



The Link Real Estate Investment Trust

*(a Hong Kong unit trust authorised under section 104
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*
(stock code: 823)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2007

The board of directors (the “Board”) of The Link Management Limited (the “Manager”), as the manager of The Link Real Estate Investment Trust (“The Link REIT”) is pleased to announce the audited consolidated final results of The Link REIT and its subsidiaries (the “Group”) for the year ended 31 March 2007.

The final results and the audited financial statements of the Group for the financial year ended 31 March 2007 have been reviewed by the Audit Committee of the Manager and subsequently approved by the Board at its meeting on 8 June 2007.

TOTAL DISTRIBUTABLE INCOME

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

Non-cash income/gains such as “Change in fair values of investment properties” as they appear in the Consolidated Income Statement have been adjusted to eliminate the effects of such adjustments as defined in the Trust Deed. Total Distributable Income was HK\$1,441 million for the year ended 31 March 2007 as compared to HK\$467 million for the period ended 31 March 2006.

It is the Manager’s current policy to distribute to unitholders 100% of The Link REIT’s Total Distributable Income for the financial year ended 31 March 2007. With an interim distribution per unit of HK\$0.3281 and a final distribution per unit approved by the Board of HK\$0.3462, total distribution per unit for the year is HK\$0.6743. The distribution per unit for the year of HK\$0.6743 (Period ended 31 March 2006: HK\$0.2181) represents a distribution yield of 6.55% based on the final initial public offer price of HK\$10.30. This is an increase of 9.2% over the committed distribution per unit of HK\$0.6176 as indicated in the Offering Circular for the year ended 31 March 2007.

A distribution reinvestment scheme will be available to the unitholders and the unitholders can elect to receive the distribution in respect of the year ended 31 March 2007 in the form of cash, or in the form of new units of The Link REIT, or a combination of both. Please refer to the “Distribution Reinvestment Scheme” section below for more information.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

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

As at 31 March 2007, the portfolio provided an internal floor area of approximately 1,015,000 square metres of retail space and around 80,000 carpark spaces. The occupancy rate of the retail facilities was 90.3% as at 31 March 2007 (2006: 91.2%). The utilisation rate for the carpark facilities, calculated as a percentage of total monthly tickets sold compared with the total number of monthly carpark spaces available, was 71.6% (2006: 72.0%).

The Manager

The Manager is licensed by the Securities and Futures Commission to conduct the regulated activity of asset management and is responsible for managing The Link REIT's portfolio of 180 properties. As at 31 March 2007, the Manager had 340 (2006: 288) staff. Key activities of the Manager include leasing, property management, enhancement and maintenance work, investment, fund management and associated corporate services.

Asset Enhancement

Asset enhancement at the first three identified major shopping centres, Tsz Wan Shan Shopping Centre, Lung Cheung Mall and Hau Tak Shopping Centre have been substantially completed with the remaining works to be completed by March 2008. Asset enhancement, together with a proactive leasing strategy to bring in new trades as part of a continual trade mix upgrading on our part and the upgrading of shop designs and mode of operations by existing tenants, have contributed to enlivening these centres, delivering more choices to shoppers and improving the overall business environment and ambience for new and existing tenants.

According to surveys conducted by The Hong Kong Polytechnic University, overall customer satisfaction ratings jumped by over 60% on completion of asset enhancement projects. In addition, more than 80% of customers interviewed have voiced their support for us to carry out similar enhancement work at our other properties. In view of this, we have already commenced work and/or are aligning tenancies for asset enhancement work on 23 other shopping centres.

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

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

Leasing

During the year under review, the Manager has continued with adopting a flexible leasing strategy in order to attract and retain tenants but also in keeping with asset enhancement plans so as to align tenancies for phased refurbishment/renovation plans. 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 done on a continual basis and is done in line with planned tenancy expiries as well as asset enhancement projects. We have also achieved good progress in increasing tenancies with turnover rent clauses so that we can share in the upside with our tenants as their businesses improve. Number of tenancies with such clauses has increased to 561 (2006: 313) with turnover rent for the year amounting to HK\$32 million (Period ended 31 March 2006: HK\$9 million).

Category	Total IFA (sqm)	Leased IFA (sqm)	Vacancy IFA (sqm)	As at 31 March 2007		Average base rent per month per leased IFA	
				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 offices and ancillary	27,612	19,852	7,760	71.9%	28.1%	11.5	9.9
Total excluding Self use offices	1,004,943	907,125	97,818	90.3%	9.7%	23.6	23.0
Self use offices	10,335	N/A	N/A	N/A	N/A	N/A	N/A
Total including Self use offices	1,015,278						
Excluding Self use offices, Education/Welfare only	919,564	826,711	92,853	89.9%	10.1%	25.5	24.8
Excluding Self use offices, Education/ Welfare, HD offices and ancillary	891,952	806,859	85,093	90.5%	9.5%	25.9	25.4

Composite Reversion Rate	Year ended	Period ended
	31 March 2007	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
Overall excluding Education/Welfare	10.28	3.72
	Year ended	Period ended
Revenue	31 March 2007	31 March 2006
	HK\$'M	HK\$'M
Retail	2,166	736
Market	460	159
Cooked Food Stalls	40	14
Education/Welfare	47	16
HD offices and ancillary	86	32
Promotional venue	33	11
Carparks	881	305
Other revenues	241	81
Total	3,954	1,354

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

Portfolio Management

Major Real Estate Agents and Contractors

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

Top Five Contractors

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

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

Property Valuation

As at 31 March 2007, The Link REIT's property portfolio was revalued by an independent professional property valuer and recorded a revaluation gain of HK\$3,514 million as compared with the valuation as at 31 March 2006. CB Richard Ellis Limited ("CBRE"), the appointed valuers, have primarily used two methodologies, the discounted cash flow analysis and the income capitalisation approach, supported by the direct comparison method, in arriving at the market valuation for each individual property in the portfolio.

The movements of fair values are tabulated below:

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

Financial Review

Revenue and Net Property Income

Revenue and net property income from the properties portfolio for the year ended 31 March 2007 were HK\$3,954 million (Period ended 31 March 2006: HK\$1,354 million) and HK\$2,361 million (Period ended 31 March 2006: HK\$813 million), respectively. Total retail revenue amounted to HK\$2,832 million (Period ended 31 March 2006: HK\$968 million) with HK\$881 million (Period ended 31 March 2006: HK\$305 million) of carpark income and HK\$241 million (Period ended 31 March 2006: HK\$81 million) of other income. Net property income represented approximately 60% of total revenue after the deduction of property management costs and other property operating expenses resulting in an expenditure-to-income ratio of approximately 40%.

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

Funding and Financing

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

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

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

On 4 September 2006, the Group entered into an agreement for the sale and purchase of a HK\$4 billion mortgage loan with the Hong Kong Mortgage Corporation Limited. The loan will be repayable in 2009 unless the Group exercises its option to extend the loan for another year. This is the first ever sale of mortgage loan by a real estate investment trust in Hong Kong. The transaction was completed on 27 November 2006.

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

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

In terms of the Group's available financial resources as at 31 March 2007, the Group had total undrawn bank loan facilities of HK\$400 million and net cash at bank and on hand of HK\$1,528 million. The deposits are with maturities that have been well planned to satisfy its 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.

Gearing Ratio

As at 31 March 2007, the loan to asset ratio for the Group was 26.9% (2006: 29.9%), based on total borrowings of HK\$12,177 million (2006: HK\$12,169 million) and total gross asset value of HK\$45,235 million (2006: HK\$40,691 million), after the revaluation conducted by CBRE for the properties portfolio, the result of which has been reflected in the valuation report and audited accounts.

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

Credit Ratings

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

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

Gross Liabilities and Net Assets

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

Units in Issue

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

Human Resources Development

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

Future Prospect

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

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

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2007

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

Note: Earnings per unit, based upon profit after taxation and before transactions with unitholders and the average number of units in issue, is set out in note 6 to the consolidated financial statements.

STATEMENT OF DISTRIBUTIONS

For the year ended 31 March 2007

	Year ended 31 March 2007	Period from 6 September 2005 to 31 March 2006 (Operational since 25 November 2005, the listing date)
	<i>HK\$'M</i>	<i>HK\$'M</i>
Profit for the year/period, before transactions with unitholders	4,354	2,081
Adjustments:		
Change in fair values of investment properties	(3,514)	(1,949)
Deferred taxation on change in fair values	614	341
Other non-cash income	(13)	(6)
Total Distributable Income	<u>1,441</u>	<u>467</u>
Interim distribution, paid	702	–
Final distribution, to be paid to the unitholders	739	467
Distributable amount for the year/period	<u>1,441</u>	<u>467</u>
As a percentage of Total Distributable Income	<u>100%</u>	<u>100%</u>
Units in issue	<u>2,137,454,000</u>	<u>2,137,454,000</u>
Distributions per unit to unitholders:		
Interim distribution per unit, paid	32.81 HK cents	–
Final distribution per unit, to be paid to the unitholders	<u>34.62 HK cents</u>	<u>21.81 HK cents</u>
Distribution per unit for the financial year/period	<u>67.43 HK cents</u>	<u>21.81 HK cents</u>

CONSOLIDATED BALANCE SHEET*As at 31 March 2007*

	<i>Note</i>	2007 HK\$'M	2006 HK\$'M
Non-current assets			
Goodwill		3,988	3,988
Investment properties		39,557	35,772
Property, plant and equipment		52	32
		43,597	39,792
Current assets			
Accounts and other receivables	7	92	122
Deposits and prepayments		18	10
Short term bank deposits		1,475	453
Cash and cash equivalents		53	314
		1,638	899
Total assets		45,235	40,691
Current liabilities			
Accounts payable, receipt in advance and accruals	8	738	332
Security deposits		318	288
Interest bearing liabilities	9	–	12,169
		1,056	12,789
Net current assets/(liabilities)		582	(11,890)
Total assets less current liabilities		44,179	27,902
Non-current liabilities, excluding net assets attributable to unitholders			
Interest bearing liabilities	9	12,177	–
Deferred tax liabilities		5,102	4,187
Other non-current liabilities		111	–
		17,390	4,187
Total liabilities, excluding net assets attributable to unitholders		18,446	16,976
Net assets attributable to unitholders		26,789	23,715
Units in issue		2,137,454,000	2,137,454,000
Net asset value per unit		HK\$12.53	HK\$11.09

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS**
For the year ended 31 March 2007

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (the “REIT Code”). HKFRS is a collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

Accounting policies have been consistently applied and there is no significant change in accounting policies from those which were disclosed in the audited financial statements for the period from 6 September 2005 (date of establishment) to 31 March 2006.

2 Revenues

Revenues recognised during the year/period comprise:

	Year ended 31 March 2007 <i>HK\$'M</i>	Period ended 31 March 2006 <i>HK\$'M</i>
Rental income from retail properties	2,832	968
Gross rental receipts from car parks	881	305
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	3,713	1,273
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Other revenues		
Air-conditioning service fees	236	80
Other property related income	5	1
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	241	81
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total revenues	3,954	1,354
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Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover amounting to HK\$32 million (Period ended 31 March 2006: HK\$9 million) have been included in the rental income.

3 Segment information

	Retail properties <i>HKS 'M</i>	Carparks <i>HKS 'M</i>	Head office <i>HKS 'M</i>	Total <i>HKS 'M</i>
For the year ended 31 March 2007				
Revenues	<u>3,073</u>	<u>881</u>	<u>–</u>	<u>3,954</u>
Segment results	1,889	472	(88)	2,273
Change in fair values of investment properties	2,914	600	–	3,514
Interest income				60
Finance costs on interest bearing liabilities				<u>(578)</u>
Profit before taxation and transactions with unitholders				5,269
Taxation				<u>(915)</u>
Profit for the year, before transactions with unitholders				<u>4,354</u>
Capital expenditure	239	32	29	300
Depreciation	<u>–</u>	<u>–</u>	<u>9</u>	<u>9</u>
As at 31 March 2007				
Segment assets	32,294	7,340	85	39,719
Goodwill				3,988
Short term bank deposits				1,475
Cash and cash equivalents				<u>53</u>
				<u>45,235</u>
Segment liabilities	830	112	114	1,056
Interest bearing liabilities				12,177
Deferred tax liabilities				5,102
Other non-current liabilities				<u>111</u>
				<u>18,446</u>
Net assets attributable to unitholders				<u>26,789</u>
For the period ended 31 March 2006				
Revenues	<u>1,049</u>	<u>305</u>	<u>–</u>	<u>1,354</u>
Segment results	660	153	(42)	771
Change in fair values of investment properties	1,821	128	–	1,949
Interest income				5
Finance costs on interest bearing liabilities				<u>(201)</u>
Profit before taxation and transactions with unitholders				2,524
Taxation				<u>(443)</u>
Profit for the period, before transactions with unitholders				<u>2,081</u>
Capital expenditure	20	1	9	30
Depreciation	<u>–</u>	<u>–</u>	<u>3</u>	<u>3</u>
As at 31 March 2006				
Segment assets	29,114	6,726	96	35,936
Goodwill				3,988
Short term bank deposits				453
Cash and cash equivalents				<u>314</u>
				<u>40,691</u>
Segment liabilities	509	19	92	620
Interest bearing liabilities				12,169
Deferred tax liabilities				<u>4,187</u>
				<u>16,976</u>
Net assets attributable to unitholders				<u>23,715</u>

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

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

5 Taxation

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

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

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

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

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

7 Accounts and other receivables

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

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

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

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

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

8 Accounts payable, receipt in advance and accruals

Included in accounts payable, receipt in advance and accruals is accounts payable, the ageing analysis of which is as follows:

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

9 Interest bearing liabilities

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

Interest bearing liabilities are repayable as follows:

Due within one year		
Unsecured one year bridging loan facility	–	12,169
	–	–
Due between one and two years		
Guaranteed notes	2,196	–
	–	–
Due between two and five years		
Guaranteed notes	1,395	–
Syndicated loan	4,586	–
Other loan	4,000	–
	<u>9,981</u>	–
	<u>12,177</u>	<u>12,169</u>

Note: The effective interest rate of the interest bearing liabilities at the balance sheet date was 4.66% (2006: 4.74%). The carrying amounts of the interest bearing liabilities approximate their fair values.

10 Security for the Group's loan facilities

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

11 Contingent liabilities

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

PURCHASE, SALE OR REDEMPTION OF UNITS

During the year ended 31 March 2007, neither the Manager nor any of the subsidiaries of The Link REIT had purchased, sold or redeemed any of The Link REIT's units.

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.

During the financial year ended 31 March 2007, both the Manager and The Link REIT have complied with the provisions of the REIT Code, the relevant provisions of the Securities and Futures Ordinance, the relevant sections of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") applicable to The Link REIT, the Trust Deed and the requirements and procedures laid down in the compliance manual of the Manager adopted for use in relation to the management of The Link REIT. The 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.

PROGRESS REPORT OF THE TITLE TRANSFER OF THE PROPERTIES

As a condition of a modification of Rules 4.2(k), 5.2(c) and 7.7 of the REIT Code regarding the legal title requirements granted to The Link REIT, the progress of the conveyance of the legal and beneficial title of the 180 properties to The Link REIT shall be reported in the annual report and the results announcement of The Link REIT for the financial year ended 31 March 2007. As at 8 June 2007, there are 111 properties with both legal and beneficial title held by The Link REIT and 69 properties with beneficial title held by The Link REIT.

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the distribution for the year ended 31 March 2007 will be 26 June 2007. For the purpose of the distribution, the register of unitholders will be closed from 25 June 2007 to 26 June 2007, both dates inclusive. In order to qualify for the distribution, all transfers, accompanied by the relevant unit certificates, must be lodged with The Link REIT's unit registrar, Computershare Hong Kong Investor Services Limited (the "Unit Registrar") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 22 June 2007. The distribution will be paid to the unitholders on or about 22 August 2007.

For the purpose of the annual general meeting, the register of unitholders will be closed from 18 July 2007 to 23 July 2007, both dates inclusive. In order to be eligible to attend and vote at the annual general meeting, all transfers, accompanied by the relevant unit certificates, must be lodged with the Unit Registrar at its address mentioned above for registration not later than 4:30 pm on 17 July 2007.

DISTRIBUTION REINVESTMENT SCHEME

An announcement explaining further information of the distribution reinvestment scheme will be released on or about 27 June 2007 and a circular containing the details and the election form will be sent to the unitholders on or about 7 July 2007.

ISSUANCE OF ANNUAL REPORT

The annual report 2007 will be published and forwarded to the unitholders on or about 28 June 2007.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of The Link REIT will be held on 23 July 2007. Notice of the annual general meeting will be published and issued to the unitholders in due course.

By order of the board of directors of
The Link Management Limited
(as manager of The Link Real Estate Investment Trust)
Nicholas Robert SALLNOW-SMITH
Chairman

Hong Kong, 8 June 2007

As at the date of this announcement, the board of directors of the Manager is comprised as follows: The Chairman (who is also an Independent Non-Executive Director) is Mr Nicholas Robert SALLNOW-SMITH. The Executive Directors are Mr Victor SO Hing Woh and Mr CHEW Fook Aun. The Non-Executive Directors are Mr John HO Chi On, Mr LIEW Mun Leong and Mr PUA Seck Guan. The Independent Non-Executive Directors are Mr Michael Ian ARNOLD, Mr Leslie CHAO Tse Hou, Mr Anthony CHOW Wing Kin, Dr Patrick FUNG Yuk Bun, Mr Stanley KO Kam Chuen, Dr Harry LEE Nai Shee, Mr Patrick SUN and Dr Allan ZEMAN.

Please also refer to the published version of this announcement in The Standard.