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 2009

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"), are pleased to announce the audited consolidated final results of The Link REIT and its subsidiaries (the "Group") for the year ended 31 March 2009.

The final results and the financial statements of the Group for the financial year ended 31 March 2009 have been reviewed by the Audit Committee of the Manager and subsequently approved by the Board at its meeting on 17 June 2009.

Revenue and net property income grew 7.2% and 10.6% year-on-year to HK$4,503 million (2008: HK$4,199 million) and HK$2,805 million (2008: HK$2,537 million) respectively in financial year ended 31 March 2009. Distributable income rose 13.5% from a year ago to HK$1,819 million (2008: HK$1,602 million), while distribution per unit ("DPU") increased by 12.9% year-on-year to HK83.99 cents (2008: HK74.40 cents). Total DPU of HK83.99 cents comprises interim DPU of HK40.86 cents (2008: HK36.11 cents) and final DPU of HK43.13 cents (2008: HK38.29 cents) was approved by the Board.

FINANCIAL STATEMENTS

Consolidated Income Statement

For the year ended 31 March 2009

	Note	2009 HK$'M	2008 HK$'M
Revenues	2	**4,503**	4,199
Property operating expenses		**(1,698)**	(1,662)
Net property income		**2,805**	2,537
General and administrative expenses		**(134)**	(102)
Change in fair values of investment properties		**(1,865)**	4,265
Operating profit	4	**806**	6,700
Interest income		**37**	78
Finance costs on interest bearing liabilities		**(511)**	(604)
Profit before taxation and transactions with Unitholders		**332**	6,174
Taxation	5	**290**	(1,035)
Profit for the year, before transactions with Unitholders		**622**	5,139
Distributions paid to Unitholders			
2007 final distribution		**—**	(739)
2008 interim distribution		**—**	(776)
2008 final distribution		**(826)**	—
2009 interim distribution		**(884)**	—
		(1,088)	3,624
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units		**(1,497)**	3,408
Amount arising from cash flow hedging reserve movement		**409**	216
		(1,088)	3,624

Notes:

(i) Total Distributable Income is determined in the Consolidated Statement of Distributions. The final distribution declared in respect of this year as set out in the Consolidated Statement of Distributions will be paid to Unitholders on or about 19 August 2009.

(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 6 to the consolidated financial statements.

Consolidated Statement of Distributions

For the year ended 31 March 2009

	2009	2008
	HK$'M	*HK$'M*
Profit for the year, before transactions with Unitholders	**622**	5,139
Adjustments:		
Change in fair values of investment properties	**1,865**	(4,265)
Deferred taxation on change in fair values of investment properties	**(308)**	747
Deferred taxation on change in tax rate	**(341)**	—
Other non-cash income	**(19)**	(19)
Total Distributable Income *(Note (i))*	**1,819**	1,602
Interim distribution, paid	**884**	776
Final distribution, to be paid to the Unitholders	**935**	826
Total distributions for the year *(Note (ii))*	**1,819**	1,602
As a percentage of Total Distributable Income	**100%**	100%
Units in issue as at 31 March	**2,167,040,427**	2,158,677,767
Distributions per unit to Unitholders:		
Interim distribution per unit, paid *(Note (iii))*	**HK40.86 cents**	HK36.11 cents
Final distribution per unit, to be paid to the Unitholders *(Note (iv))*	**HK43.13 cents**	HK38.29 cents
Distribution per unit for the year	**HK83.99 cents**	HK74.40 cents

Notes:

(i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the year, before transactions with Unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year.

(ii) Pursuant to the Trust Deed, The Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable. The Manager intends to distribute 100% of Total Distributable Income as the distributions for the year ended 31 March 2009. The interim distribution was paid to Unitholders on 23 January 2009. The final distribution will be paid to Unitholders on or about 19 August 2009.

(iii) The interim distribution per unit of HK40.86 cents for the six months ended 30 September 2008 is calculated based on the interim distribution paid of HK$884 million for the period and 2,163,861,896 units in issue as at 30 September 2008. The interim distribution per unit of HK36.11 cents for the six months ended 30 September 2007 is calculated based on the interim distribution paid of HK$776 million for the period and 2,148,434,317 units in issue as at 30 September 2007.

(iv) The final distribution per unit of HK43.13 cents (2008: HK38.29 cents) is calculated based on the final distribution to be paid to the Unitholders of HK$935 million for the period and 2,167,040,427 units in issue as at the year end (2008: HK$826 million and 2,158,677,767 units).

Consolidated Balance Sheet

As at 31 March 2009

	Note	**2009** *HK$'M*	2008 *HK$'M*
Non-current assets			
Goodwill		**3,988**	3,988
Investment properties		**43,255**	44,307
Property, plant and equipment		**65**	46
		47,308	48,341
Current assets			
Trade and other receivables	*7*	**121**	112
Deposits and prepayments		**21**	25
Short-term bank deposits		**722**	1,753
Cash and cash equivalents		**508**	117
		1,372	2,007
Total assets		**48,680**	50,348
Current liabilities			
Trade payables, receipts in advance and accruals	*8*	**1,125**	858
Security deposits		**493**	376
Provision for taxation		**71**	48
Interest bearing liabilities	*9*	**—**	2,199
		1,689	3,481
Net current liabilities		**317**	1,474
Total assets less current liabilities		**46,991**	46,867
Non-current liabilities, excluding net assets attributable to Unitholders			
Interest bearing liabilities	*9*	**11,538**	9,986
Deferred tax liabilities		**5,480**	5,976
Long-term incentive plan payable		**34**	20
Other non-current liabilities		**738**	327
		17,790	16,309
Total liabilities, excluding net assets attributable to Unitholders		**19,479**	19,790
Net assets attributable to Unitholders		**29,201**	30,558
Units in issue		**2,167,040,427**	2,158,677,767
Net assets per unit attributable to Unitholders		**HK$13.47**	HK$14.16

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

For the year ended 31 March 2009

	Total reserves *HK$'M*	**Net assets attributable to Unitholders** *HK$'M*	**Total** *HK$'M*
Net assets attributable to Unitholders at 1 April 2007	—	26,789	26,789
Issuance of units under distribution reinvestment scheme	—	361	361
Profit for the year ended 31 March 2008, before transactions with Unitholders	—	5,139	5,139
Distributions paid to Unitholders			
2007 final distribution	—	(739)	(739)
2008 interim distribution	—	(776)	(776)
Change in fair values of cash flow hedges	(247)	—	(247)
Amount transferred to the consolidated income statement	31	—	31
Amount arising from cash flow hedging reserve movement	216	(216)	—
Change in net assets attributable to Unitholders for the year ended 31 March 2008, excluding issues of new units	—	3,408	3,408
Net assets attributable to Unitholders at 31 March 2008	—	30,558	30,558
Net assets attributable to Unitholders at 1 April 2008	**—**	**30,558**	**30,558**
Issuance of units under distribution reinvestment scheme	**—**	**140**	**140**
Profit for the year ended 31 March 2009, before transactions with Unitholders	**—**	**622**	**622**
Distributions paid to Unitholders			
2008 final distribution	**—**	**(826)**	**(826)**
2009 interim distribution	**—**	**(884)**	**(884)**
Change in fair values of cash flow hedges	**(566)**	**—**	**(566)**
Amount transferred to the consolidated income statement	**157**	**—**	**157**
Amount arising from cash flow hedging reserve movement	**409**	**(409)**	**—**
Change in net assets attributable to Unitholders for the year ended 31 March 2009, excluding issues of new units	**—**	**(1,497)**	**(1,497)**
Net assets attributable to Unitholders at 31 March 2009	**—**	**29,201**	**29,201**

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 year ended 31 March 2008.

2. Revenues

Revenues recognised during the year comprise:

	2009	2008
	HK$'M	*HK$'M*
Rental income from retail properties	**3,260**	3,017
Gross rental receipts from carparks	**982**	934
	4,242	3,951
Other revenues		
Air conditioning service fees	**253**	243
Other property related income	**8**	5
	261	248
Total revenues	**4,503**	4,199

Lease arrangements with tenants provide for base monthly rental charges and recovery of certain outgoings. Additional rents based on business turnover amounting to HK$63 million (2008: HK$52 million) have been included in the rental income.

Notes to the Consolidated Financial Statements (Continued)

3. Segment information

	Retail properties *HK$'M*	Carparks *HK$'M*	Head office *HK$'M*	Total *HK$'M*
For the year ended 31 March 2009				
Revenues	3,521	982	—	4,503
Segment results	2,243	562	(134)	2,671
Change in fair values of investment properties	(1,402)	(463)	—	(1,865)
Interest income				37
Finance costs on interest bearing liabilities				(511)
Profit before taxation and transactions with Unitholders				332
Taxation				290
Profit for the year, before transactions with Unitholders				622
Capital expenditure	757	56	36	849
Depreciation	—	—	(16)	(16)
As at 31 March 2009				
Segment assets	35,560	7,823	79	43,462
Goodwill				3,988
Short-term bank deposits				722
Cash and cash equivalents				508
Total assets				48,680
Segment liabilities	1,241	151	226	1,618
Interest bearing liabilities				11,538
Provision for taxation				71
Deferred tax liabilities				5,480
Long-term incentive plan payable				34
Other non-current liabilities				738
Total liabilities, excluding net assets attributable to Unitholders				19,479
Net assets attributable to Unitholders				29,201

Notes to the Consolidated Financial Statements (Continued)

3. Segment information (Continued)

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

Notes to the Consolidated Financial Statements (Continued)

4. Operating profit before finance costs, taxation and transactions with Unitholders

	2009	2008
	HK$'M	*HK$'M*
Operating profit before finance costs, taxation and transactions with Unitholders is stated after charging:		
Staff costs	**236**	176
Depreciation of property, plant and equipment	**16**	14
Loss on disposal of property, plant and equipment	**1**	2
Strategic partner fee	**5**	3
Trustee's fee	**4**	3
Valuation fee	**4**	4
Auditor's remuneration		
— audit service	**3**	3
— non-audit service	**2**	1
Bank charges	**2**	1
Operating lease charges	**6**	5
Other legal and professional fees	**12**	3

5. Taxation

In 2008, the Government of the Hong Kong Special Administrative Region enacted a change in the profits tax rate from 17.5% to 16.5% for the fiscal year 2008/09. Accordingly, Hong Kong profits tax has been provided for at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit for the year. The change in the profits tax rate also has an impact on the Group's deferred taxation and an amount of HK$341 million in respect of previously provided deferred taxation has been written back as a credit to the consolidated income statement.

The amount of taxation (credited)/charged to the consolidated income statement represents:

	2009	2008
	HK$'M	*HK$'M*
Current taxation	**206**	161
Deferred taxation		
— Change in fair values of investment properties	**(308)**	747
— Effect of change in tax rate	**(341)**	—
— Other temporary differences	**153**	127
Taxation (credit)/charge	**(290)**	1,035

Notes to the Consolidated Financial Statements (Continued)

5. Taxation (Continued)

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

	2009	2008
	HK$'M	*HK$'M*
Profit before taxation	**332**	6,174
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2008: 17.5%)	**55**	1,081
Tax effect of non-deductible expenses	**4**	6
Tax effect of non-taxable income	**(6)**	(14)
Effect of change in tax rate	**(341)**	—
Adjustment in respect of prior years	**(2)**	(38)
Taxation (credit)/charge	**(290)**	1,035

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

	2009	2008
Profit for the year, before transactions with Unitholders	**HK$622 million**	HK$5,139 million
Weighted average number of units for the year for calculating basic earnings per unit	**2,162,465,628**	2,146,299,236
Adjustment for dilutive contingently issuable units under Long-term incentive plan	**437,940**	—
Weighted average number of units for the year for calculating diluted earnings per unit	**2,162,903,568**	2,146,299,236
Earnings per unit based on profit after taxation, before transactions with Unitholders, basic and diluted	**HK$0.29**	HK$2.39

7. Trade and other receivables

	2009 HK$'M	2008 HK$'M
Trade receivables	**62**	63
Less: provision for impairment of receivables	**(4)**	(5)
Trade receivables — net	**58**	58
Other receivables	**63**	54
	121	112

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

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

The ageing analysis of trade receivables is as follows:

	2009 HK$'M	2008 HK$'M
0–90 days	**58**	56
Over 90 days	**4**	7
	62	63

Monthly base rentals 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 arrears.

Included in the net trade receivables of HK$58 million (2008: HK$58 million) presented above were HK$26 million (2008: HK$30 million) of accrued carpark income and HK$4 million (2008: HK$13 million) of accrued turnover rent, which were not yet due as at 31 March 2009. The remaining HK$28 million (2008: HK$15 million) were past due but not impaired.

The ageing analysis of the past due trade receivables is as follows:

	2009 HK$'M	2008 HK$'M
0–90 days	**28**	13
Over 90 days	**—**	2
	28	15

Notes to the Consolidated Financial Statements (Continued)

7. Trade and other receivables (Continued)

As at 31 March 2009, trade receivables of HK$4 million (2008: HK$5 million) were considered as impaired and had been provided for. The individually impaired receivables are those where collectibility is in doubt.

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

	2009	2008
	HK$'M	*HK$'M*
Over 90 days	**4**	5

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

	2009	2008
	HK$'M	*HK$'M*
At 1 April	**5**	2
Provision for trade receivables impairment	**7**	5
Receivables written off during the year as uncollectible	**(8)**	(2)
At 31 March	**4**	5

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

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

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

8. Trade payables, receipts in advance and accruals

	2009	2008
	HK$'M	*HK$'M*
Trade payables	**136**	62
Receipts in advance	**76**	61
Accruals	**913**	735
	1,125	858

The ageing analysis of trade payables is as follows:

	2009	2008
	HK$'M	*HK$'M*
0–90 days	**121**	61
Over 90 days	**15**	1
	136	62

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

Notes to the Consolidated Financial Statements (Continued)

9. Interest bearing liabilities

	2009	2008
	HK$'M	*HK$'M*
Guaranteed notes *(Notes (a) and (d))*	**1,399**	3,596
Syndicated loan *(Note (b))*	**4,592**	4,589
HKMC loan (secured) *(Note (c))*	**4,000**	4,000
Bilateral loans *(Notes (a) and (d))*	**1,547**	—
	11,538	12,185
Less: Current portion of interest bearing liabilities *(Note (d))*	**—**	(2,199)
Non-current portion of interest bearing liabilities	**11,538**	9,986

Notes:

(a) On 4 August 2006, a subsidiary of the Group, The Link Finance (Cayman) 2006 Limited, issued three guaranteed notes (the "Notes") in the aggregate amount of HK$3.6 billion. The Notes, listed on The Stock Exchange of Hong Kong Limited and guaranteed by two subsidiaries of the Group, The Link Holdings Limited and The Link Properties Limited, are divided into three tranches, HK$1.4 billion 5.12% guaranteed notes due in 2009, HK$1.4 billion 5.00% guaranteed notes due in 2008 and HK$0.8 billion floating rate guaranteed notes due in 2008. The Group repaid HK$2.2 billion Notes due in 2008 by raising various bilateral loan facilities and utilising internal resources and existing undrawn loan facilities. The remaining balance of HK$1.4 billion is refinanced through the Club Loan Facility (Note (d)).

(b) On 4 August 2006, the Group arranged a HK$5 billion five-year floating rate syndicated term/revolving bank loan facility, guaranteed by two subsidiaries of the Group, The Link Holdings Limited and The Link Properties Limited. The undrawn portion of the facility amounted to HK$0.4 billion as at 31 March 2009 (2008: HK$0.4 billion).

(c) HKMC loan represents a Mortgage Loan Facility granted by The Hong Kong Mortgage Corporation Limited ("HKMC"). The Mortgage Loan Facility is guaranteed by The Link Holdings Limited and HSBC Institutional Trust Services (Asia) Limited, the trustee of The Link REIT. Certain of the investment properties were pledged for this purpose, the carrying value of such properties as at 31 March 2009 amounted to approximately HK$4.5 billion (2008: HK$4.8 billion).

(d) On 19 March 2009, the Group arranged a HK$3 billion three-year floating rate term loan facility ("Club Loan Facility"), guaranteed by two subsidiaries of the Group, The Link Holdings Limited, The Link Properties Limited and HSBC Institutional Trust Services (Asia) Limited, the trustee of The Link REIT, which is to refinance HK$2.7 billion of debt maturing in 2009, comprising HK$1.4 billion of Notes maturing in August 2009 and HK$1.3 billion of bilateral loans maturing in July and September 2009. Accordingly these interest bearing liabilities, which were originally due in 2009, were reclassified as non-current portion.

(e) The effective interest rate of the interest bearing liabilities (including interest rate swap) at the balance sheet date was 4.16% (2008: 4.10%). The carrying amounts of the interest bearing liabilities approximate their fair values.

9. Interest bearing liabilities (Continued)

Interest bearing liabilities are repayable as follows:

	2009	2008
	HK$'M	*HK$'M*
Due in the first year		
Guaranteed notes	**—**	2,199
Due in the second year		
Guaranteed notes	**—**	1,397
HKMC loan (secured)	**4,000**	—
	4,000	1,397
Due in the third year		
HKMC loan (secured)	**—**	4,000
Bilateral loan	**248**	—
Syndicated loan	**4,592**	—
	4,840	4,000
Due in the fourth year		
Syndicated loan	**—**	4,589
Club loan *(note a)*	**2,698**	—
	2,698	4,589
	11,538	12,185

Except for bank loan of HK$248 million (2008: Nil) which is denominated in United States Dollars, all the interest bearing liabilities are denominated in Hong Kong Dollars.

Note:

(a) An unsecured three-year Club Loan Facility of HK$3 billion was signed to refinance HK$1.4 billion of guaranteed notes due in August 2009 and HK$1.3 billion of bilateral loans due in July and September 2009. Accordingly, the amounts were reclassified as non-current liabilities as at 31 March 2009 under Hong Kong Accounting Standard 1 "Presentation of Financial Statements".

10. Security for the Group's loan facilities

As at 31 March 2009, certain of the Group's investment properties, amounting in value to approximately HK$4.5 billion (2008: HK$4.8 billion), were pledged to secure the Group's loan facilities.

11. Events subsequent to the balance sheet date

On 19 March 2009, an unsecured three-year Club Loan Facility of HK$3 billion was signed with a consortium of 13 banks to refinance all the debt due in 2009 and provide capital to fund asset enhancement initiatives. On 15 April 2009, HK$1.3 billion was drawn from the Club Loan Facility to repay the bilateral loans maturing in July and September 2009.

On 27 April 2009, the Group announced the renewal of a five-year HK$4 billion loan with the HKMC that includes an option to extend HK$2 billion for one more year upon maturity till May 2015. The HKMC mortgage loan renewal refinanced the entire amount of the loan maturing in November 2010.

On 6 May 2009, the Group announced the establishment of a US$1 billion guaranteed Euro Medium Term Note Programme ("MTN Programme") under which unsecured notes may be issued in various currencies with fixed or floating rates and maturities between one month and 30 years. Since the establishment of the MTN Programme, the Group raised HK$300 million of 10-year unsecured notes at a fixed rate of 4.75% per annum on 20 May 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Growth Drivers

Key drivers of growth in the year under review include strong retail rental reversions and contributions from completed asset enhancement projects. Growth has been supported by active capital management and a strong balance sheet. The Manager has also strengthened the management team and implemented organisational changes to drive the business more effectively.

Going forward, the Manager remains focused on driving revenue growth and executing on current asset enhancement initiatives including embarking on additional projects such as a pilot rejuvenation of a fresh market. Moreover, while the focus to date has been on growing revenue, the Manager will be actively addressing cost issues within the shopping centre and carpark property management arrangements in the financial year ending 31 March 2010. Other key focus areas include maintaining a strong balance sheet, enhancing capital management processes, implementing a real estate reporting system and utilising more data to actively support business decisions.

Financial Highlights

Revenue and net property income grew 7.2% and 10.6% year-on-year to HK$4,503 million (2008: HK$4,199 million) and HK$2,805 million (2008: HK$2,537 million) respectively in financial year ended 31 March 2009. Distributable income rose 13.5% from a year ago to HK$1,819 million (2008: HK$1,602 million), while DPU increased by 12.9% year-on-year to HK83.99 cents (2008: HK74.40 cents). Total DPU of HK83.99 cents comprises interim DPU of HK40.86 cents (2008: HK36.11 cents) and final DPU of HK43.13 cents (2008: HK38.29 cents) as approved by the Board. Retail base rental income enjoyed increase of 7.5% to HK$2,467 million (2008: HK$2,294 million) in the year under review while property expenses increased only by 2.2% to HK$1,698 million (2008: HK$1,662 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Key Income Numbers

	Year ended 31 March		
	2009	2008	YoY %
	HK$'M	*HK$'M*	
Revenue — gross	**4,503**	4,199	7.2
Net Property Income	**2,805**	2,537	10.6
Profit after taxation, attributable to Unitholders	**622**	5,139	(87.9)
Distribution to Unitholders	**1,819**	1,602	13.5
Distribution per unit *(HK cents)*	**83.99**	74.40	12.9

Revenue Analysis

	Year ended 31 March		
	2009	2008	YoY %
	HK$'M	*HK$'M*	
Rental income from:			
Retail — Base rent	**2,467**	2,294	7.5
Retail — Turnover rent	**63**	52	21.2
Mall Merchandising	**68**	49	38.8
Market	**491**	466	5.4
Cooked Food Stalls	**40**	36	11.1
Education/Welfare	**46**	46	—
HD office and ancillary	**85**	74	14.9
Gross rental receipts from carpark:			
Monthly	**763**	735	3.8
Hourly	**219**	199	10.1
Operational expense recovery and other miscellaneous income:			
Property related income	**261**	248	5.2
	4,503	4,199	7.2

Expenses Analysis

	Year ended 31 March		
	2009	2008	YoY %
	HK$'M	*HK$'M*	
Property managers' fees, staff costs, security & cleaning	**707**	685	3.2
Utilities	**344**	363	(5.2)
Repairs & maintenance	**224**	227	(1.3)
Government rent & rates	**115**	106	8.5
Promotion & marketing expenses	**103**	86	19.8
Other property operating expenses	**109**	91	19.8
Property expenses excluding estate common area costs	**1,602**	1,558	2.8
Estate common area costs	**96**	104	(7.7)
Total property expenses	**1,698**	1,662	2.2

Despite a slight decrease in the value of the investment properties, gearing (debt to total assets), remained healthy at 23.7% as at 31 March 2009 (2008: 24.2%). There was little change in the overall level of receivables and the balances over 90 days as at 31 March 2009 compared with 31 March 2008. Largely due to the drop in value of investment properties, net asset value per unit fell 4.9% from HK$14.16 as at 31 March 2008 to HK$13.47 as at 31 March 2009.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Balance Sheet Summary

	As at 31 March	
	2009	2008
	HK$'M	*HK$'M*
Non Current Assets	**47,308**	48,341
Current Assets	**1,372**	2,007
Total Assets	**48,680**	50,348
Current Liabilities	**1,689**	3,481
Non Current Liabilities	**17,790**	16,309
Total Liabilities	**19,479**	19,790
Net Assets Attributable to Unitholders	**29,201**	30,558
Units in Issue ('000)	**2,167,040**	2,158,678
Net Asset Value Per Unit	**HK$13.47**	HK$14.16

Balance Sheet Highlights

		As at 31 March	
		2009	2008
Valuation (HK$'M)		**43,255**	44,307
Liquidity ratio (%)		**81.2**	57.7
Gearing ratio (%)		**23.7**	24.2
Average duration of debt* (years)		**2.4**	2.5
Receivables	0–90 Days (HK$'M)	**58**	56
	Over 90 Days (HK$'M)	**4**	7

* 3.5 years after full club loan drawdown, HKMC refinancing and May 2009 MTN issue (as at 17 June 2009)

Distribution

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 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" have been adjusted to eliminate the effects of such amounts as defined in the Trust Deed. Total Distributable Income was HK$1,819 million for the year ended 31 March 2009 as compared to HK$1,602 million for the year ended 31 March 2008.

It is the Manager's current policy to distribute to Unitholders 100% of The Link REIT's Total Distributable Income for the year ended 31 March 2009. With an interim DPU of HK40.86 cents and a final DPU approved by the Board of HK43.13 cents, total DPU for the year amounted to HK83.99 cents (2008: HK74.40 cents). The DPU for the year of HK83.99 cents represents a distribution yield of 5.5% based on the market price on 31 March 2009 of HK$15.32. The record date for the final distribution will be 6 July 2009 and the register of Unitholders will be closed from 2 July 2009 to 6 July 2009, both dates inclusive. The distribution to Unitholders will be effected on or about 19 August 2009.

A distribution reinvestment scheme was adopted by The Link REIT in respect of its final and interim distributions for the years ended 31 March 2008 and 31 March 2009 respectively. Unitholders can elect to receive the distribution in cash or units or a combination of both. In August 2008, approximately 5.2 million units were issued at a price of HK$18.488 per unit in respect of the final distribution for the year ended 31 March 2008. In January 2009, approximately 3.2 million units were issued at a price of HK$14.116 per unit in respect of the interim distribution for the year ended 31 March 2009. A total of approximately 8.4 million units were issued in the year under review resulting in a total of 2,167,040,427 units in issue as at 31 March 2009.

Valuation

Knight Frank Petty Limited ("Knight Frank") has valued The Link REIT's property portfolio at HK$43,255 million as at 31 March 2009 (2008: HK$44,307 million), which is a decrease of 2.4% compared with the valuation as at 31 March 2008. For financial year ended 31 March 2009, a fair value decrease of HK$1,865 million (2008: HK$4,265 million increase) has been recorded in The Link REIT's consolidated income statement.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Knight Frank mainly uses a blend of discounted cash flow analysis and the income capitalisation approach to derive the market value of each individual property in the portfolio, with greater weight attached to the discounted cash flow analysis. For the valuation as at 31 March 2009, Knight Frank generally adopted higher income capitalisation and discount rates, and lower rental growth rates than a year ago.

Key Valuation Parameters

	As at 31 March	
	2009	2008
Retail	**$35,460M**	$36,105M
Carpark	**$7,795M**	$8,202M
Total	**$43,255M**	$44,307M
IFA (sq ft)	**11,064,350**	11,006,599
No. of Parking Lots	**79,485**	79,485
Per sq ft	**$3,205**	$3,280
Per Parking Lot	**$98,066**	$103,191
Income Capitalisation Approach	**Net Yield**	Net Yield
Retail	**6.25–8.53%**	5.78–8.25%
Carpark	**6.50–10.90%**	6.75–9.50%
Blended	**6.26–10.90%**	5.85–9.50%
Weighted Average	**7.42%**	6.95%
Discounted Cash Flow Approach	**Discount Rate**	Discount Rate
	8.50–11.70%	8.25–11.50%

Capital Management

The Manager has been working actively to secure duration and diversification in the sources of The Link REIT's debt, while maintaining a conservative gearing level.

Debt Facilities

	Maturity	Fixed *HK$ Bn*	Floating *HK$ Bn*
As at 31 March 2009			
• HKMC			
— Interest Rate Swap	Nov 2010	3.75	—
— Floating	Nov 2010	—	0.25
• Syndicated Loan			
— Interest Rate Swap	Oct 2011	4.00	—
— Floating	Oct 2011	—	0.60
• Bilateral Loan			
— Floating	Jul 2011	—	0.25
• Club Loan (note)			
— Fixed	Apr 2012	1.40	—
— Floating	Apr 2012	—	1.30
Total		**9.15**	**2.40**
Percentage		**79%**	**21%**

note: An unsecured three-year Club Loan Facility of HK$3 billion was signed to refinance the fixed rate HK$1.4 billion guaranteed notes due in August 2009 and the floating rate HK$1.3 billion bilateral loans due in July and September 2009. Accordingly, the amounts were reclassified as non-current liabilities as at 31 March 2009.

- On 19 March 2009, an unsecured three-year Club Loan Facility of HK$3 billion was signed with a consortium of 13 banks, to refinance all the debt due in 2009 and provide capital to fund asset enhancement initiatives. On 15 April 2009, HK$1.3 billion was drawn from the facility to repay the bilateral loans maturing in July and September 2009.

- On 27 April 2009, the Manager announced the renewal of a HK$4 billion five-year loan with the HKMC that includes an option to extend HK$2 billion for one more year upon maturity. The HKMC mortgage loan renewal refinanced the entire amount of the loan maturing in November 2010.

- On 6 May 2009, the Manager announced the establishment of a US$1 billion MTN Programme under which unsecured notes may be issued in various currencies with fixed or floating rates and maturities between one month and 30 years. Since the establishment of the MTN Programme, The Link REIT raised HK$300 million of 10-year unsecured notes at a fixed rate of 4.75% per annum on 20 May 2009.

The average outstanding life of the Group's loan facilities as at 31 March 2009 (with club loan to refinance the guaranteed notes and the bilateral loans) was 2.4 years, compared with 2.5 years a year ago. The Manager actively manages the Group's interest rate exposure through entering into interest rate swaps. The Group had outstanding interest rate swap contracts amounting to HK$7.75 billion as at 31 March 2009 (2008: HK$4 billion), with effective outstanding life of 3.8 years (2008: 3.6 years). Accordingly, as at 31 March 2009, approximately 79% of the Group's debt facilities are at fixed rates versus 56% a year ago. As at 17 June 2009 and prior to the repayment of the 5.12% guaranteed notes, the effective interest rate of The Link REIT's debt is 4.84%.

With the execution of a Club Loan Facility in March 2009 and the completion of the HKMC refinancing transaction in April 2009, The Link REIT has successfully negotiated refinance facilities for all its debt due in the next two financial years ending 31 March 2011. Assuming the completion of all the refinancing transactions on 17 June 2009, namely, the refinancing of the HKMC loan, the full drawdown of the Club Loan Facility for the repayment of the bilateral loans due in July and September 2009 and the 5.12% guaranteed notes due in August 2009, and the issuance of HK$300 million 10-year unsecured notes, the average remaining life of The Link REIT's debt is extended to 3.5 years. Should the option to extend HK$2 billion mortgage loan with the HKMC be exercised, the average remaining life of the debt on the same date would be further extended to 3.7 years.

Borrowings plus recurrent cashflows from the Group's investment property portfolio help finance capital expenditure that The Link REIT incurs for major renovations, improvement works and other value enhancing strategic initiatives. All of The Link REIT's borrowings are denominated in or fully hedged into Hong Kong dollars.

As at 31 March 2009, certain of the Group's investment properties, amounting to approximately HK$4.5 billion (2008: HK$4.8 billion) were pledged to secure the Group's loan facilities.

The Link REIT maintains strong financial covenants:

	Actual as at 31 March 2009	**Covenant**
EBITDA: Interest Expense	5.7:1	>2:1
Net Debt: Total Assets	23.7%	<45%
Secured Debts	HK$4 bn	<HK$7 bn
Unsecured loan to value ratio	19.5%	<45%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Link REIT has a corporate credit rating of "A grade with stable outlook", which was reaffirmed by Standard and Poor's on 6 May 2009. Moody's Investors Service affirmed its corporate credit rating of "A3 with stable outlook" on The Link REIT on 6 May 2009. Standard and Poor's has assigned an "A" long-term debt rating to the MTN programme while Moody's has assigned an A3 rating to the programme.

As at 31 March 2009, The Link REIT has net cash available of HK$1.2 billion (2008: HK$1.9 billion) and undrawn bank facilities of HK$3.4 billion (2008: HK$400 million). For cash management, the Manager is focused on principal preservation to ensure flexibility to meet the operational needs of the Group. Deposits are placed with maturities that have been well planned to satisfy the financial commitments and working capital needs of the Group. Currently, all of the The Link REIT's cash and cash equivalents are held in Hong Kong dollars.

Strategic Partner

Pursuant to the co-operation agreement signed between the Manager and the strategic partner, CapitaLand Limited, on 27 August 2004 and supplemented by a supplemental agreement dated 26 October 2005 (the "Co-operation Agreement"), the strategic partner is entitled to a performance fee payable annually for the provision of consultancy and management advisory services in relation to the operations of The Link REIT. The performance fee to the strategic partner expensed for the financial year ended 31 March 2009 was approximately HK$5.3 million.

According to the terms of the Co-operation Agreement, the Manager has an option to extend the Co-operation Agreement for a further period of 5 years upon its expiry on 26 August 2009. The Manager announced on 12 May 2009 that as the Manager had developed and now possesses the expertise and ability to manage and operate The Link REIT, it had decided not to exercise the option to extend the Co-operation Agreement with the strategic partner which will expire on 26 August 2009.

Portfolio Highlights

Financial year ended 31 March 2009 was a year of continued growth for The Link REIT's portfolio with average base rent rising 11.8% year-on-year to HK$28.4 psf (2008: HK$25.4 psf) as at 31 March 2009. Occupancy rate was 87.4% as at 31 March 2009 (2008: 89.3%). Portfolio composite reversion rate and retention rate were 25.2% (2008: 22.5%) and 72.9% (2008: 71.9%) respectively for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

During the year under review, the Manager has continued to adopt a flexible leasing strategy to attract and retain tenants. Trade mix upgrading and planning is carried out on a continual basis. In line with asset enhancement plans, tenancies are aligned for phased refurbishment/renovation works. In such instances, tenancies are renewed for less than the typical three year lease term for commercial leases in Hong Kong.

Key Portfolio Indicators

	Year ended 31 March	
	2009	2008
Occupancy Rate (%) at year end	**87.4**	89.3
Retention Rate (%)	**72.9**	71.9
AEI Vacancy Rate (%) at year end	**6.2**	3.4
Non-AEI Vacancy Rate (%) at year end	**6.4**	7.3
Average Monthly Base Unit Rent (HK$ psf) at year end		
— ex self use office	**28.4**	25.4
— ex self use office, education/welfare, HD office and ancillary	**30.9**	27.7
Composite Reversion Rate (%)	**25.2**	22.5
Expense/Income Ratio (%)	**37.7**	39.6

AEI: Asset Enhancement Initiative

Revenue Breakdown

	Year ended 31 March 2009	
	HK$'M	*%*
Rental Income from:		
Retail — Base rent	**2,467**	**54.8**
Retail — Turnover rent	**63**	**1.4**
Mall Merchandising	**68**	**1.5**
Market	**491**	**10.9**
Cooked Food Stalls	**40**	**0.9**
Education/Welfare	**46**	**1.0**
HD office and ancillary	**85**	**1.9**
Gross rental receipts from carpark:		
Monthly	**763**	**16.9**
Hourly	**219**	**4.9**
Operational expense recovery and other miscellaneous income:		
Property related income	**261**	**5.8**
	4,503	**100.0**

Portfolio Summary

Category (as at 31 March 2009)	Total IFA (sq ft)	Occupancy rate (%)	Average monthly base rent per leased IFA (HK$ psf)
Retail	8,764,940	88.7	28.2
Market	877,750	79.8	60.6
Cooked Food Stalls	148,340	70.0	34.2
Education/Welfare	888,975	94.1	4.5
HD office and ancillary	225,114	54.7	18.6
Total excluding Self use offices	10,905,119	87.4	28.4
Self use offices	159,231	N/A	N/A
Total including Self use offices	11,064,350	—	—
Ex-Self use, Education/Welfare only	10,016,144	86.9	30.7
Ex-Self use, Education/Welfare, HD office & ancillary	9,791,030	87.6	30.9

Composite Reversion Rate

	Year ended 31 March		% Total IFA
	2009	2008	**(ex-Self use offices)**
	%	%	
Retail	**28.5**	24.8	81
Market	**13.3**	12.7	8
Cooked Food Stalls	**11.6**	8.9	1
Education/Welfare	**10.8**	3.0	8
HD Offices and Ancillary	**22.2**	38.6	2
Overall	**25.2**	22.5	100
Overall ex Education/Welfare	**25.3**	22.6	92

Major Real Estates Agents and Contractors

During the year ended 31 March 2009, commissions were paid to two real estate agents as follows:

Real Estate Agents	**Services**	**Value of Services**	**Percentage of Relevant Costs**
		HK$'M	%
Wang On Majorluck Ltd	Leasing agency services	0.5	35.7
Knight Frank Hong Kong Ltd	Leasing agency services	0.9	64.3
		1.4	100.0

The aggregate value of service contracts of the top five contractors engaged by The Link REIT during the year ended 31 March 2009 and their respective value of services rendered were as follows :

Contractors	**Nature of Services**	**Value of Services** *HK$'M*	**Percentage of Relevant Costs** *%*
Union Contractors Ltd	Projects and maintenance	124	6.8
Wan Chung Construction Co Ltd	Projects and maintenance	121	6.7
Standard Refrigeration and Engineering Co Ltd	Projects and maintenance	110	6.1
China Overseas Property Services Limited	Property and carpark management	88	4.8
Synergis Management Services Limited	Property and carpark management	88	4.8
		531	29.2

Retail Property Portfolio Review

Retail property is the key revenue driver for The Link REIT. In financial year ended 31 March 2009, composite reversion rate for retail property was 28.5% (2008: 24.8%), with average unit base rent up 12.4% from a year ago to HK$28.2 psf as at 31 March 2009 (2008: HK$25.1 psf). The Link REIT's retail properties are focused on the value and volume end of non-discretionary spending, which historically has been resilient in economic downturns.

The Link REIT's largest retail tenants are involved in trades such as supermarkets, food and beverage, fresh markets and convenience stores. The top 10 tenants account for 22.4% of IFA and 32.1% of monthly base rent, while the top 50 tenants account for 34.6% of IFA and 46.9% of monthly base rent.

Key Retail Property Portfolio Indicators

	Year ended 31 March	
	2009	2008
Occupancy Rate (%) at year end	**88.7**	91.2
Retention Rate (%)	**73.5**	70.1
Average Monthly Base Unit Rent (HK$ psf) at year end	**28.2**	25.1
Composite Reversion Rate (%)	**28.5**	24.8
Number of Leases with Turnover Rent at year end	**1,972**	903
Proportion of Retail Leases with Turnover Rent by Revenue at year end (%)	**49.5**	34.0

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Retail Trade Mix

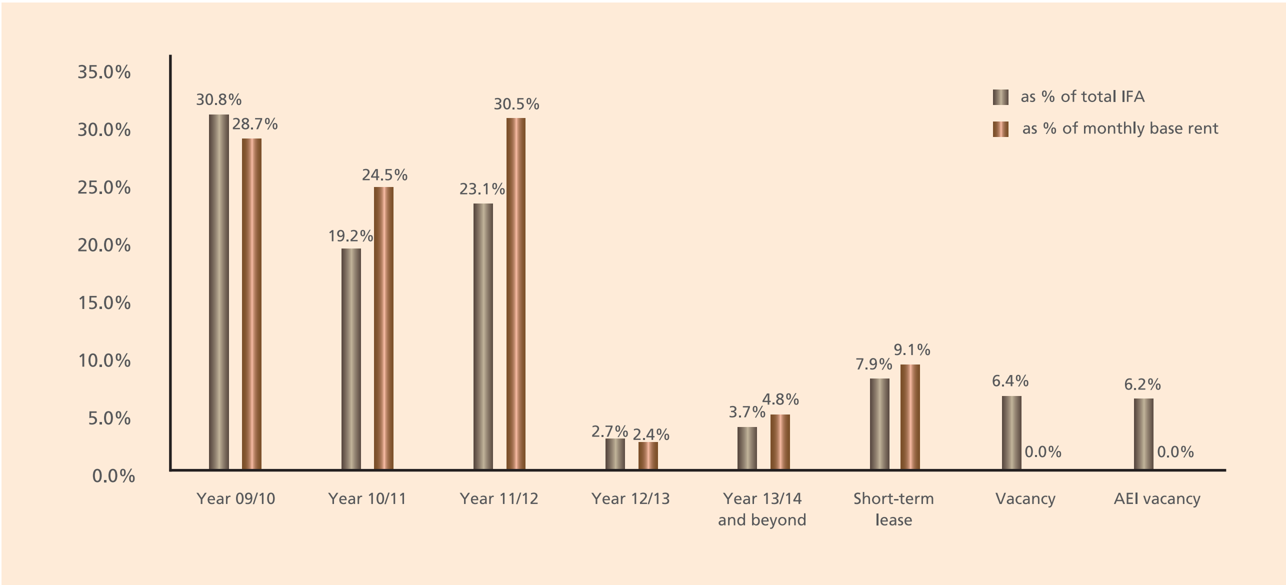
	As at 31 March 2009		
	Leased IFA (sq ft)	% of Leased IFA	% of Monthly Base Rent
Food and beverage	2,955,152	31.0%	24.4%
Supermarket and foodstuff	1,757,793	18.4%	23.8%
Department store	158,371	1.7%	1.1%
Clothing, footwear and allied products	286,028	3.0%	3.8%
Electrical and household products	548,574	5.8%	5.2%
Personal care, medicine, valuable goods, optical, books and stationery	567,935	6.0%	8.3%
Services	886,078	9.3%	10.4%
Leisure and entertainment	92,380	1.0%	1.0%
Others	455,251	4.7%	2.2%
SOSC (Single operator shopping centre)	64,764	0.7%	0.6%
SOM (Single operator market)	297,422	3.0%	6.3%
Market stalls	402,834	4.2%	9.4%
Cooked food stalls	103,777	1.1%	1.3%
Education/Welfare organisations	836,597	8.8%	1.4%
HD office and ancillary	123,178	1.3%	0.8%
Overall	9,536,134	100.0%	100.0%

A key area of focus for the Manager has been to increase the number of retail tenants which have turnover rent clauses in their lease agreements, with particular attention paid to the large retail tenants. Good progress was made in the year under review with 1,972 retail leases having turnover rent clauses as at 31 March 2009 (2008: 903). Among the top 50 tenants in the portfolio, 32 of the 34 tenants who are eligible to pay turnover rent have agreed to do so.

While the Manager is striving to have turnover rent clauses inserted into lease agreements of retail tenants, this is not being done at the expense of growing monthly base rent. Typically, the agreements involve the tenant paying base rent or percentage of turnover, whichever is higher.

The Manager is aware of the challenging economic environment that tenants face over financial year ending 31 March 2010 and has been actively rolling out various initiatives to drive shopper traffic. As at 31 March 2009, 30.8% of leases come up for renewal in financial year ending 31 March 2010, and the Manager is actively negotiating to lease out the space and achieve continued positive rental reversion rate.

Portfolio lease expiry profile as at 31 March 2009



Carpark Property Portfolio Review

The Link REIT has the largest carpark portfolio by a single owner in Hong Kong. In the year under review, carpark revenue rose 5.1% year-on-year to HK$982 million (2008: HK$934 million), with utilisation standing at 71.3% (2008: 71.2%). Coupled with keeping expenses under control, the expense to income ratio for carparks declined from 45.2% in financial year ended 31 March 2008 to 42.8% in financial year ended 31 March 2009.

In the year under review, the Manager has been evaluating new initiatives to improve the performance of the carpark property portfolio:

- Some repricing of rates
- Successful trial run of a new carpark management model
- Reviewed key revenue and cost drivers
- Extended our care to the disabled by offering half price parking and One Link Pass scheme to all disabled drivers and drivers ferrying people with mobility disabilities in Hong Kong

For financial year ending 31 March 2010, the Manager will be implementing its new carpark management model, which involves income sharing, to cover all The Link REIT's carparks. The Manager targets transition to new carpark management arrangements in the third quarter of 2009 and expects to achieve significant operational efficiencies.

Key Carpark Property Performance Indicators

	Year ended 31 March	
	2009	2008
Carpark space allocation — monthly (%)	**87.2%**	87.2%
Carpark space allocation — hourly (%)	**12.8%**	12.8%
Gross receipts by monthly users (%)	**77.7%**	78.7%
Gross receipts by hourly users (%)	**22.3%**	21.3%
Utilisation of carpark space (%) at year end	**71.3%**	71.2%
Monthly income per bay (HK$)	**HK$1,029**	HK$979
Expense/Income Ratio (%)	**42.8%**	45.2%

Review of Asset Enhancement Initiatives

Integral to the Manager's efforts is to bring a more relevant retail product offering to the mass market in Hong Kong and this includes ongoing asset enhancement initiatives. These projects are led by a dedicated development team supported by specialist project leasing. In the year under review, five asset enhancement projects worth HK$221.91 million were completed while in the financial year ending 31 March 2010, the Manager expects to complete seven asset enhancement projects worth HK$533.13 million.

The Manager's approach to its asset enhancement programme is to roll out projects gradually so as to ensure it has sufficient execution bandwidth and minimise adverse near term impact on DPU. When carrying out asset enhancements, the Manager attempts to minimise the disruption on a tenant's business by for example offering temporary use of alternative space. Asset enhancement initiatives are largely debt funded and the Manager is cognisant of not taking on excessive leverage at any point in time and having sufficient debt capacity to fund projects. The Manager targets first year return on investment of 15%–20% for asset enhancement initiatives. The Manager actively manages risks associated with asset enhancement initiatives by among others pre-leasing a portion of the space, securing fixed price construction contracts, using research to determine consumer demands, and running rigorous financial analysis on the projects.

Going forward, the Manager is focused on executing ongoing projects and starting new projects that meet hurdle rate requirements. The Manager sees asset enhancement initiatives as a key driver of DPU growth. The Manager will take into account economic and business conditions in refining its asset enhancement programme by for example changing amount of capital expenditure and timing of projects where appropriate.

Performance of Completed Asset Enhancement Initiatives

	Year ended 31 March 2009	
	Capex *(HK$'M)*	**Return on Investment***
Hau Tak Shopping Centre	70.41	41.4%
Tin Yiu Shopping Centre	33.48	34.7%
Fu Tung Shopping Centre	28.94	31.8%
Lek Yuen Shopping Centre	30.85	8.3%
Tai Wo Shopping Centre	58.23	30.5%

* Net property income ("NPI") uplift is based on estimated NPI achievable 12 months after completion of AEI versus NPI achieved prior to start of AEI

Asset Enhancement Projects to be Completed

	Year ending 31 March 2010	
	Capex *(HK$'M)*	**Completion Date**
Kwai Fong Shopping Centre	27.64	April 2009
Wong Tai Sin Shopping Centre	125.27	June 2009
Wo Che Shopping Centre	52.26	June 2009
Choi Yuen Shopping Centre Phase 1	66.86	September 2009
Cheung Fat Shopping Centre	134.16	October 2009
Butterfly Shopping Centre	92.39	February 2010
Hing Wah Shopping Centre	34.55	March 2010

Strategy and Outlook

The Manager has a four pronged strategy to grow DPU, comprising driving revenue from stabilised shopping centres, driving incremental revenue from completed asset enhancement initiatives, managing costs and maintaining a strong balance sheet.

To drive revenue, the Manager's key focus is to continue to achieve positive retail rental reversion rates through actively bringing retail rents to market levels. Revenue growth will also be driven by sharing in the sales growth of retail tenants through capturing of turnover linked rent. Moreover, the Manager expects to see income uplift from completing asset enhancement initiatives and expects increasing contributions from such projects.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

To generate incremental revenue from asset enhancement initiatives, the Manager's focus is to complete announced projects on time and on budget. The Manager expects that its dedicated asset enhancement leasing team will continue to negotiate leases at target rates in a timely manner. Management is continuing to master plan further asset enhancement projects with the intention of embarking on projects which meet target financial returns. The Manager targets first year return on investment of between 15% to 20% for asset enhancement initiatives. In the financial year ending 31 March 2010, the Manager is planning on additional asset enhancement initiatives, including a pilot fresh market.

Up to the year under review, the Manager's focus has been largely on growing revenue. For financial year ending 31 March 2010, the Manager is increasing its efforts to address cost issues. The Manager is currently reviewing third party property management agreements for all its shopping centre and carpark properties, and expects to realise costs savings. The Manager is also seeking to achieve costs savings in utilities while concurrently adopting more environmentally friendly practices. The Manager is of the view that The Link REIT's sizeable portfolio sitting in one geographic location offers substantial scope for synergistic savings and improved operational efficiency.

Another key thrust of the Manager is to continue to actively manage capital, with the aim of maintaining a competitive cost of capital. The Manager is keen to secure additional long term financing and lock down interest costs to mitigate potential interest rate volatility. The Manager will continue spreading out and extending debt maturities as well as diversifying sources of debt funding.

In financial year ending 31 March 2010, the Manager is reviewing portfolio strategies for its existing assets and positioned to assess potential expansion opportunities.

APPRECIATION

I would like to offer the Board's sincere thanks to our management and staff, whose professionalism and dedication are critical to our success.

With effect from 12 October 2008, Mr Leslie CHAO Tse Hou resigned as an Independent Non-Executive Director and a member of the Finance and Investment Committee of the Manager due to his business and other commitments. On 1 November 2008, Mr PUA Seck Guan was replaced as a Non-Executive Director as CapitaLand Limited had nominated Mr LIM Beng Chee in his place.

With effect from 16 January 2009, Mr CHEW Fook Aun ceased to be an Executive Director, Chief Financial Officer and a Responsible Officer of the Manager. On 16 January 2009, Mr George Kwok Lung HONGCHOY was appointed as Chief Financial Officer (and correspondingly a member of the Finance and Investment Committee) of the Manager and was appointed concurrently as an Executive Director and a Responsible Officer of the Manager on 26 February 2009.

The Board would like to take this opportunity to express its deepest appreciation to Mr CHAO, Mr PUA and Mr CHEW for their valuable contributions to the Manager and The Link REIT during their tenure of office. The Board would also like to extend its warmest welcome to Mr LIM and Mr HONGCHOY in joining the Board.

PURCHASE, SALE OR REDEMPTION OF THE LINK REIT'S LISTED UNITS

During the financial year ended 31 March 2009, neither the Manager nor any of the subsidiaries of The Link REIT purchased, sold or redeemed any of The Link REIT's listed 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 2009, 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 have in material terms fulfilled 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.

INVESTOR RELATIONS

In promoting good corporate governance and transparency, The Link REIT has continuously communicated with both the stakeholders and Unitholders during the year under review. 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 practices that are adopted by the Manager and The Link REIT will be set out in The Link REIT's 2009 Annual Report.

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 2009. As at 17 June 2009, there are 135 properties with both legal and beneficial title held by The Link REIT and 45 properties with beneficial title held by The Link REIT.

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the distribution for the financial year ended 31 March 2009 will be 6 July 2009. For the purpose of the distribution, the register of Unitholders of The Link REIT will be closed from 2 July 2009 to 6 July 2009, 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 no later than 4:30 pm on 30 June 2009. The distribution will be paid to the Unitholders on or about 19 August 2009.

For the purpose of the annual general meeting, the register of Unitholders of The Link REIT will be closed from 24 July 2009 to 29 July 2009, 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 no later than 4:30 pm on 23 July 2009.

DISTRIBUTION REINVESTMENT SCHEME

An announcement explaining further information of the distribution reinvestment scheme will be released on or about 6 July 2009 and a circular containing the details together with the relevant election form or entitlement advice will be sent to the Unitholders on or about 13 July 2009.

ISSUANCE OF ANNUAL REPORT

The annual report 2009 will be published and sent to the Unitholders on or about 3 July 2009.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of The Link REIT be held on 29 July 2009. 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, 17 June 2009

As at the date of this announcement, the Board of the Manager comprises:

Chairman (also an Independent Non-Executive Director)
Nicholas Robert SALLNOW-SMITH

Executive Directors
Ian David Murray ROBINS *(Chief Executive Officer)*
George Kwok Lung HONGCHOY *(Chief Financial Officer)*

Non-Executive Directors
Ian Keith GRIFFITHS
John HO Chi On
KEE Teck Koon
LIM Beng Chee

Independent Non-Executive Directors
Michael Ian ARNOLD
Anthony CHOW Wing Kin
Patrick FUNG Yuk Bun
Stanley KO Kam Chuen
Richard WONG Yue Chim
Allan ZEMAN