

Chairman's Statement

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



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

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

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

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

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



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

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

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

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

CHENG Ming Fun Paul JP

Chairman

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

29 June 2006