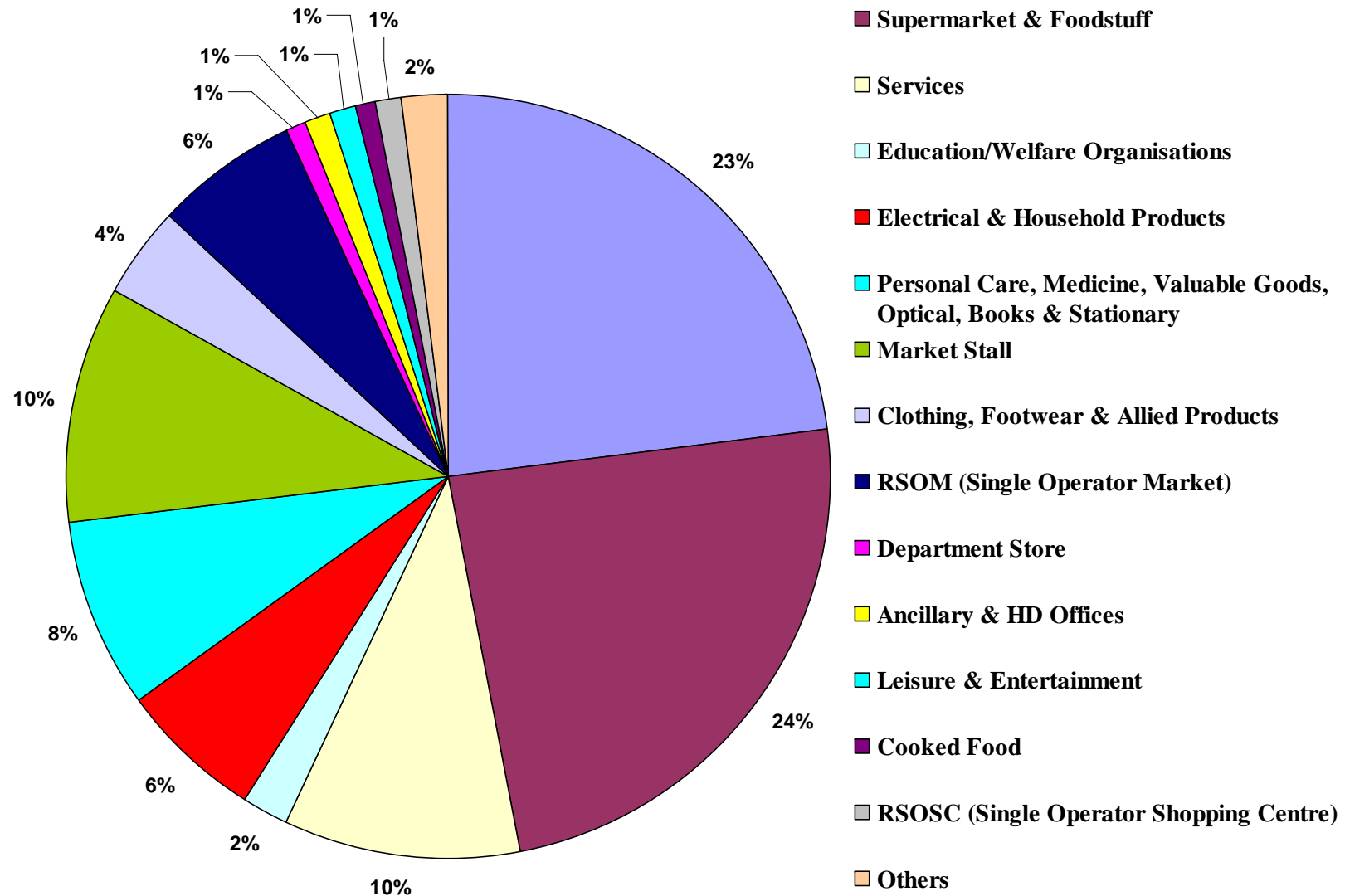
- Foods & Beverage
- Supermarket & Foodstuff
- Services
- Education/Welfare Organisations
- Electrical & Household Products
- Personal Care, Medicine, Valuable Goods, Optical, Books & Stationary
- Market Stall
- Clothing, Footwear & Allied Products
- RSOM (Single Operator Market)
- Department Store
- Ancillary & HD Offices
- Leisure & Entertainment
- Cooked Food
- RSOSC (Single Operator Shopping Centre)
- Others

	Leased IFA (sq.ft)
Foods & Beverage	3,114,943
Supermarket & Foodstuff	1,701,419
Services	869,753
Education/Welfare Organisations	865,576
Electrical & Household Products	654,139
Personal Care, Medicine, Valuable Goods, Optical, Books & Stationary	548,469
Market Stall	416,148
Clothing, Footwear & Allied Products	339,884
RSOM (Single Operator Market)	271,285
Department Store	175,658
Ancillary & HD Offices	213,689
Leisure & Entertainment	107,898
Cooked Food	99,169
RSOSC (Single Operator Shopping Centre)	81,806
Others	304,456

9,764,292

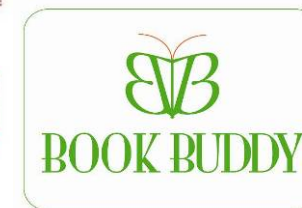
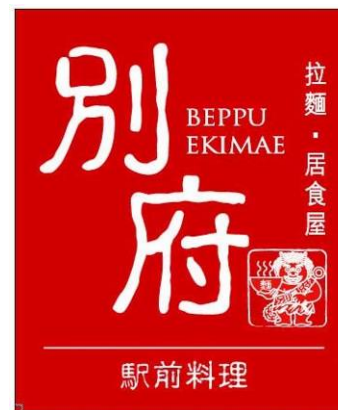
# Retail Facilities

Trade Mix as a % of Monthly Base Rent



# Retail Facilities

More new brand names introduced this year:



# Carpark Portfolio



	Year ended 31 March 2007	Period ended 31 March 2006
Carpark space allocation - monthly	87.0%	86.0%
Carpark space allocation - hourly	13.0%	14.0%
Gross receipts by monthly users	79.0%	78.7%
Gross receipts by hourly users	21.0%	21.3%
Utilisation of carpark space ( <i>at year/period end</i> )	71.6%	72.0%
Effective income per bay per month	HK\$923	HK\$913

# Marketing and Promotions



**Carnivals for Families**



**Chinese New Year 2007**



**Christmas 2006**



**Johnnie Walker Blue Label  
King George V Launch**



**Tenants Care Seminars**



**Joint Promotion with TVB & ATV**



**Cathay Pacific Party**



**Food Fair**



**Arts in the Plaza**



# Operating Efficiency

	Year ended 31 March 2007			Period ended 31 March 2006		
	HK\$'M		%	HK\$'M		%
Property managers' fees, staff costs, security & cleaning	682		17.2%	269		19.9%
Utilities	370		9.3%	95		7.0%
Repairs & maintenance	236		6.0%	83		6.1%
Government rent & rates	113		2.9%	39		2.9%
Promotion & marketing expenses	62		1.6%	20		1.5%
Other property operating expenses	75		1.9%	18		1.3%
Property expenses excluding estate common area costs	1,538		38.9	524		38.7
Estate common area costs	55		1.4%	17		1.3%
<b>Total property expenses</b>	<b>1,593</b>		<b>40.3%</b>	<b>541</b>		<b>40.0%</b>
<b>Net property income</b>	<b>2,361</b>		<b>59.7%</b>	<b>813</b>		<b>60.0%</b>
<b>Total revenue</b>	<b>3,954</b>		<b>100.0%</b>	<b>1,354</b>		<b>100.0%</b>

## New Initiatives

- To ensure leasing practices are aligned with the commercial sector, management fees are apportioned from rent for all new leases from 1 June 2007
- The concept of the Market Management Agent (MMA) has been introduced in a pilot scheme for eight directly managed markets starting from May 2007. The MMA will work with management to increase occupancy of the designated markets and also assist with managing the markets to improve services and eliminate tenancy malpractices

# Asset Enhancements



# Major Renovation in Progress & Under Planning

## 2005/IPO

1. Tsz Wan Shan
2. Hau Tak
3. Lung Cheung
4. Lok Fu
5. Stanley
6. Chung On
7. Tai Wo
8. Choi Ming

## 2006

1. Tsz Wan Shan
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7. Stanley
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9. Chung Fu
10. Wong Tai Sin
11. Butterfly
12. Cheung Fat
13. Wo Che
14. Lek Yuen
15. Ming Tak

## 2007

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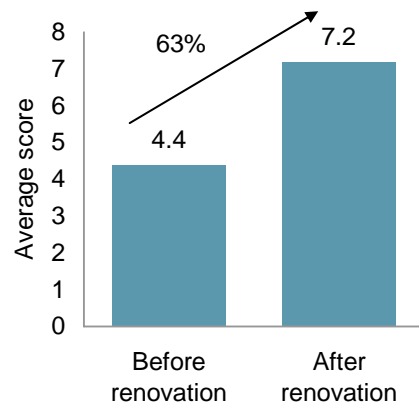
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# The First 8 Enhancement Projects

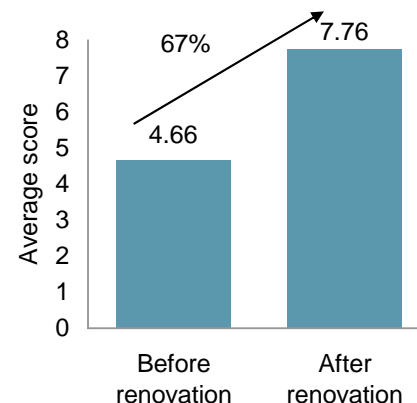
1. Tsz Wan Shan
2. Hau Tak
3. Lung Cheung

- Phase 1 of three centres, completed and well-recognised by user/tenants
- Quick-wins and good results achieved.

Customer satisfaction score –  
Tsz Wan Shan



Customer satisfaction score –  
Hau Tak



	<u>Cost of Inv.</u>	<u>Net Rental Increased p.a.</u>	<u>ROI</u>
	HK\$	HK\$	
<b>TWS</b>	27M	10.6M	39.3%
<b>HT</b>	26M	9.2M	35.4%
<b>LC</b>	9M	2.6M	28.9%

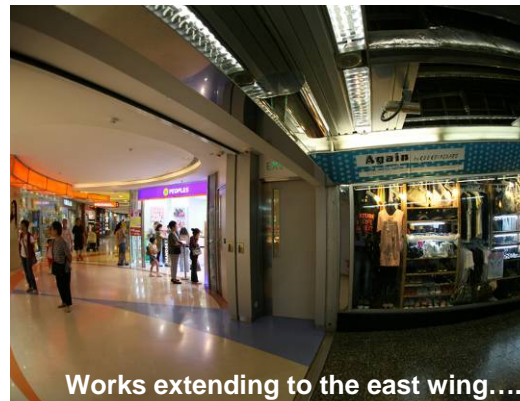
Source: Polytech University survey, June 06 and September 06

Note: A score from 1-10, 1 is the lowest, 10 is the highest

# The First 8 Enhancement Projects

1. Tsz Wan Shan
2. Hau Tak
3. Lung Cheung

■ On-going enhancements continue at the remaining areas



# The First 8 Enhancement Projects

## 4. Lok Fu

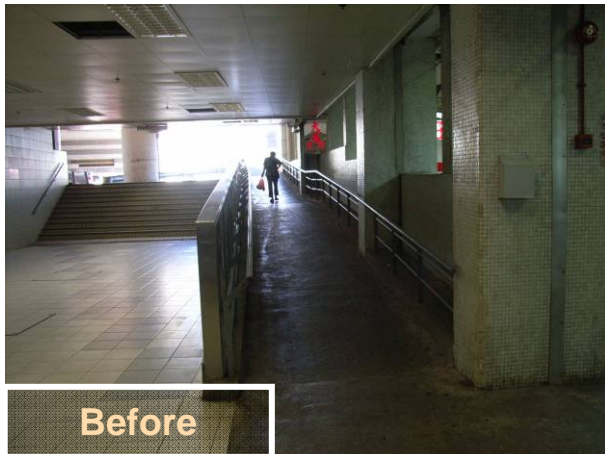
- Good progress of works underway
- Phase 1 completed for showcasing purpose
- Other phases to commence soon



The enhancement on 1/F is well-received by both tenants and commuters

# The First 8 Enhancement Projects

## 4. Lok Fu



A “market mall” will be created to re-house the valuable market tenants

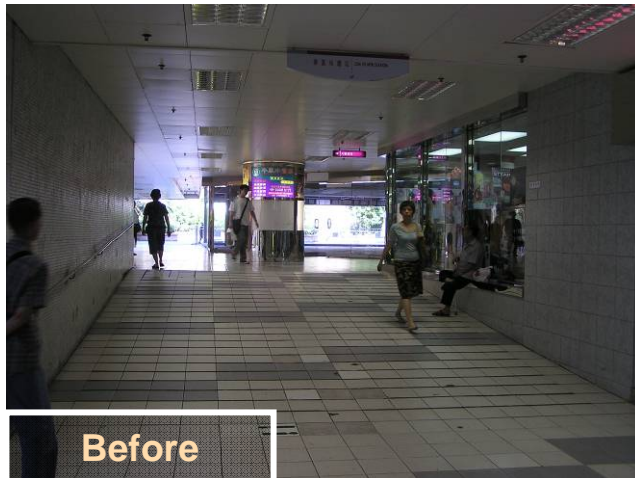


The enabling works are completed as an interfacing zone for the “Market Mall” to be commenced soon

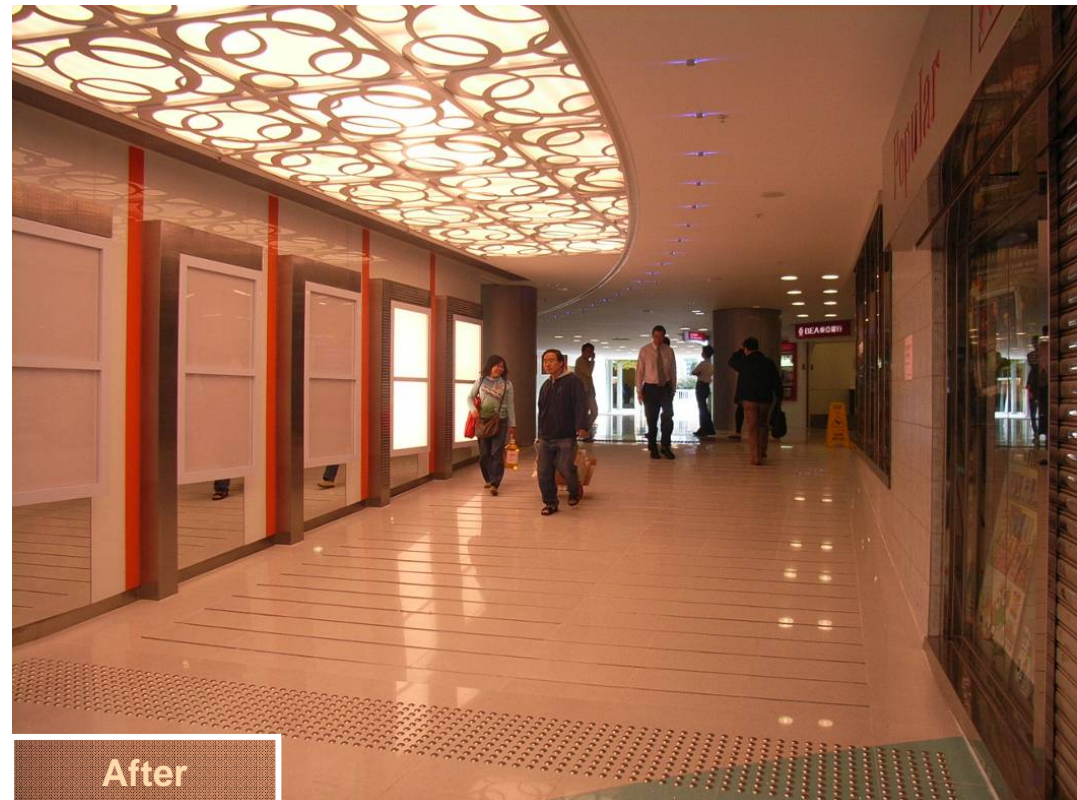


# The First 8 Enhancement Projects

## 4. Lok Fu



The shopping environment on 1/F was greatly improved and well received



# The First 8 Enhancement Projects

## 5. Stanley Plaza

- In advance stages of works already
- Short completion schedule - Nov 07
- Whole centre fully revamped by FY08/09



“Starbucks” was introduced at 2/F open terrace, more income generating area was added

# The First 8 Enhancement Projects

## 5. Stanley Plaza

Additional shops created from over-sized corridor and balcony



# The First 8 Enhancement Projects

## 5. Stanley Plaza



Under-utilized space and corridor with unpleasant appearance was converted into income generating area with better hardware and ambience



# The First 8 Enhancement Projects

## 5. Stanley Plaza

Additional lettable space was converted from open terrace and leased to a new brand “**Taste**” supermarket



# The First 8 Enhancement Projects

## 5. Stanley Plaza



Before

The existing toilet facilities are being upgraded in phases



After

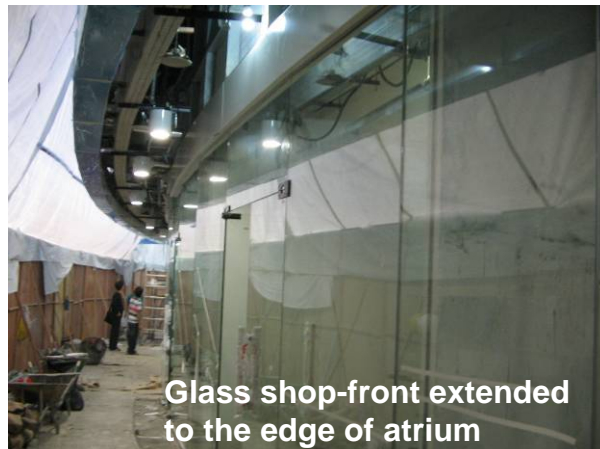
# The First 8 Enhancement Projects

## 6. Chung On

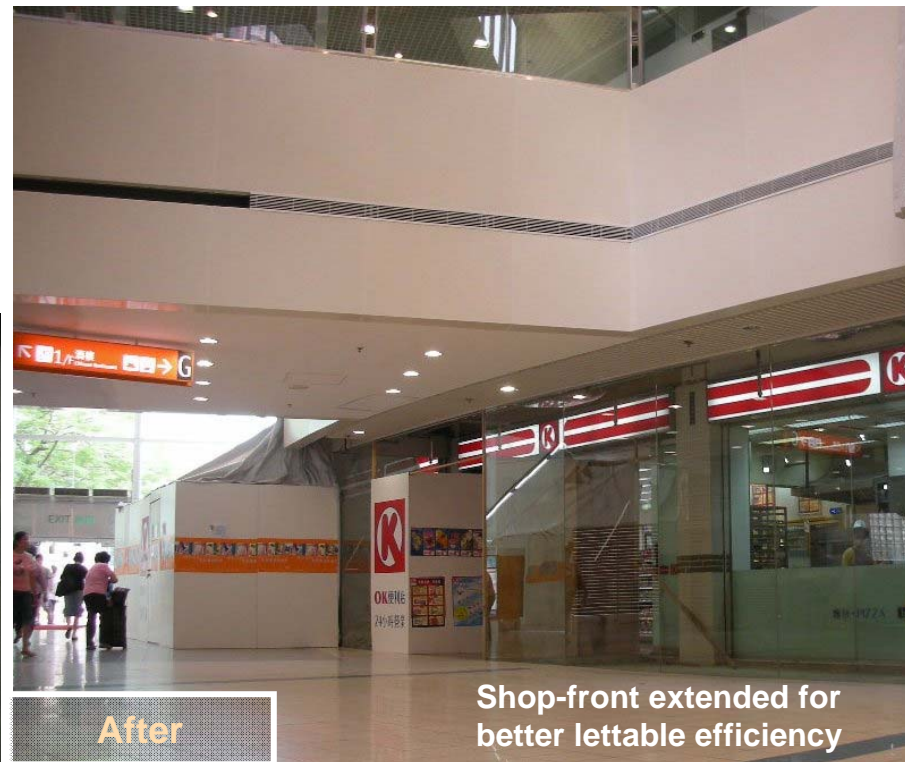
- In advance stages of works already
- New shop fronts were created from over-sized corridor on G/F
- Additional enhancement is under consideration



Before



Glass shop-front extended to the edge of atrium



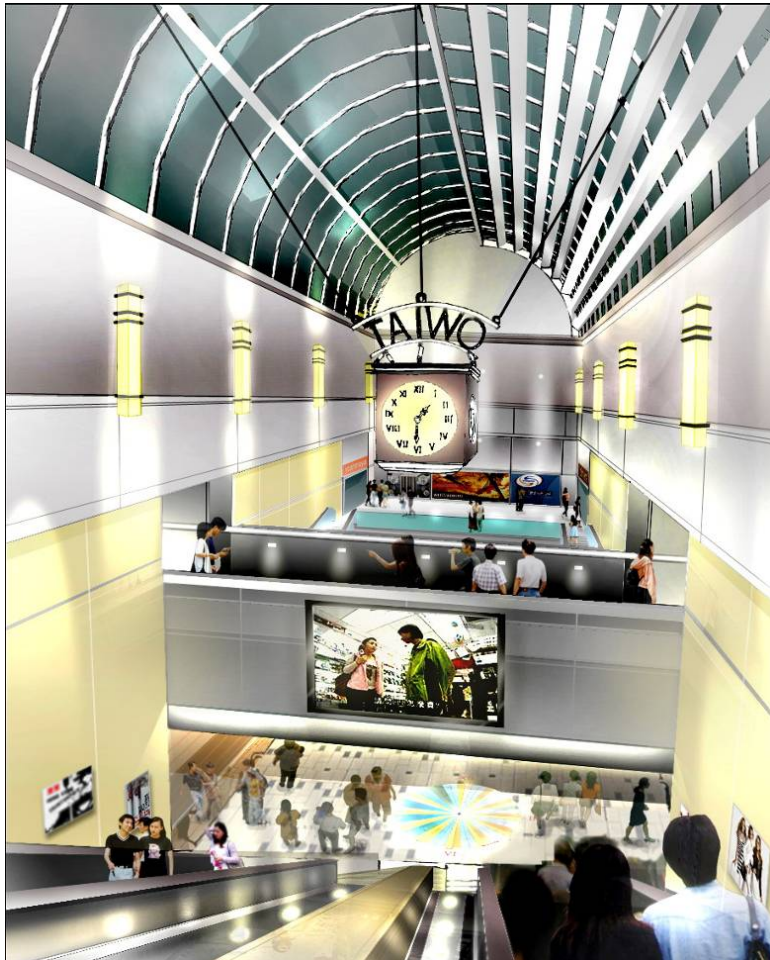
After

Shop-front extended for better lettable efficiency

# The First 8 Enhancement Projects

## 7. Tai Wo

- Phase 1 works commenced
- Details design completed
- Proposal submitted to government for approval



# The First 8 Enhancement Projects

## 8. Choi Ming

- Works started recently due to long approval period
- Site works was in good progress



Hoarding erected for site works, a new shopping zone will be completed in end 2007

# Major Renovation in Progress & Under Planning

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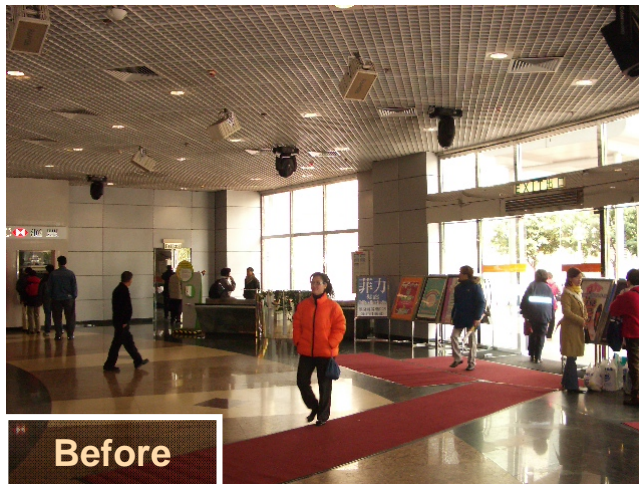
2007

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## 7 More Asset Enhancement Projects

### 9. Chung Fu



New shops were created as phase 1 for immediate rental income



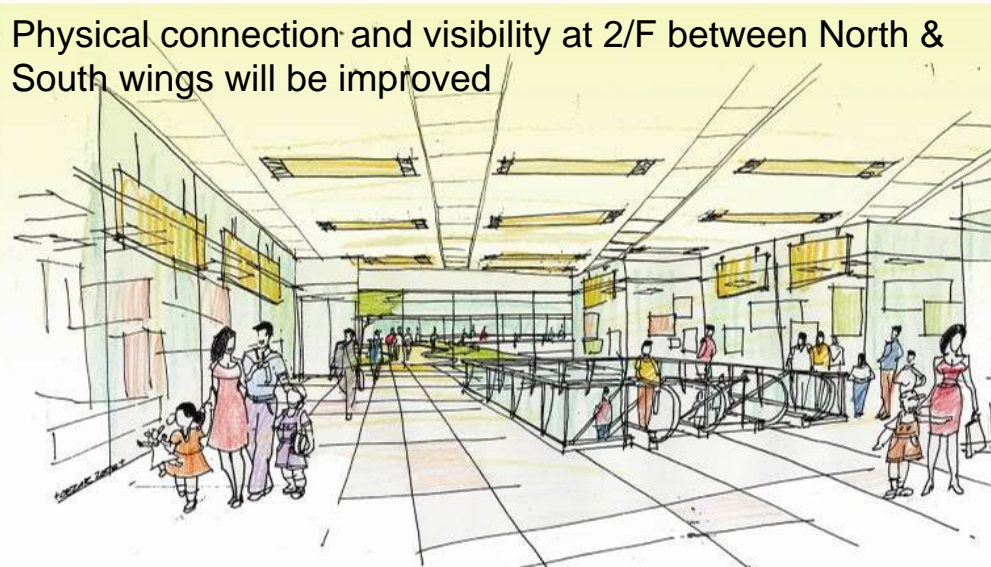
# 7 More Asset Enhancement Projects

## 9. Chung Fu

- Phase 2 of the works are in planning
- Government submission was made, and lease transformation are still underway
- Connection between 2 wings was improved



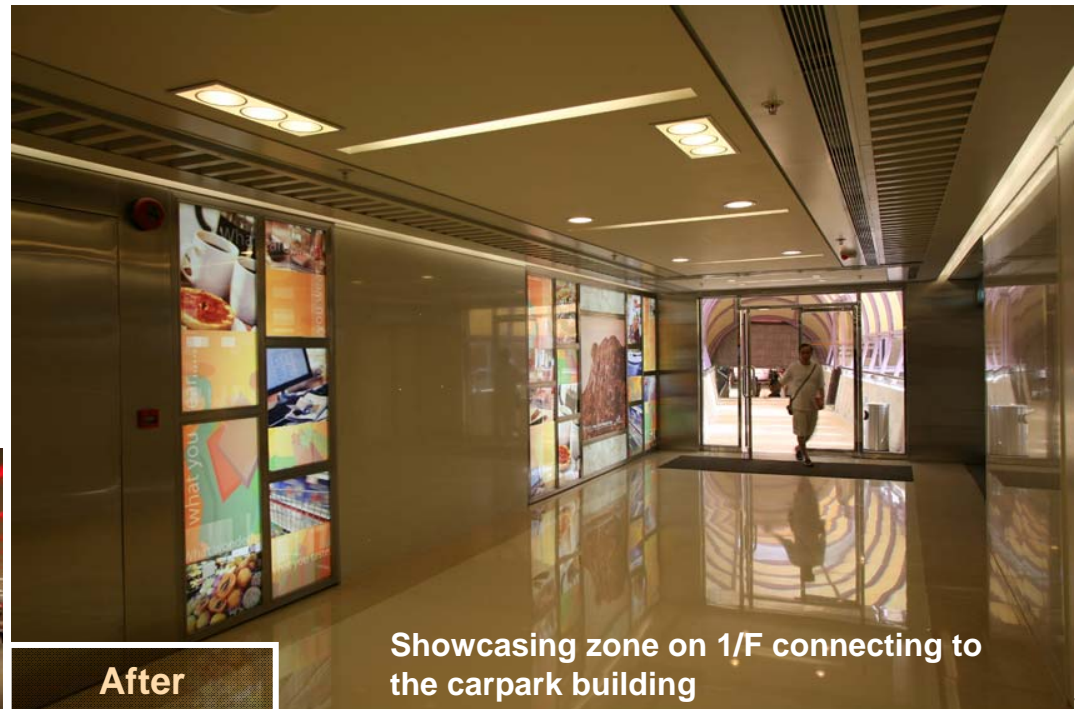
Physical connection and visibility at 2/F between North & South wings will be improved



# 7 More Asset Enhancement Projects

## 10. Wong Tai Sin

- Complicated building alterations in advanced planning stage
- Works not involving Government approval was started
- Phase 1 completed for showcasing



## 7 More Asset Enhancement Projects

### 10. Wong Tai Sin



Improvement works at carpark was also completed as phase 1 in order to tally with the overall progress

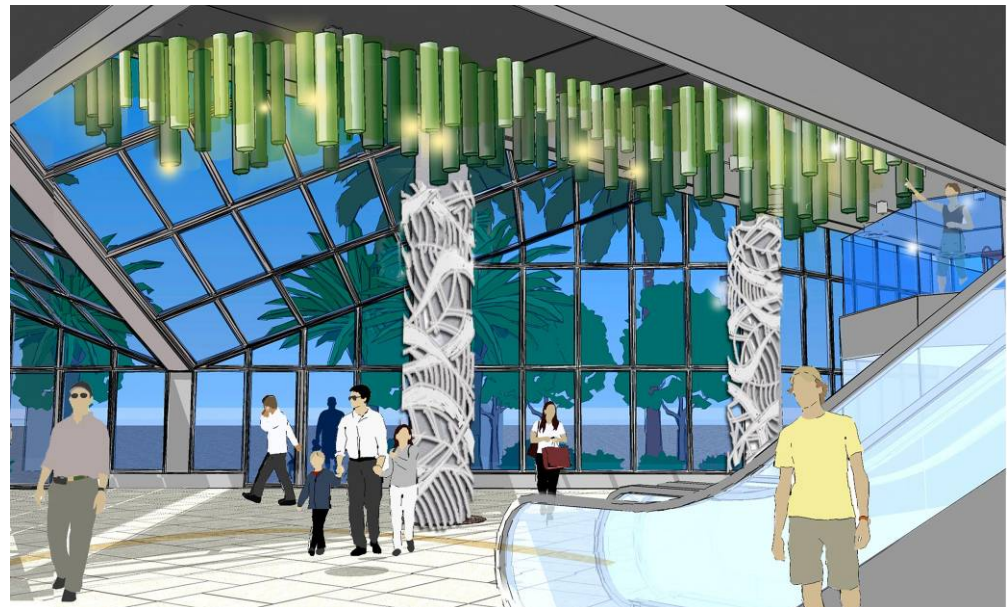
# 7 More Asset Enhancement Projects

## 11. Butterfly

- Approval from government received
- Major tenancies aligned to Feb 2008



The concept of “Garden Mall” will be introduced to this shopping centre



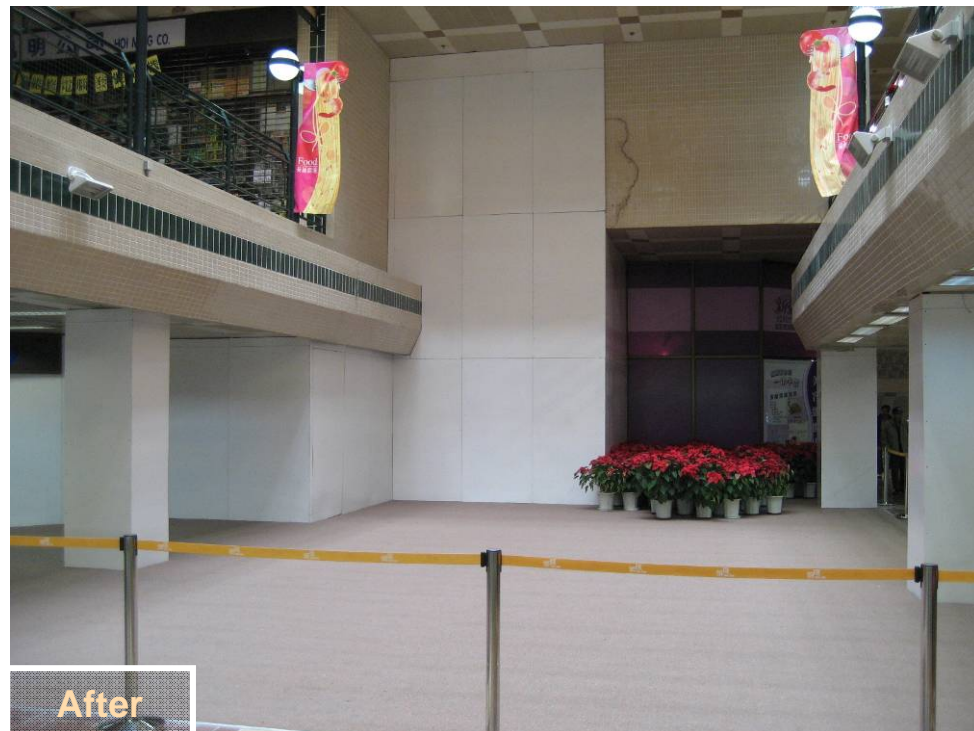
## 7 More Asset Enhancement Projects

### 12. Cheung Fat

- Main construction contract awarded
- Works not involving government approval was completed as phase 1 for immediate rental income



The out-dated facilities with unnecessary maintenance burden are removed to enable the AE works commencing soon



# 7 More Asset Enhancement Projects

## 12. Cheung Fat



Works not involving government approval was completed as phase 1 for immediate rental income



The concept of “Market Mall” is implemented on upper floors for daily necessity trades

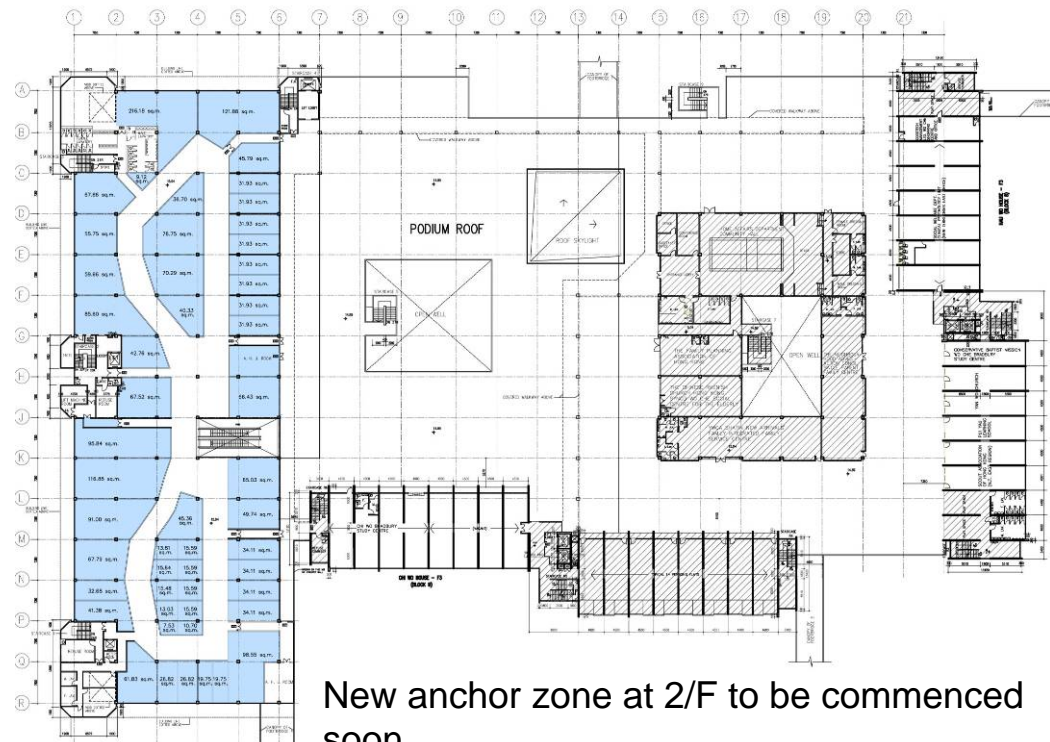
# 7 More Asset Enhancement Projects

## 13. Wo Che

- Re-partitioning works for the long vacant space at 2/F commenced to create an anchor corner
- Other areas planned to tally with lease expiry schedule



New escalator leading to 2/F

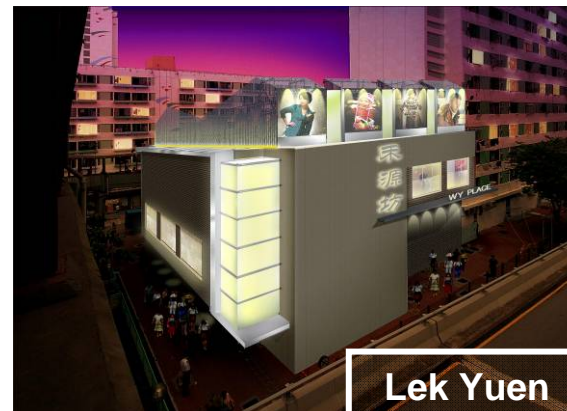


New anchor zone at 2/F to be commenced soon

## 7 More Asset Enhancement Projects

### 14. Lek Yuen

- Phase 1 for downsizing and re-modeling works of restaurant block at Lek Yuen is in progress



The restaurant block is being modernized for up-market shops

Lek Yuen

# 7 More Asset Enhancement Projects

## 15. Ming Tak

- Project completed in Feb 2007 by converting the vacant market into retail space
- Leasing negotiation in good progress



The vacant market is converted into a new shopping zone, some shops reserved for tenants relocation from Hau Tak

# Major Renovation in Progress & Under Planning

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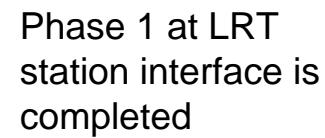
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24. Wan Tsui
25. Fu Tung
26. Kai Tin

領匯 The Link

- Phase 1 at LRT platform completed and was well received
- Strong demand by tenants for a fully air-conditioned mall



# 11 New AE Projects under planning

## 17. Tin Yiu

- In close proximity to local competitor
- Need to improve its competitiveness
- Mainly involve non-structural alteration



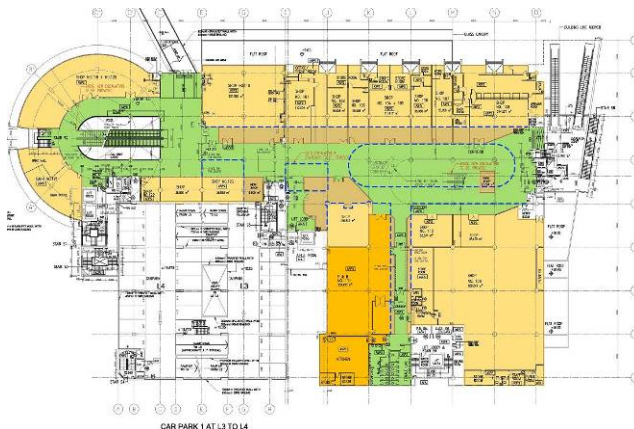
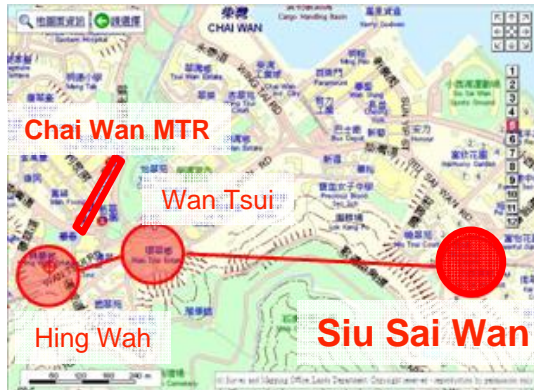
Internal corridor to be re-arranged for higher lettable efficiency



Entrance will be enhanced for better attraction

# 11 New AE Projects under planning

## 18. Siu Sai Wan



- Synergy of 3 malls (+Wan Tsui +Hing Wah)
- Opportunity in adding shops at under-utilized area
- To become a destination of the district



# 11 New AE Projects under planning

## 19. Oi Man



- Phase 1 shopfront improvement was completed
- Large HD office vacated, potentially be taken up by anchor tenant as major attraction
- Non-structural works commenced to enable the overall project progress



Atrium to be created for better visibility from G/F

# 11 New AE Projects under planning

## 20. Choi Yuen

- Hi-potential railway mall close to border
- Large rental gap could be narrowed by providing more choices with smaller shop size

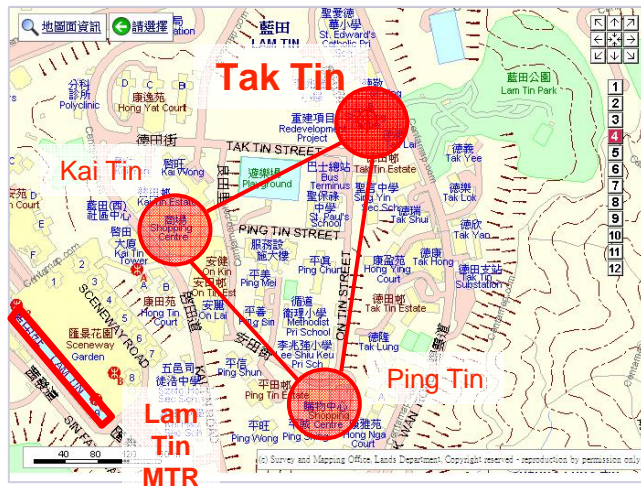


Shops at bridge level with high potential to attract cross-border visitors

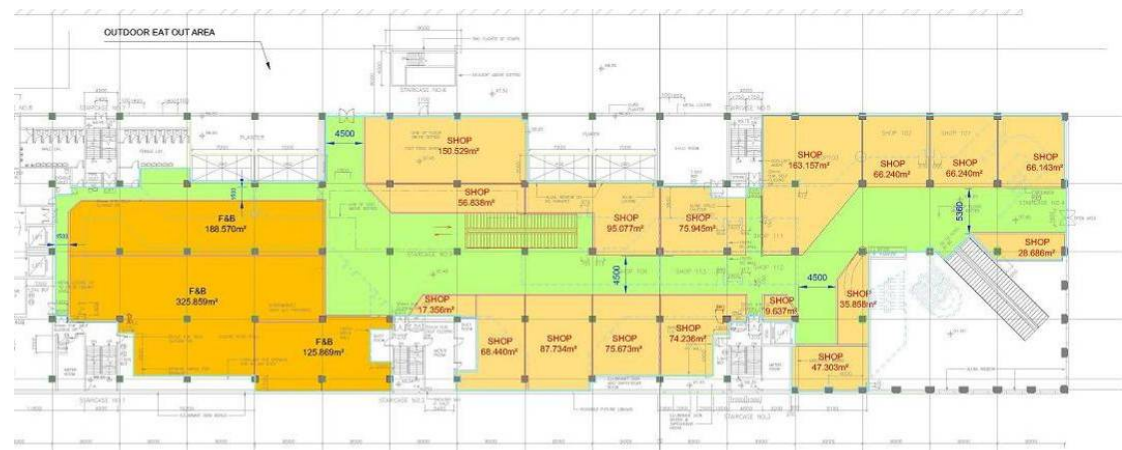


# 11 New AE Projects under planning

## 21. Tak Tin



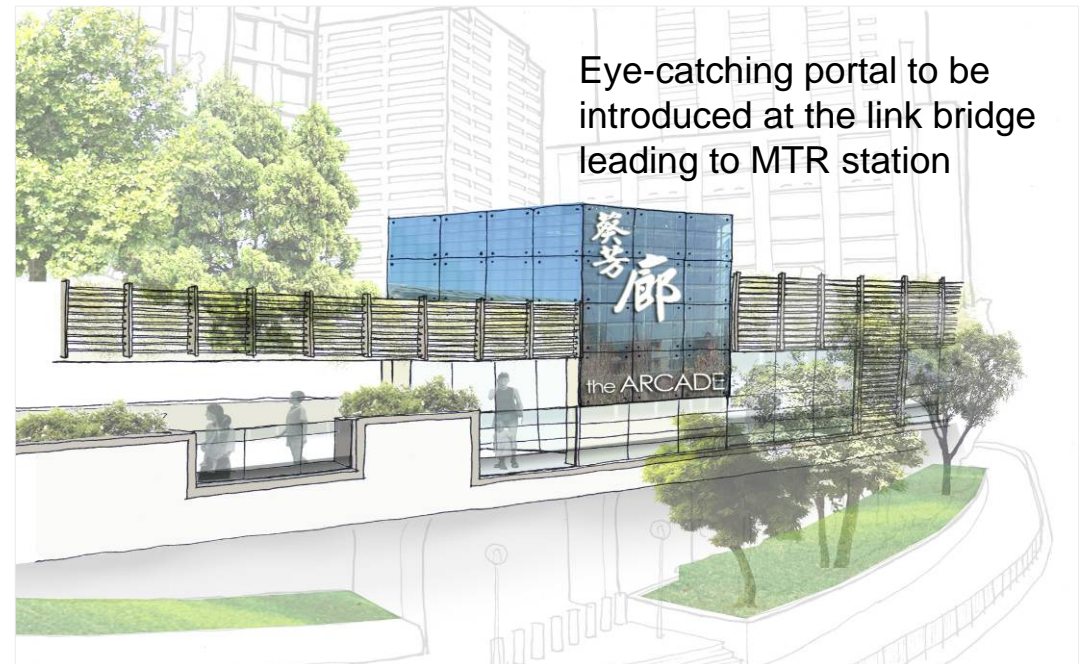
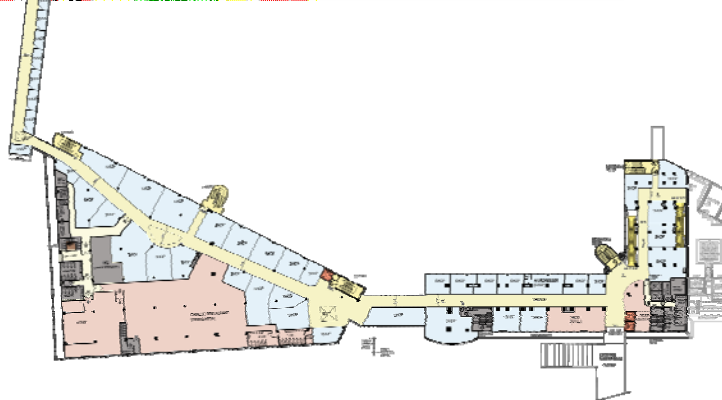
- Tak Tin was identified with high potential after completion of Lam Tin Estate Ph6 by 2010
- Great potential in improving dead-end condition
- Synergy of 3 “Tin”s in Lam Tin MTR area



# 11 New AE Projects under planning

## 22. Kwai Fong

- Creating a shopping ring together with nearby Metro-plaza & Kwai Chung Plaza
- Potential in high footfall from residential and industrial Office zones nearby
- Major tenancies aligned to Mar 08 for commencement of works



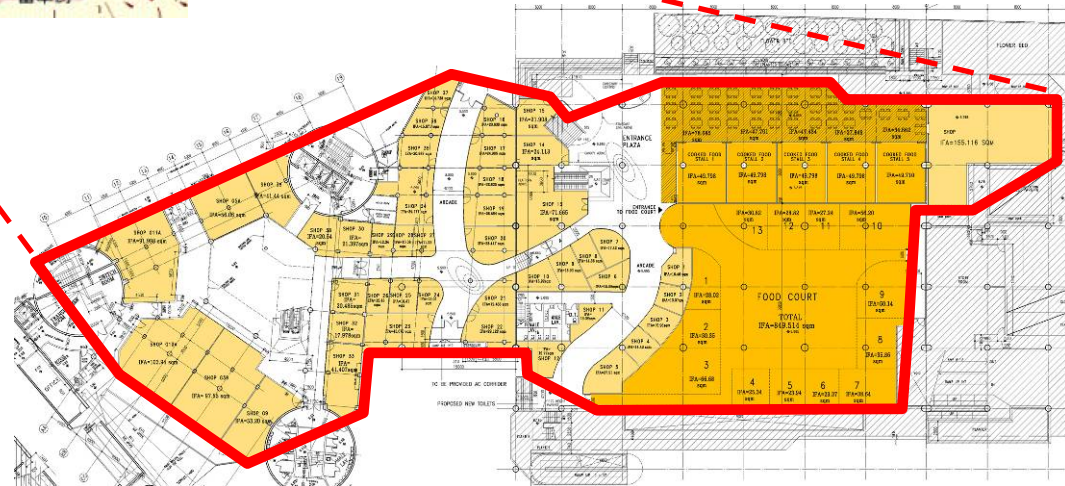
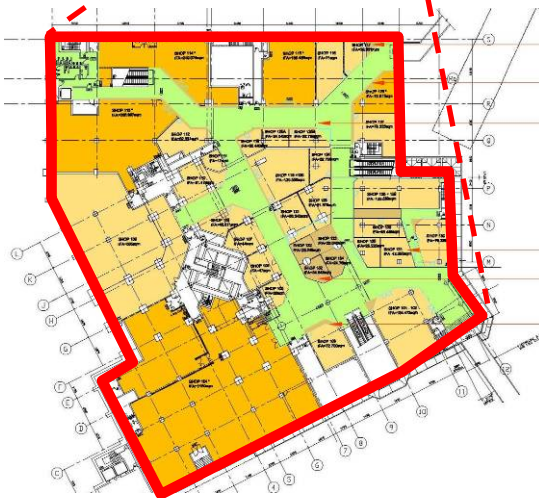
# 11 New AE Projects under planning

23. Hing Wah

24. Wan Tsui

- Hing Wah + Wan Tsui as 1 shopping ring at MTR Chai Wan Station
- Hing Wah will be positioned to a daily mall for necessity
- Wan Tsui has higher potential for higher end mall due to her better connection to MTR

Chai Wan MTR



# 11 New AE Projects under planning

## 25. Fu Tung



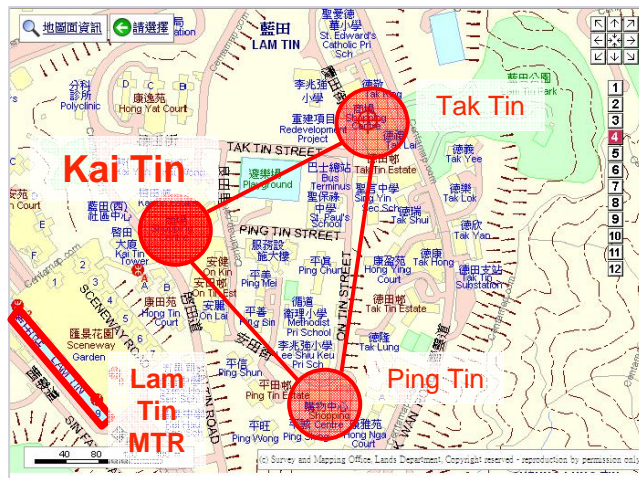
- The anchor restaurant repartitioned to release more retail space for higher income
- In close proximity to Tung Chung MTR Station and Ngong Ping Cable Car



Proposed new shopping zone at 1/F

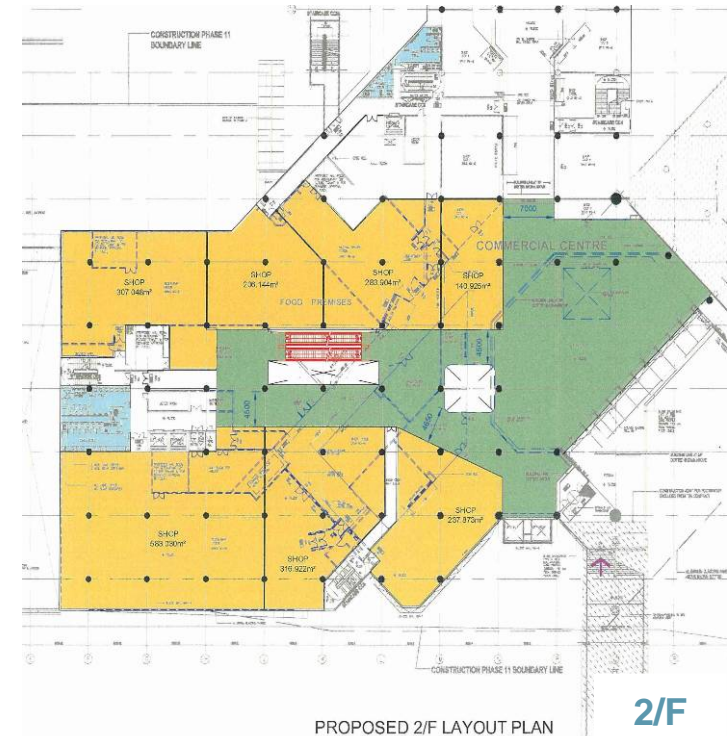
# 11 New AE Projects under planning

## 26. Kai Tin



- Face-lifting work at the new wing to accommodate Jusco was completed
- AE work at the old wing under planning, target for site works in early 2008

Escalators to be re-arranged for better vertical circulation



PROPOSED 2/F LAYOUT PLAN

2/F

# Timetable on 26 AEI

Project	Commencement	Target Completion	Capex / HK\$M
1) Tsz Wan Shan (Phase 3)	Aug 2006	1st Q 2008	29.8
2) Hau Tak (Phase 3)	Dec 2006	2nd Q 2009	46.0
3) Lung Cheung Mall (Phase 2)	Nov 2006	2nd Q 2007	10.0
4) Lok Fu	Aug 2006	2nd Q 2010	130.0
5) Choi Ming	Apr 2007	4th Q 2007	10.0
6) Tai Wo	Jan 2007	1st Q 2009	46.0
7) Stanley	Aug 2006	4th Q 2008	100.0
8) Chung On	Oct 2006	4th Q 2008	15.6
9) Chung Fu	May 2008	4th Q 2009	72.0
10) Wong Tai Sin	Aug 2006	2nd Q 2009	31.0
11) Butterfly	Aug 2007	1st Q 2009	35.0
12) Cheung Fat	Oct 2006	1st Q 2010	80.0
13) Wo Che	May 2007	1st Q 2009	50.0
14) Lek Yuen	Mar 2007	3rd Q 2009	29.0
15) Ming Tak	Sep 2006	2nd Q 2007	7.95
16) Leung King	Sep 2006	1st Q 2010	58.0
17) Siu Sai Wan	Oct 2007	4th Q 2009	49.0
18) Oi Man	Oct 2007	4th Q 2009	75.0
19) Kwai Fong	Mar 2008	1st Q 2010	29.0
20) Fu Tung	Nov 2007	4th Q 2008	28.0
21) Kai Tin	Apr 2008	3rd Q 2009	46.0
22) Tin Yiu	Mar 2007*	2nd Q 2009*	28.0 <sup>#</sup>
23) Choi Yuen	Dec 2007*	3rd Q 2009*	77.5 <sup>#</sup>
24) Tak Tin	Apr 2008*	3rd Q 2010*	50.0 <sup>#</sup>
25) Hing Wah	Apr 2008*	3rd Q 2010*	22.0 <sup>#</sup>
26) Wan Tsui	Apr 2008*	4th Q 2009*	66.0 <sup>#</sup>

**Notes** ( \* ) Date proposed to FIC  
( # ) Cost to be approved by FIC

Total: 1,220.9

# Financial Review

- Financial Results
- Financial Highlights
- Financial Management
- Other Financial Information
- Analyst Recommendations



# Financial Results

## Consolidated Income Statement for the year ended 31 March 2007

	Year ended 31 March 2007	Period ended 31 March 2006
	HK\$ Mil	HK\$ Mil
Gross Revenue	3,954	1,354
Property expenses	(1,593)	(541)
<b>Net Property Income</b>	<b>2,361</b>	<b>813</b>
Interest Income	60	5
General & administrative expenses	(88)	(42)
Finance costs on interest bearing liabilities	(578)	(201)
<b>Profit before taxation, change in fair values of investment properties and transactions with unitholders</b>	<b>1,755</b>	<b>575</b>
Change in fair values of investment properties	3,514	1,949
<b>Profit before taxation and transactions with unitholders</b>	<b>5,269</b>	<b>2,524</b>
Taxation	(915)	(443)
<b>Profit after taxation, before transactions with unitholders</b>	<b>4,354</b>	<b>2,081</b>

# Financial Results

<b>Distribution Statement</b>	<b>Year ended 31 March 2007 HK\$ Mil</b>	<b>Period ended 31 March 2006 HK\$ Mil</b>
<b>Profit after taxation, attributable to unitholders</b>	4,354	2,081
Adjustments:		
Change in fair values of investment properties	(3,514)	(1,949)
Deferred taxation on change in fair values	614	341
Other non-cash income/gain	(13)	(6)
<b>Total Distributable Income</b>	<b>1,441</b>	<b>467</b>
<b>Distributable Amount to Unitholders</b>	<b>1,441</b>	<b>467</b>
As a % of Total Distributable Income	100%	100%
<b>Distribution Per Unit</b>		
Interim	32.81¢	-
Final	34.62¢	21.81¢
<b>Total</b>	<b>67.43¢</b>	<b>21.81¢</b>

# Gross Revenue

	Year ended 31 March 2007 HK\$ Mil			Period ended 31 March 2006 HK\$ Mil	
Rental income from retail properties:					
Retail – Base rent	2,134	54.0%		727	53.7%
Retail – Turnover rent	32	0.8%		9	0.7%
	2,166	54.8%		736	54.4%
Market	460	11.6%		159	11.7%
Cooked Food Stalls	40	1.0%		14	1.0%
Education / Welfare	47	1.2%		16	1.2%
HD office and ancillary	86	2.2%		32	2.4%
Promotional venue	33	0.8%		11	0.8%
	2,832	71.6%		968	71.5%
Gross rental receipts from carpark:					
Monthly	696	17.6%		240	17.7%
Hourly	185	4.7%		65	4.8%
	881	22.3%		305	22.5%
Air- conditioning and other charges:					
Property related income	241	6.1%		81	6.0%
	3,954	100.0%		1,354	100.0%

# Average Unit Rent by Category

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

# Composite Reversion Rate

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

# Financial Results

## Finance Costs

	Year ended 31 March 2007	Period ended 31 March 2006
	HK\$ Mil	HK\$ Mil
Interest expense	578	201
Interest income	(60)	(5)
<b>Net interest expense</b>	<b>518</b>	<b>196</b>
EBITDA	2,282	774
Interest cover	4.4 times	3.9 times
Total Borrowing as at year/period end	12,177	12,169
Total asset value as at year/period end	45,235	40,691
Gearing as at year/period end	26.92%	29.91%

# Financial Results

Change in fair values of investment properties	Year ended 31 March 2007	Period ended 31 March 2006
	HK\$ Mil	HK\$ Mil
At beginning of the year/period	35,772	-
Acquisition of retail/carpark operations	-	33,802
Additions	271	21
<b>Change in fair values of investment properties</b>	<b>3,514</b>	<b>1,949</b>
At end of the year/period	39,557	35,772

# Financial Highlights

**Net Asset Value per Unit increased by 13% <sup>(1)</sup> from latest audited figure**

## Consolidated Balance Sheet as at 31 March 2007

	31 March 2007 HK\$ Mil	31 March 2006 HK\$ Mil
Non Current Assets	43,597	39,792
Current Assets	1,638	899
<b>Total Assets</b>	<b>45,235</b>	<b>40,691</b>
Current Liabilities	1,056	12,789
Non Current Liabilities	17,390	4,187
<b>Total Liabilities</b>	<b>18,446</b>	<b>16,976</b>
<b>Net Assets Attributable to Unitholders</b>	<b>26,789</b>	<b>23,715</b>
<b>Units in Issue</b>	<b>2,137,454,000</b>	<b>2,137,454,000</b>
<b>Net Asset Value Per Unit</b>	<b>HK\$12.53</b>	<b>HK\$11.09</b>

Note:

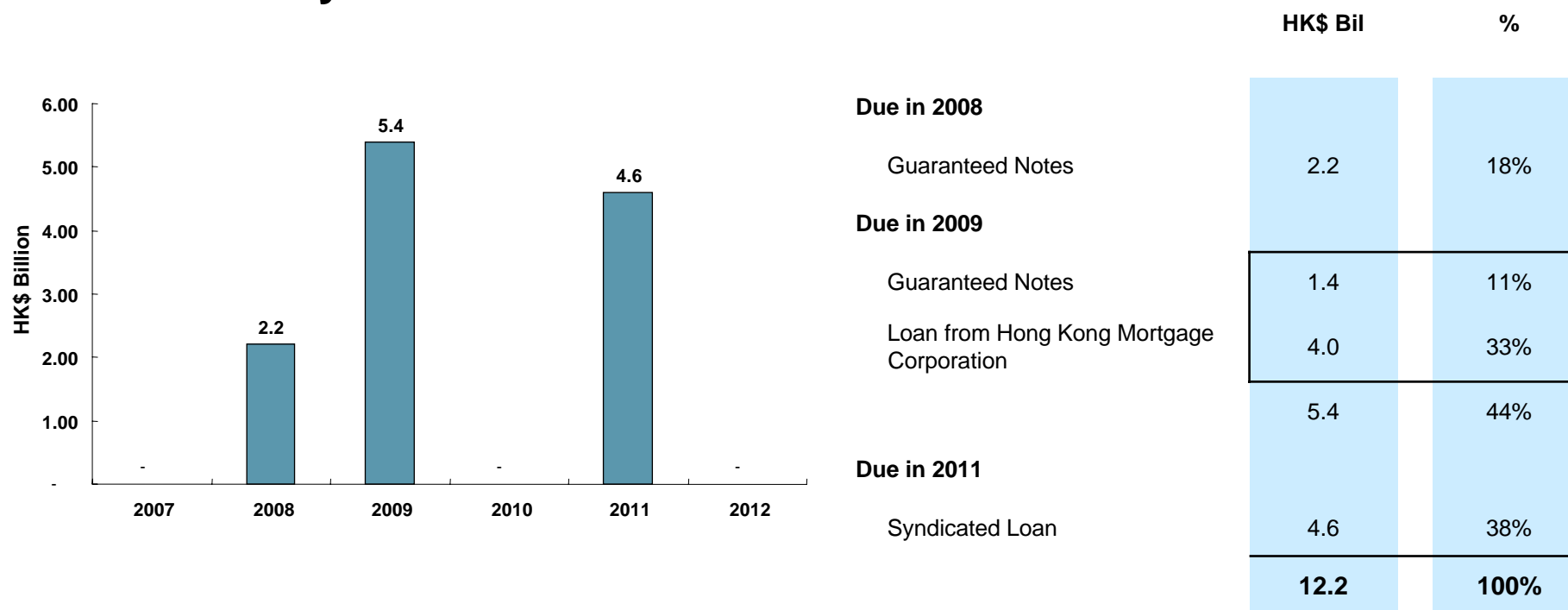
(1) Based on Net Asset Value per Unit of HK\$12.53 as at 31 Mar 2007 and HK\$11.09 as at 31 Mar 2006

# Movement of NAV per Unit

	Net Asset Value	
	Total HK\$ Mil	Per unit HK\$
Net asset value as at 1/4/2006	23,715	11.09
Distributable income for the year ended 31/3/2007	1,441	0.67
Other non-cash income	13	0.01
Change in fair values of investment properties	3,514	1.65
Deferred tax on change in fair values of investment properties	(614)	(0.29)
Change in fair values of cash flow hedges	(111)	(0.05)
	27,958	13.08
Less: Final distribution for the period ended 31/3/2006	(467)	(0.22)
Interim distribution for the year ended 31/3/2007	(702)	(0.33)
Net asset value as at 31/3/2007	26,789	12.53

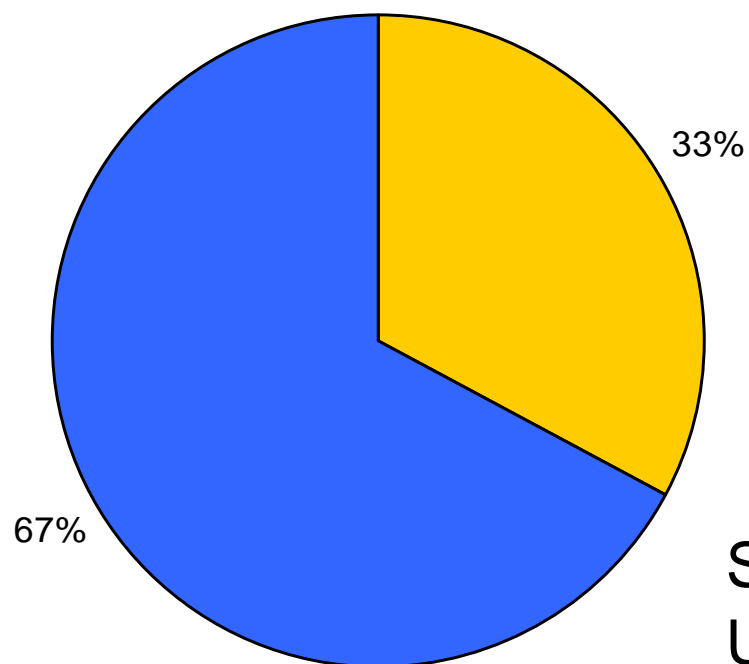
No. of units in issue as at 31/3/2007 : 2,137,454,000 units

## Debt Maturity



- Average outstanding life of the loan facilities as at 31 March 2007: 38 months
- Outstanding interest rate swap contracts at 31 March 2007: HK\$4 Billion
- 54% of total available facilities at 31 March 2007 at fixed rates

## Debt Security



Secured  
Unsecured

HK\$ Bil	%
4.0	33%
8.2	67%
<b>12.2</b>	<b>100%</b>

<b>Cash Resources and Market Capitalisation</b>	<b>Year ended 31 March 2007 HK\$ Mil</b>	<b>Period ended 31 March 2006 HK\$ Mil</b>
Undrawn bank loan facilities	400	331
Net Cash at bank and on hand	1,528	767
Total cash resources	1,928	1,098
<i>(HK\$)</i>		
Net asset value per unit	12.53	11.09
Market price per unit	18.80	16.80
Premium	50%	51%
<b>Market capitalisation</b>	<b>HK\$40,184 mil.</b>	<b>HK\$35,909 mil.</b>

## Other Financial Information

- Ratings:
  - ✚ S&P – Corporate credit rating of “A grade with a stable outlook”
  - ✚ Moody’s – Corporate family rating of “A3 grade with a stable outlook”
- Signed a 5-year syndicated loan for an unsecured HK\$5 billion term and revolving loan facility with interest rate at HIBOR plus 31 basis points
- Issued of Guaranteed Notes in August 2006 amounting in the aggregate to HK\$3.6 billion. The issuance of the Notes was awarded the “Local currency bond markets in Asia ex-Japan: Best Hong Kong Dollar Bond” by Euromoney, a leading international financial journal, in 2006
- Entered into an agreement for the sale of purchase of a HK\$4 billion mortgage loan with the Hong Kong Mortgage Corporation Limited. This is the first ever sale of mortgage loan by a real estate investment trust in Hong Kong
- Named Asia’s Best Newly Listed Company in the “Asia’s Best Managed Companies 2006” survey conducted in October 2006 by Euromoney

# Analyst Recommendations

Last Update	Firm Name	Recommendation
6 June, 2007	Goldman Sachs	Neutral / Attractive
5 June, 2007	Lehman Brothers	Equal Weight / Positive
2 April, 2007	Macquarie	Underperform
16 February, 2007	JPMorgan	Overweight
20 December, 2006	HSBC	Neutral
19 December, 2006	Daiwa Institute	Hold
22 November, 2006	Bank of China International	Market Perform
17 November, 2006	UBS	Buy 1
9 November, 2006	Fox-Pitt, Kelton	Outperform
6 September, 2006	Citigroup Investment Research	Buy

[Source: Bloomberg]

# Questions & Answers

## Thank You

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