The Link Real Estate Investment Trust

(a collective investment scheme 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 FINANCIAL YEAR ENDED 31 MARCH 2011

The board of directors (the "**Board**") of The Link Management Limited (the "**Manager**"), as 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 financial year ended 31 March 2011.

The final results and the consolidated financial statements of the Group for the financial year ended 31 March 2011, after review by the audit committee of the Manager ("**Audit Committee**"), were approved by the Board on 1 June 2011.

Revenue and net property income grew 7.3% and 9.5% year-on-year to HK$5,353 million (2010: HK$4,990 million) and HK$3,644 million (2010: HK$3,328 million), respectively, for the year ended 31 March 2011. Distributable income rose 15.2% from a year ago to HK$2,458 million (2010: HK$2,134 million). Distribution per unit ("**DPU**") in total increased by 13.4% year-on-year to HK110.45 cents (2010: HK97.37 cents), which comprises interim DPU of HK52.86 cents (2010: HK48.35 cents) and final DPU of HK57.59 cents (2010: HK49.02 cents). The total DPU represents a distribution yield of 4.5% based on the closing market price on 31 March 2011 of HK$24.35 per unit.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Note	2011 HK$'M	2010 HK$'M (Restated)
Revenues	2	**5,353**	4,990
Property operating expenses		**(1,709)**	(1,662)
Net property income		**3,644**	3,328
General and administrative expenses		**(176)**	(120)
Change in fair values of investment properties		**12,812**	9,809
Operating profit	4	**16,280**	13,017
Interest income		**4**	6
Finance costs on interest bearing liabilities		**(501)**	(583)
Profit before taxation and transactions with Unitholders		**15,783**	12,440
Taxation	5	**(503)**	(458)
Profit for the year, before transactions with Unitholders *(Note (i))*		**15,280**	11,982
Distributions paid to Unitholders:			
2009 final distribution		–	(935)
2010 interim distribution		–	(1,055)
2010 final distribution		**(1,079)**	–
2011 interim distribution		**(1,172)**	–
		13,029	9,992
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units		**13,169**	10,219
Amount arising from cash flow hedging reserve movement		**(140)**	(227)
		13,029	9,992

Notes:

(i) Earnings per unit, based upon profit after taxation and before transactions with unitholders of The Link REIT (the "**Unitholders**") and the weighted average number of units in issue, are set out in Note 6 to the consolidated financial statements.

(ii) Total Distributable Income (as defined in the trust deed constituting The Link REIT (the "**Trust Deed**")) 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 the Unitholders on or about 26 July 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Note	**Before transactions with Unitholders** *HK$'M*	**Transactions with Unitholders** *(Note (i))* *HK$'M*	**After transactions with Unitholders** *HK$'M*
For the year ended 31 March 2011				
Profit for the year		**15,280**	**(15,420)**	**(140)**
Other comprehensive income				
Cash flow hedging reserve		**140**	**–**	**140**
Total comprehensive income for the year	*(ii)*	**15,420**	**(15,420)**	**–**

	Note	Before transactions with Unitholders *HK$'M* *(Restated)*	Transactions with Unitholders *(Note (i))* *HK$'M* *(Restated)*	After transactions with Unitholders *HK$'M*
For the year ended 31 March 2010				
Profit for the year		11,982	(12,209)	(227)
Other comprehensive income				
Cash flow hedging reserve		227	–	227
Total comprehensive income for the year	*(ii)*	12,209	(12,209)	–

Notes:

(i) Transactions with Unitholders comprised the distributions to Unitholders of HK$2,251 million (2010: HK$1,990 million) and change in net assets attributable to Unitholders, excluding issues of new units, of HK$13,169 million (2010: HK$10,219 million, as restated).

(ii) In accordance with the Trust Deed, The Link REIT is required to distribute to the Unitholders not less than 90% of its Total Distributable Income for each financial year. Accordingly, the units contain contractual obligations of the trust to pay cash distributions. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS

For the year ended 31 March 2011

	2011 HK$'M	2010 HK$'M (Restated)
Profit for the year, before transactions with Unitholders	**15,280**	11,982
Adjustments:		
Change in fair values of investment properties	**(12,812)**	(9,809)
Other non-cash income	**(10)**	(39)
Total Distributable Income *(Note (i))*	**2,458**	2,134
Interim distribution, paid	**1,172**	1,055
Final distribution, to be paid to the Unitholders	**1,286**	1,079
Total distributions for the year *(Note (ii))*	**2,458**	2,134
As a percentage of Total Distributable Income	**100%**	100%
Units in issue at 31 March	**2,232,284,540**	2,202,043,479
Distributions per unit to Unitholders:		
Interim distribution per unit, paid *(Note (iii))*	**HK52.86 cents**	HK48.35 cents
Final distribution per unit, to be paid to the Unitholders *(Note (iv))*	**HK57.59 cents**	HK49.02 cents
Distribution per unit for the year	**HK110.45 cents**	HK97.37 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 REIT 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 has decided to distribute 100% of Total Distributable Income as the distribution for the year ended 31 March 2011 (2010: 100%). The interim distribution was paid to the Unitholders on 20 January 2011. The final distribution will be paid to the Unitholders on or about 26 July 2011.

(iii) The interim distribution per unit of HK52.86 cents for the six months ended 30 September 2010 was calculated based on the interim distribution of HK$1,172 million for the period and 2,217,446,050 units in issue as at 30 September 2010. The interim distribution per unit of HK48.35 cents for the six months ended 30 September 2009 was calculated based on the interim distribution of HK$1,055 million for the period and 2,180,865,373 units in issue as at 30 September 2009.

(iv) The final distribution per unit of HK57.59 cents (2010: HK49.02 cents) is calculated based on the final distribution to be paid to the Unitholders of HK$1,286 million for the second half of the financial year and 2,232,284,540 units in issue as at the year end (2010: HK$1,079 million and 2,202,043,479 units).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Note	**As at 31 March 2011** *HK$'M*	As at 31 March 2010 *HK$'M* *(Restated)*	As at 1 April 2009 *HK$'M* *(Restated)*
Non-current assets				
Goodwill		**281**	281	281
Investment properties		**67,318**	53,781	43,255
Property, plant and equipment		**76**	86	65
Derivative financial instruments		**34**	–	–
		67,709	54,148	43,601
Current assets				
Trade and other receivables	*7*	**159**	162	121
Deposits and prepayments		**32**	38	21
Short-term bank deposits		**155**	243	722
Cash and cash equivalents		**699**	633	508
		1,045	1,076	1,372
Total assets		**68,754**	55,224	44,973
Current liabilities				
Trade payables, receipts in advance and accruals	*8*	**1,026**	993	1,125
Security deposits		**739**	630	493
Provision for taxation		**139**	145	71
Current portion of long-term incentive plan payable		**38**	39	–
Interest bearing liabilities	*9*	**2,598**	–	–
Derivative financial instruments		**37**	–	–
		4,577	1,807	1,689
Net current liabilities		**3,532**	731	317
Total assets less current liabilities		**64,177**	53,417	43,284
Non-current liabilities, excluding net assets attributable to Unitholders				
Long-term incentive plan payable		**29**	26	34
Interest bearing liabilities	*9*	**7,782**	10,867	11,538
Derivative financial instruments		**332**	513	738
Deferred tax liabilities		**1,059**	866	691
		9,202	12,272	13,001
Total liabilities, excluding net assets attributable to Unitholders		**13,779**	14,079	14,690
Net assets attributable to Unitholders		**54,975**	41,145	30,283
Units in issue		**2,232,284,540**	2,202,043,479	2,167,040,427
Net assets per unit attributable to Unitholders		**HK$24.63**	HK$18.68	HK$13.97

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 March 2011

	Note	Total equity HK$'M	Net assets attributable to Unitholders HK$'M	Total HK$'M
Net assets attributable to Unitholders at 1 April 2010, as previously reported		**–**	**38,444**	**38,444**
Prior year adjustments in respect of changes in accounting policy	1(c)	**–**	**2,701**	**2,701**
Net assets attributable to Unitholders at 1 April 2010, as restated		**–**	**41,145**	**41,145**
Issuance of units				
under distribution reinvestment scheme		**–**	**625**	**625**
under long-term incentive plan		**–**	**36**	**36**
Profit for the year ended 31 March 2011, before transactions with Unitholders		**–**	**15,280**	**15,280**
Distributions paid to Unitholders				
2010 final distribution		**–**	**(1,079)**	**(1,079)**
2011 interim distribution		**–**	**(1,172)**	**(1,172)**
Change in fair values of cash flow hedges		**(191)**	**–**	**(191)**
Amount transferred to the consolidated income statement		**331**	**–**	**331**
Amount arising from cash flow hedging reserve movement		**(140)**	**140**	**–**
Change in net assets attributable to Unitholders for the year ended 31 March 2011, excluding issues of new units		**–**	**13,169**	**13,169**
Net assets attributable to Unitholders at 31 March 2011		**–**	**54,975**	**54,975**
Net assets attributable to Unitholders at 1 April 2009, as previously reported		–	29,201	29,201
Prior year adjustments in respect of changes in accounting policy	1(c)	–	1,082	1,082
Net assets attributable to Unitholders at 1 April 2009, as restated		–	30,283	30,283
Issuance of units				
under distribution reinvestment scheme		–	643	643
Profit for the year ended 31 March 2010, before transactions with Unitholders, as restated		–	11,982	11,982
Distributions paid to Unitholders				
2009 final distribution		–	(935)	(935)
2010 interim distribution		–	(1,055)	(1,055)
Change in fair values of cash flow hedges		(157)	–	(157)
Amount transferred to the consolidated income statement		384	–	384
Amount arising from cash flow hedging reserve movement		(227)	227	–
Change in net assets attributable to Unitholders for the year ended 31 March 2010, excluding issues of new units, as restated		–	10,219	10,219
Net assets attributable to Unitholders at 31 March 2010, as restated		–	41,145	41,145

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2011

	2011	2010
	HK$'M	*HK$'M*
Operating activities		
Net cash generated from operating activities	**3,365**	2,998
Investing activities		
Additions to investment properties	**(725)**	(717)
Additions to property, plant and equipment	**(16)**	(39)
Proceeds from disposal of property, plant and equipment	**1**	–
Interest income received	**4**	6
Decrease in short-term bank deposits with original maturity of more than three months	**88**	479
Net cash used in investing activities	**(648)**	(271)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	**4,682**	8,407
Repayment of interest bearing liabilities	**(5,230)**	(9,100)
Interest expenses paid on interest bearing liabilities	**(477)**	(562)
Distributions paid to Unitholders	**(1,626)**	(1,347)
Net cash used in financing activities	**(2,651)**	(2,602)
Net increase in cash and cash equivalents	**66**	125
Cash and cash equivalents at 1 April	**633**	508
Cash and cash equivalents at 31 March	**699**	633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**"), 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 (the "**REIT Code**") issued by the Securities and Futures Commission of Hong Kong. HKFRSs is a collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

As at 31 March 2011, the Group's current liabilities exceeded its current assets by HK$3,532 million. Taking into account the unutilised committed bank loan facilities of HK$1,560 million and the new club loan facility of HK$2,500 million obtained after year end, the Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the consolidated financial statements.

(b) Accounting convention and functional currency

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and derivative financial instruments.

The consolidated financial statements are presented in millions of Hong Kong Dollars, the functional currency of The Link REIT.

(c) Adoption of new and revised HKFRSs

For the year ended 31 March 2011, the Group has adopted all the new standards, amendments and interpretations that are currently in issue and effective.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 Amendment	Classification of Rights Issues
HKAS 39 Amendment	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 Amendments	Additional Exemptions for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 4 Amendment	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Improvements to HKFRSs – HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Improvements to HKFRSs 2009	

The adoption of these new standards, amendments and interpretations has not had any significant effect on the accounting policies or the results and financial position of the Group.

1 Basis of preparation (Continued)

(c) Adoption of new and revised HKFRSs (Continued)

Early adoption of amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

The HKICPA issued the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" in December 2010, effective for annual periods beginning on or after 1 January 2012 with early adoption permitted. The amendments require deferred tax on an investment property, carried under the fair value model in HKAS 40, to be measured presuming that an investment property is recovered through sale.

The Group has early adopted these amendments retrospectively for the financial year ended 31 March 2011 and the effects of adoption are disclosed as follows.

The Group has investment properties measured at their fair values amounting to HK$53,781 million (1 April 2009: HK$43,255 million) as of 1 April 2010. As required by the amendments, the Group has re-measured the deferred tax relating to these investment properties according to the tax consequence on the presumption that they are recovered entirely by sale, or rebutting this presumption, where appropriate. The comparative figures for 2010 have been restated to reflect the change in accounting policy, as summarised below:

(i) On the consolidated income statement for the year ended 31 March

	2011	2010
	HK$'M	*HK$'M*
Decrease in taxation	**(2,114)**	(1,619)
Increase in profit for the year, before transactions with Unitholders	**2,114**	1,619
Increase in net assets attributable to Unitholders	**2,114**	1,619
Increase in basic earnings per unit	**HK$0.95**	HK$0.74
Increase in diluted earnings per unit	**HK$0.95**	HK$0.74

(ii) On the consolidated statement of financial position

	As at 31 March 2011	As at 31 March 2010	As at 1 April 2009
	HK$'M	*HK$'M*	*HK$'M*
Decrease in goodwill	**(3,707)**	(3,707)	(3,707)
Decrease in deferred taxation	**(8,522)**	(6,408)	(4,789)
Increase in net assets attributable to Unitholders	**4,815**	2,701	1,082

1 Basis of preparation (Continued)

(c) Adoption of new and revised HKFRSs (Continued)

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in these consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2011.

HKFRS 1 Amendment	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters[1]
HKFRS 1 Amendments	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[2]
HKFRS 7 Amendments	Disclosures – Transfers of Financial Assets[2]
HKFRS 9	Financial Instruments[3]
HK(IFRIC)-Int 14 Amendment	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[1]
Improvements to HKFRSs 2010[5]	

1 effective for accounting periods beginning on or after 1 July 2010
2 effective for accounting periods beginning on or after 1 July 2011
3 effective for accounting periods beginning on or after 1 January 2013
4 effective for accounting periods beginning on or after 1 January 2011
5 effective for accounting periods beginning on or after 1 January 2011 except the amendments to HKFRS 3 and HKAS 27 which are effective for accounting periods beginning on or after 1 July 2010

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Manager has concluded that while the adoption of the new or revised HKFRSs may result in new or amended disclosures, it is unlikely to have a significant impact on the Group's results of operations and financial position.

2 Revenues

Revenues recognised during the year comprise:

	2011	2010
	HK$'M	*HK$'M*
Rental income from retail properties	**4,015**	3,699
Gross rental revenue from car parks	**1,044**	1,005
	5,059	4,704
Other revenues		
Air conditioning service fees	**276**	266
Other property related income	**18**	20
	294	286
Total revenues	**5,353**	4,990

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK$84 million (2010: HK$70 million) and have been included in the rental income.

3 Segment information

	Retail properties HK$'M	Car parks HK$'M	Head office HK$'M	Total HK$'M
For the year ended 31 March 2011				
Revenues	**4,307**	**1,046**	**–**	**5,353**
Segment results	**3,032**	**612**	**(176)**	**3,468**
Change in fair values of investment properties	**11,495**	**1,317**	**–**	**12,812**
Interest income				**4**
Finance costs on interest bearing liabilities				**(501)**
Profit before taxation and transactions with Unitholders				**15,783**
Taxation				**(503)**
Profit for the year, before transactions with Unitholders				**15,280**
Capital expenditure	**700**	**25**	**16**	**741**
Depreciation	**–**	**–**	**(24)**	**(24)**
As at 31 March 2011				
Segment assets	**57,650**	**9,838**	**97**	**67,585**
Goodwill				**281**
Derivative financial instruments				**34**
Short-term bank deposits				**155**
Cash and cash equivalents				**699**
Total assets				**68,754**
Segment liabilities	**1,347**	**199**	**219**	**1,765**
Provision for taxation				**139**
Long-term incentive plan payable				**67**
Interest bearing liabilities				**10,380**
Derivative financial instruments				**369**
Deferred tax liabilities				**1,059**
Total liabilities, excluding net assets attributable to Unitholders				**13,779**
Net assets attributable to Unitholders				**54,975**

3 Segment information (Continued)

	Retail properties *HK$'M*	Car parks *HK$'M*	Head office *HK$'M*	Total *HK$'M* *(Restated)*
For the year ended 31 March 2010				
Revenues	3,983	1,007	–	4,990
Segment results	2,814	514	(120)	3,208
Change in fair values of investment properties	9,153	656	–	9,809
Interest income				6
Finance costs on interest bearing liabilities				(583)
Profit before taxation and transactions with Unitholders				12,440
Taxation				(458)
Profit for the year, before transactions with Unitholders				11,982
Capital expenditure	703	15	38	756
Depreciation	–	–	(17)	(17)
As at 31 March 2010				
Segment assets	45,459	8,495	113	54,067
Goodwill				281
Short-term bank deposits				243
Cash and cash equivalents				633
Total assets				55,224
Segment liabilities	1,176	227	220	1,623
Provision for taxation				145
Long-term incentive plan payable				65
Interest bearing liabilities				10,867
Derivative financial instruments				513
Deferred tax liabilities				866
Total liabilities, excluding net assets attributable to Unitholders				14,079
Net assets attributable to Unitholders				41,145

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

	2011 HK$'M	2010 HK$'M
Operating profit before finance costs, taxation and transactions with Unitholders is stated after charging:		
Staff costs	**364**	247
Depreciation of property, plant and equipment	**24**	17
Loss on disposal of property, plant and equipment	**1**	1
Trustee's fee	**4**	3
Valuation fee	**4**	4
Auditor's remuneration		
– audit service	**4**	4
– non-audit service	**2**	3
Bank charges	**3**	3
Operating lease charges	**13**	9
Other legal and professional fees	**10**	8
Commission to property agents	**–**	1

5 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year.

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

	2011 HK$'M	2010 HK$'M (Restated)
Current taxation	**310**	283
Deferred taxation		
– Accelerated depreciation allowances	**193**	175
Taxation	**503**	458

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:

	2011 *HK$'M*	2010 *HK$'M* *(Restated)*
Profit before taxation	**15,783**	12,440
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2010: 16.5%)	**2,604**	2,052
Tax effect of non-deductible expenses	**14**	26
Tax effect of non-taxable income	**(2,114)**	(1,620)
Adjustment in respect of prior years	**(1)**	–
Taxation	**503**	458

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

	2011	2010 *(Restated)*
Profit after taxation and before transactions with Unitholders	**HK$15,280 million**	HK$11,982 million
Weighted average number of units for the year for calculating basic earnings per unit	**2,215,158,272**	2,179,334,098
Adjustment for dilutive contingently issuable units under the long-term incentive plan	**2,294,244**	1,819,282
Weighted average number of units for the year for calculating diluted earnings per unit	**2,217,452,516**	2,181,153,380
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders	**HK$6.90**	HK$5.50
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders	**HK$6.89**	HK$5.49

7 Trade and other receivables

	2011 HK$'M	2010 HK$'M
Trade receivables	**55**	67
Less: provision for impairment of trade receivables	**(4)**	(4)
Trade receivables – net	**51**	63
Other receivables	**108**	99
	159	162

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/bank guarantees from corresponding tenants.

The ageing analysis of trade receivables is as follows:

	2011 HK$'M	2010 HK$'M
0 – 30 days	**48**	58
31 – 90 days	**4**	5
Over 90 days	**3**	4
	55	67

Monthly rentals in respect of retail properties are payable in advance by tenants in accordance with the leases while daily gross receipts from car parks are received from the car park operators in arrears.

Included in the net trade receivables of HK$51 million (2010: HK$63 million) presented above were HK$28 million (2010: HK$27 million) of accrued car park income and HK$7 million (2010: HK$8 million) of accrued turnover rent, which were not yet due as at 31 March 2011. The remaining HK$16 million (2010: HK$28 million) were past due but not impaired.

The ageing analysis of the past due but not impaired trade receivables is as follows:

	2011 HK$'M	2010 HK$'M
0 – 30 days	**13**	23
31 – 90 days	**3**	5
	16	28

7 Trade and other receivables (Continued)

As at 31 March 2011, trade receivables of HK$4 million (2010: HK$4 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:

	2011	2010
	HK$'M	*HK$'M*
31 – 90 days	**1**	–
Over 90 days	**3**	4
	4	4

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

	2011	2010
	HK$'M	*HK$'M*
At 1 April	**4**	4
Provision for impairment of trade receivables	**4**	1
Receivables written off during the year as uncollectible	**(4)**	(1)
At 31 March	**4**	4

The creation and release of provision for impairment of trade 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

	2011	2010
	HK$'M	*HK$'M*
Trade payables	**75**	49
Receipts in advance	**123**	107
Accruals	**828**	837
	1,026	993

8 Trade payables, receipts in advance and accruals (Continued)

The ageing analysis of trade payables is as follows:

	2011	2010
	HK$'M	*HK$'M*
0 – 30 days	**60**	32
31 – 90 days	**14**	15
Over 90 days	**1**	2
	75	49

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

9 Interest bearing liabilities

	2011	2010
	HK$'M	*HK$'M*
Syndicated loan	**2,349**	3,097
HKMC loan (secured)	**4,000**	4,000
Medium term notes	**2,112**	1,788
Other borrowings	**1,919**	1,982
	10,380	10,867
Less: current portion of interest bearing liabilities	**(2,598)**	–
Non-current portion of interest bearing liabilities	**7,782**	10,867

9 Interest bearing liabilities (Continued)

Interest bearing liabilities are repayable as follows:

	2011	2010
	HK$'M	*HK$'M*
Due in the first year		
Syndicated loan	**2,349**	–
Other borrowings	**249**	–
	2,598	–
Due in the second year		
Syndicated loan	**–**	3,097
Other borrowings	**–**	248
	–	3,345
Due in the third year		
HKMC loan (secured)	**1,000**	–
Other borrowings	**664**	688
	1,664	688
Due in the fourth year		
HKMC loan (secured)	**2,000**	–
Other borrowings	**–**	369
	2,000	369
Due in the fifth year		
HKMC loan (secured)	**1,000**	4,000
Other borrowings	**1,006**	–
	2,006	4,000
Due beyond the fifth year		
Medium term notes	**2,112**	1,788
Other borrowings	**–**	677
	2,112	2,465
	10,380	10,867

9 Interest bearing liabilities (Continued)

Notes:

(i) Except for a bank loan of HK$249 million (2010: HK$248 million) which is denominated in United States Dollars and a bank loan of HK$415 million (2010: Nil) which is denominated in New Zealand Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.

(ii) The effective interest rate of the interest bearing liabilities (including interest rate swaps and cross currency swaps) at the reporting date was 3.72% (2010: 4.30%). The carrying amounts of the interest bearing liabilities approximate their fair values.

10 Security for the Group's loan facilities

As at 31 March 2011, certain of the Group's investment properties, amounting to approximately HK$6.9 billion (2010: HK$5.5 billion), were pledged to secure the loan from The Hong Kong Mortgage Corporation Limited ("**HKMC**"). No property was pledged to secure any bank loan or medium term note.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

This financial year was a period of continued and strong growth for The Link REIT. Benefitting from improving economic conditions in Hong Kong, DPU increased by 13.4% from a year ago, extending its consistent track record of growing The Link REIT's DPU. Due primarily to the appreciation in the values of investment properties and the reversal of prior years' deferred tax provision following the early adoption of the amendments to the HKAS 12 "Deferred Tax: Recovery of Underlying Assets" issued by the HKICPA in December 2010, net asset value per unit rose to HK$24.63 as at 31 March 2011.

Total revenue and net property income for the year ended 31 March 2011 rose 7.3% and 9.5% year-on-year to HK$5,353 million (2010: HK$4,990 million) and HK$3,644 million (2010: HK$3,328 million) respectively. Total property operating expenses increased by 2.8% to HK$1,709 million (2010: HK$1,662 million). The composite reversion rate for the retail properties continued to be healthy at 21.4% (2010: 20.5%) on the back of the strong local economy and improving trade mix. Together with increasing contribution from the completed asset enhancement initiatives ("**AEIs**") and relentless efforts on cost efficiencies, the Manager has managed to maintain continuous DPU growth for The Link REIT.

Analysis of Revenue

Base rental income from shops which accounted for 57.8% (2010: 57.0%) of revenue for the year under review, rose 8.9% year-on-year to HK$3,095 million (2010: HK$2,841 million). Turnover rent and mall merchandising income continued to record strong growth of 20.0% to HK$84 million (2010: HK$70 million) and 26.4% to HK$115 million (2010: HK$91 million) respectively. Markets and cooked food stalls recorded steady growth year-on-year. Income from the Housing Department ("**HD**") office, however, showed a decline of 50.0% to HK$5 million (2010: HK$10 million) after the HD vacated office spaces at The Link REIT's shopping centres.

The Link REIT has the largest car park portfolio by a single owner in Hong Kong. In the financial year under review, car park revenue rose 3.9% year-on-year to HK$1,044 million (2010: HK$1,005 million), with utilisation rate improved to 75.0% (2010: 71.8%). The net property income margin for car parks increased to 58.5% for the year ended 31 March 2011 (2010: 51.0%) partly due to the reduction of a one-off provision for the retrospective car park waiver fee in the year under review.

	Year ended 31 March 2011 HK$'M	Year ended 31 March 2010 HK$'M	YoY %	Percentage contribution year ended 31 March 2011 %
Rental income:				
Shops – Base rent	**3,095**	2,841	8.9	**57.8**
Shops – Turnover rent	**84**	70	20.0	**1.6**
Markets	**546**	522	4.6	**10.2**
Cooked Food Stalls	**54**	50	8.0	**1.0**
Education/Welfare	**45**	45	0.0	**0.8**
HD Office	**5**	10	(50.0)	**0.1**
Ancillary	**71**	70	1.4	**1.3**
Mall Merchandising	**115**	91	26.4	**2.2**
Gross revenue from car parks:				
Monthly	**778**	769	1.2	**14.5**
Hourly	**266**	236	12.7	**5.0**
Expenses recovery and other miscellaneous income:				
Property related income	**294**	286	2.8	**5.5**
	5,353	4,990	7.3	**100.0**

Analysis of Expenses

Total property operating expenses for the year ended 31 March 2011 increased 2.8% to HK$1,709 million (2010: HK$1,662 million). Whilst there were continual efforts to control costs, the overall cost structure has been evolving since the listing of The Link REIT five years ago as the Manager refines The Link REIT's operating structure.

During the year under review, there were certain changes such as the increase in direct staff costs and reduction in property managers' fees after the move to direct management in November 2009 and the increase in Government rent following completion of property title transfer in August 2010.

Additional staff costs were incurred as the Manager increased headcount at the front line as part of its continual efforts in pursuit of quality service to customers and in strengthening the work force to build a sustainable platform. Headcount should stabilise near current levels and efforts will be deployed on training and development moving forward.

Repair and maintenance costs were also up year-on-year due to the Manager's continual efforts to improve general property conditions across the portfolio. This should pay off after normalising the repair and maintenance expenses over time as unplanned repair work will be reduced in the future.

Continual efforts were deployed on energy saving initiatives such as the upgrade and replacement of air-conditioning and lighting systems to reduce energy consumption resulting in lower utilities expenses for two consecutive years. Net property income margin for the year continued to improve to 68.1% (2010: 66.7%).

	Year ended 31 March 2011 *HK$'M*	Year ended 31 March 2010 *HK$'M*	YoY %
Property managers' fees, security and cleaning	**428**	474	(9.7)
Staff costs	**251**	176	42.6
Utilities	**310**	316	(1.9)
Repair and maintenance	**222**	177	25.4
Government rent and rates	**166**	127	30.7
Promotion and marketing expenses	**94**	80	17.5
Other property operating expenses	**137**	214	(36.0)
Estate common area costs	**101**	98	3.1
Total property expenses	**1,709**	1,662	2.8

FINANCIAL POSITION

The Link REIT's financial position remains strong with total value of investment properties increasing to HK$67,318 million as at 31 March 2011 (2010: HK$53,781 million), an increase of 25.2%. Net asset value per unit after restatement rose from HK$18.68 a year ago to HK$24.63 as at 31 March 2011. Increase in net asset value per unit was driven primarily by the increase in fair values of investment properties.

For the year under review, the Manager has incorporated in the consolidated financial results and position of The Link REIT the adjustments as a result of the early adoption of the amendments to the HKAS 12 "Deferred Tax: Recovery of Underlying Assets", issued by the HKICPA in December 2010. As this change in accounting policy is applied retrospectively, there is resulting restatement of previous years' figures such as non-current and total assets, non-current and total liabilities and net assets attributable to Unitholders.

Financial Position Summary

	As at 31 March 2011 *HK$'M*	As at 31 March 2010 *HK$'M* *(Restated)*
Current Assets	**1,045**	1,076
Non Current Assets	**67,709**	54,148
Total Assets	**68,754**	55,224
Current Liabilities	**4,577**	1,807
Non Current Liabilities	**9,202**	12,272
Total Liabilities	**13,779**	14,079
Net Assets Attributable to Unitholders	**54,975**	41,145
Units in Issue *('000)*	**2,232,285**	2,202,043
Net Asset Value Per Unit	**HK$24.63**	HK$18.68
Gearing ratio (debt:total assets) *(%)*	**15.1**	19.7

Note:

Comparative figures have been restated as a result of the early adoption of the amendments to the HKAS 12 "Deferred Tax: Recovery of Underlying Assets". For details, please refer to note 1(c) to the consolidated financial statements on pages 8-10.

Valuation Review

Pursuant to the REIT Code, Knight Frank Petty Limited retired as The Link REIT's principal valuer after conducting valuation of the investment properties of The Link REIT for the last three years and Jones Lang LaSalle Limited ("**JLL**") has been appointed to value the investment properties of The Link REIT as at 31 March 2011.

The uplift in valuation was driven mainly by retail properties, which accounted for 85.4% of total property portfolio value. JLL used discounted cash flow ("**DCF**") and income capitalisation approaches to value The Link REIT's property portfolio and the key drivers for the valuation upsurge were the increase in net property income of the portfolio in general and adjustments to the capitalisation rates of part of the portfolio to reflect the improved quality and rental growth prospects.

Change in Fair Values of Investment Properties

	Year ended 31 March 2011 *HK$'M*	Year ended 31 March 2010 *HK$'M*	Increase/ (Decrease) %
At beginning of year	**53,781**	43,255	N/A
Additions	**725**	717	N/A
Change in fair values of investment properties	**12,812**	9,809	N/A
At end of year	**67,318**	53,781	25.2

Valuation Drivers

	As at 31 March 2011 *HK$'M*	As at 31 March 2010 *HK$'M*
Retail properties	**57,510**	45,315
Car parks	**9,808**	8,466
Total	**67,318**	53,781
Income Capitalisation Approach – Capitalisation Rate		
Retail properties	**5.00 – 7.00%**	5.50 – 7.56%
Retail properties: weighted average	**5.92%**	6.46%
Car parks	**5.50 – 9.25%**	6.00 – 10.00%
Car parks: weighted average	**7.63%**	8.47%
Overall weighted average	**6.16%**	6.73%
DCF Approach		
Discount rate	**8.00%**	8.00 – 11.40%

Portfolio Breakdown

Properties [(1)]	Total valuation *HK$'M*	Retail revenue *HK$'M*	Average monthly unit rent per leased IFA[(2)] *HK$ psf*	Occupancy rate *%*
1-10	**17,876**	**1,158**	**47.3**	**96.6**
11-50	**29,179**	**1,948**	**34.3**	**90.2**
51-100	**15,109**	**985**	**25.8**	**91.2**
101-180	**5,154**	**216**	**18.1**	**88.7**
Total	**67,318**	**4,307**	**32.8**	**91.5**

Notes:

(1) Properties ranked by total valuation as at 31 March 2011
(2) IFA means internal floor area

The top 50 properties continued to account for 70% of the total value of the portfolio as at 31 March 2011, reflecting the better quality of these assets which included most of the properties that went through AEIs.

Capital Management

During the financial year, The Link REIT continued to focus on extending and spreading out debt maturity and lowering average interest cost. Key financing transactions in the year are summarised below:

- Additional HK$300 million 7-year unsecured notes at a fixed rate of 3.4125% per annum were issued under the Guaranteed Euro Medium Term Note Programme.

- A total of HK$1.0 billion 5-year new bilateral loan facilities were signed with banks at an average all-in cost of HIBOR + 0.78% per annum, of which HK$610 million facilities are revolving in nature.

- A new NZ$70.2 million 3-year bilateral loan was borrowed and swapped into a HK$400 million loan using a cross currency swap with an effective all-in interest rate of HIBOR + 0.45% per annum.

- The HK$3 billion club loan, concluded in March 2009 at a relatively high credit margin, was fully prepaid.

- HK$750 million of the 2006 syndicated loan was prepaid.

- The repayment date of HK$4 billion mortgage loan from HKMC was spread out such that the repayment of HK$1 billion was re-scheduled to May 2013, HK$1 billion was rescheduled to May 2015 and the balance of HK$2 billion remained at the original maturity date in May 2014.

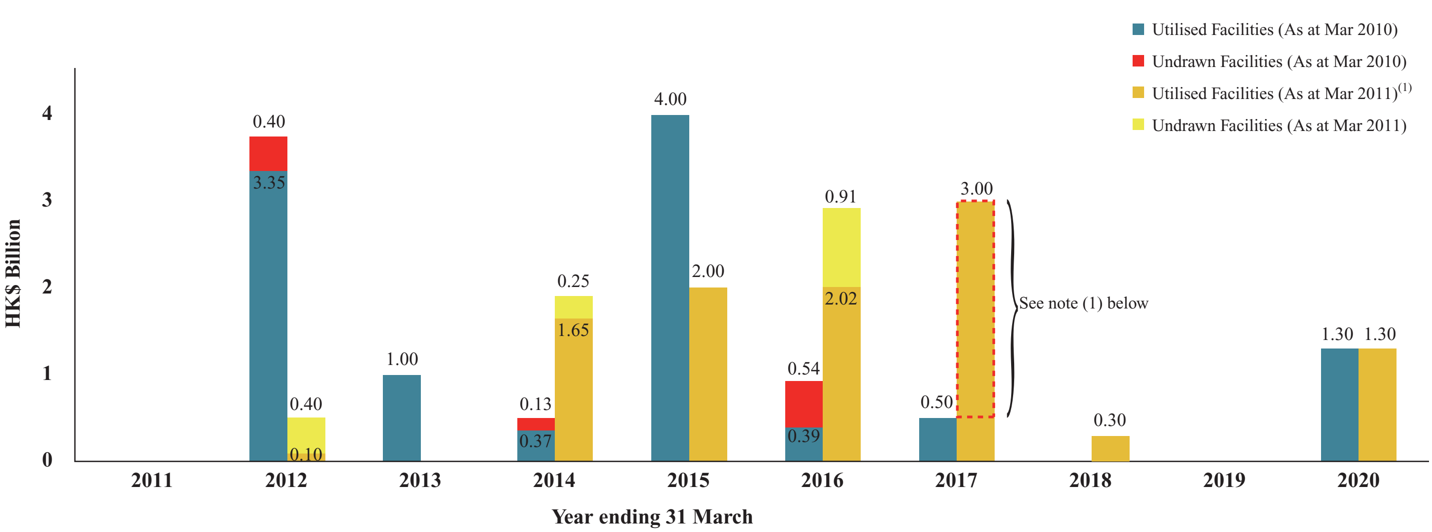
- A new HK$300 million forward start interest rate swap was entered into which matches the expiry date of an existing cash flow hedging interest rate swap. In effect, such interest rate swap has extended the fixed interest rate protection for the Group's HK$300 million floating rate borrowing from October 2011 to April 2015.

- A total of HK$1.65 billion notional principal amount of cash flow hedging interest rate swaps was unwound in order to take advantage of the prolonged low interest rate environment. As a result, fair value losses of HK$59.2 million originally recognised in the cash flow hedging reserve were realised as finance costs.

- A new HK$2.5 billion 5-year club loan was mandated in March 2011 with various banks at an all-in cost of HIBOR + 0.85% per annum mainly to refinance the 2006 syndicated loan maturing in October 2011. This new club loan was signed in April 2011 of which HK$1.25 billion is revolving in nature.

After taking into account the new HK$2.5 billion club loan that was signed in April 2011, the average outstanding life of the Group's committed debt facilities was extended to 4.3 years as at 31 March 2011 from 3.9 years as at 31 March 2010. Moreover, the facility maturity profile is more evenly spread. All of The Link REIT's borrowings are denominated or fully hedged into Hong Kong dollars.

Maturity Profile of Committed Facilities



Note:

(1) Utilised facilities have included the new HK$2.5 billion 5-year club loan mandated in March 2011 and signed in April 2011 to be drawn to refinance loans due in 2011/12 financial year

Apart from refinancing, the Manager also actively manages the Group's interest rate exposure. The Group's fixed rate debt to total debt percentage was reduced to 60% as at 31 March 2011 (2010: 69%) in order to take advantage of the prolonged low market interest rate environment. Overall average interest rate of the Group's debt, after taking into account the interest rate hedging, reduced to 3.72% as at 31 March 2011 (2010: 4.30%). At the same time, the Group's average remaining life of the fixed interest rate period for debt facilities was largely maintained at 3.7 years as at 31 March 2011 (2010: 3.8 years).

Debt Highlights

	As at 31 March 2011	As at 31 March 2010 *(Restated)* [(2)]
Debt (face value)	**HK$10.37 billion**	HK$10.91 billion
Gearing (debt:total assets)	**15.1 %**	19.7%
Average outstanding life of debt facilities	**4.3 years**[(1)]	3.9 years
Proportion of liabilities at fixed rates (after swaps)	**60%**	69%
Average outstanding life of fixed rate debt/swaps	**3.7 years**	3.8 years
Effective interest rate	**3.72%**	4.30%

Notes:

(1) Included a new HK$2.5 billion club loan mandated in March 2011 and signed in April 2011 to mainly refinance the 2006 syndicated loan maturing in October 2011. Excluding the HK$2.5 billion refinancing, average outstanding life of debt facilities as at 31 March 2011 was 3.4 years.

(2) Comparative figures have been restated as a result of the early adoption of the amendments to the HKAS 12 "Deferred Tax: Recovery of Underlying Assets".

Committed Debt Facilities[(1)]

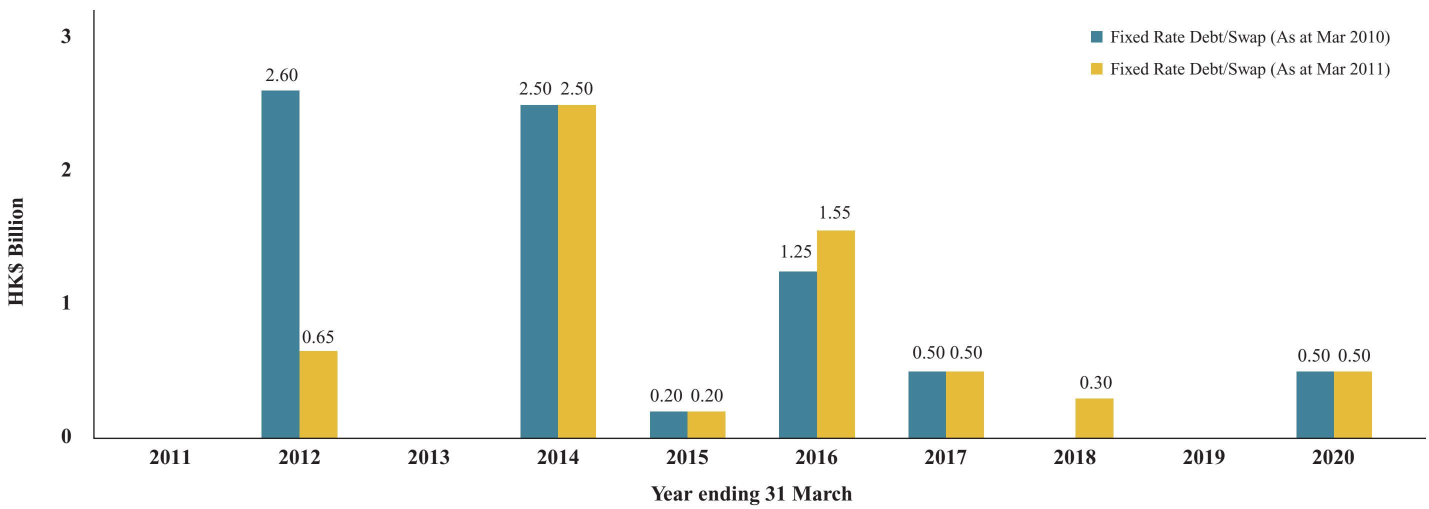
As at 31 March 2011 (HK$ Billion)	**Fixed Rate Debt**[(2)]	**Floating Rate Debt**[(2)]	**Utilised Facilities**	**Undrawn Facilities**	**Total Facilities**
HKMC Loan	3.75	0.25	4.00	–	4.00
2006 Syndicated Loan	1.35	1.00	2.35	0.40	2.75
Bilateral Loans	–	1.92	1.92	1.16	3.08
Medium Term Notes	1.10	1.00	2.10	–	2.10
Total	**6.20**	**4.17**	**10.37**	**1.56**	**11.93**
Percentage	**60%**	**40%**	**87%**	**13%**	**100%**

Notes:

(1) all amounts are at face value

(2) after interest rate swaps

Fixed Rate Debt/Swap Maturity Profile



Liquidity Management

The Link REIT continues to maintain strong available liquidity for both risk management and potential growth purposes. As at 31 March 2011, available liquidity stood at HK$2.41 billion (2010: HK$1.95 billion), comprising HK$854 million cash and deposits and HK$1.56 billion committed undrawn facilities. As at 31 March 2011, all of The Link REIT's cash and deposits were held in Hong Kong dollars under various banks with credit rating by Standard and Poor's of no less than A- or equivalent. Counterparty exposure is restricted by pre-defined deposit limits for all relationship banks, which are assigned based primarily on their respective credit ratings.

CREDIT RATINGS

The Link REIT commands strong credit ratings by rating agencies. On 24 September 2010, Moody's Investors Service upgraded The Link REIT's credit rating from A3 to A2 with stable outlook. On 7 December 2010, Standard and Poor's affirmed The Link REIT's corporate rating at A with stable outlook.

RETAIL PORTFOLIO

Positive rental reversions, higher occupancy rates, increasing contributions from completed AEIs and improving trade mix were the key revenue growth drivers for The Link REIT's retail properties in the year ended 31 March 2011.

Composite Reversion Rate

The composite reversion rate is an indicator of rental growth comparing the newly achieved rental rates of a like for like space with those leases which expired during the financial year. The composite reversion rate for the retail properties remained strong at 21.4% (2010: 20.5%) for the year under review while the composite reversion rate for shops, which accounted for the major share of revenue, was 20.9% (2010: 23.7%).

Composite Reversion Rate by Trade Category

	Year ended 31 March 2011 %	Year ended 31 March 2010 %	**Percentage of total IFA (exclude Self use office) as at 31 March 2011 %**
Shops	**20.9**	23.7	**81.3**
Markets	**22.4**	13.5	**7.7**
Cooked Food Stalls	**29.8**	14.8	**1.3**
Education/Welfare	**2.8**	(0.3)	**8.1**
HD Office	**N/A**	2.1	**1.5**
Ancillary	**19.1**	11.5	**0.1**
Overall Retail Properties	**21.4**	20.5	**100.0**
Overall excluding Education/Welfare	**21.8**	21.4	**91.9**

Portfolio Occupancy Analysis

The occupancy rate is a reflection of demand for space in our portfolio and our team's efforts to fill the vacant space. The portfolio's overall occupancy level has been improving steadily to 91.5% as at 31 March 2011 (2010: 90.6%). The occupancy rate for development centres could vary depending on the magnitude and stage of progress of asset enhancement works as at each reporting date. The Manager is delighted to see the occupancy rate for shops at stable centres gradually improve year-on-year to 95.0% for the year under review (2010: 92.5%). Looking forward, the Manager will continue to look for ways to further improve the occupancy for shops, and has assigned personnel to improve occupancy at relatively difficult parts of our portfolio, such as HD office, education and welfare space.

Occupancy Analysis

	As at 31 March 2011			As at 31 March 2010		
	Total IFA excluding Self use office	**Occupancy rate**	**Average monthly unit rent per leased IFA**	Total IFA excluding Self use office	Occupancy rate	Average monthly unit rent per leased IFA
	'000 sq ft	***%***	***HK$ psf***	*'000 sq ft*	*%*	*HK$ psf*
Development Centres [(1)]	**1,556**	**87.4**	**44.5**	1,879	93.1	39.2
Stable Centres [(2)]	**9,368**	**92.1**	**30.9**	8,948	90.1	28.7
Overall	**10,924**	**91.5**	**32.8**	10,827	90.6	30.6

Notes:

(1) Development centres are properties with AEI works in progress, including those completed in the last 12 months.

(2) Stable centres are properties that are not classified as development centres.

Occupancy of Different Categories of Space for Stable Centres

Category (as at 31 March 2011)	Total IFA *'000 sq ft*	Average monthly unit rent per leased IFA *HK$ psf*	Occupancy rate *%*
Shops	**7,497**	**30.8**	**95.0**
Markets	**718**	**66.2**	**80.4**
Cooked Food Stalls	**139**	**38.6**	**83.4**
Education/Welfare	**841**	**4.5**	**93.3**
HD Office	**167**	**13.4**	**14.5**
Ancillary	**6**	**139.7**	**99.3**
Total excluding Self use office	**9,368**	**30.9**	**92.1**
Self use office	**128**	**N/A**	**N/A**
Total including Self use office	**9,496**		
Total excluding Self use office, Education/Welfare, HD Office and Ancillary	**8,354**	**33.5**	**93.6**

Retail Trade Mix Analysis

The majority of The Link REIT's retail trade mix tends to be consumer staples, catering for the daily necessities of local residents. These trades particularly demonstrate resilience in times of economic turbulences. The retail shops in the food and beverage and supermarket and foodstuff sectors continue to constitute nearly 50% of the portfolio.

As at 31 March 2011	Leased IFA *'000 sq ft*	% of Leased IFA	% of Monthly rent
Food and Beverage	**3,075**	**30.8**	**25.2**
Supermarket and Foodstuff	**1,875**	**18.8**	**23.3**
Services	**929**	**9.3**	**10.4**
Market Stall	**357**	**3.6**	**7.9**
Single Operator Market	**330**	**3.3**	**6.2**
Personal Care, Medicine, Valuable Goods, Optical, Books and Stationery	**589**	**5.9**	**8.1**

Review of Asset Enhancement Initiatives

The Manager views AEI as a key driver of income growth. A key component of the Manager's efforts is to bring a more relevant retail product offering to the mass market in Hong Kong through ongoing AEIs which the Manager has been actively implementing. Since the initial public offering of The Link REIT in 2005, the Manager had completed 21 AEI projects. These AEI projects accounted for 37.4 % of the Group's revenue (excluding car parks) and approximately 2.9 million square feet of the total IFA of our portfolio for the year under review.

In the year under review, five AEI projects with aggregate capital investment of HK$776 million were fully completed. Asset enhancement work on our flagship Lok Fu Plaza, with a total capital investment of HK$426 million, was completed in December 2010. The asset enhancement work of Lok Fu Plaza has produced a premium quality retail centre with substantially improved layout, access and tenant mix. However, the extensive AEI work at Lok Fu Plaza and an extended construction period has affected the investment return of the project.

The performances of the other four upgraded properties namely Siu Sai Wan Plaza, Chung Fu Plaza, Tak Tin Plaza and Chuk Yuen Plaza all achieved satisfactory returns on investments, exceeding our target.

Our pilot fresh market programme at Tai Yuen market is targeted for completion in the later part of 2011. Renovation work at Stanley Plaza is progressing well and part of the centre will be opened in late 2011. Work at Leung King Shopping Centre is also progressing well, with part of the centre, including some of the anchor tenants, opening for business in the second quarter of 2011.

We have recently obtained relevant statutory approvals to commence work on two new AEI projects, namely – Tin Shui Shopping Centre and Sheung Tak Shopping Centre. We are also working on six additional AEI projects which are in various stages of planning and statutory approvals.

The Manager is committed to investing further on AEIs to enhance the return of the portfolio assets. We expect six asset enhancement projects with aggregate capital investment of HK$780 million will be completed within the next two financial years. Following the completion of our district strategy review earlier this year, we have identified over 20 potential AEI projects with estimated total investment in excess of HK$1,500 million.

Return on Investment of AEIs completed in the year ended 31 March 2011

Completed Projects	Total IFA as at 31 March 2011 *sq ft*	Project Capex *HK$'M*	Estimated Return on Investment [(1)] *%*
Lok Fu Plaza [(2)]	**389,244**	**426**	**12.7**
Chung Fu Plaza	**216,534**	**75**	**48.7**
Chuk Yuen Plaza	**135,144**	**97**	**19.5**
Siu Sai Wan Plaza	**101,136**	**102**	**26.4**
Tak Tin Plaza	**97,324**	**76**	**24.3**
Total	**939,382**	**776**	

Notes:

(1) Estimated return on investment is calculated based on projected net property income post AEI minus net property income pre AEI divided by the amount of capital expenditures.

(2) AEI work at Lok Fu Plaza was commenced in August 2006 and completed in December 2010.

Approved AEI Projects Underway [(1)]

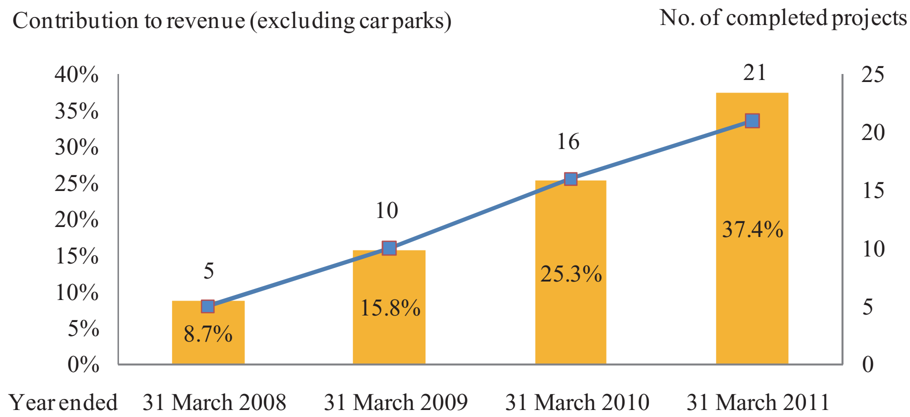
Projects	Total Estimated Project Capex *HK$'M*	Target Completion Date
Choi Yuen Plaza	**162**	**mid 2011**
Stanley Plaza	**214**	**late 2011**
Tai Yuen Market	**95**	**late 2011**
Tin Shui Shopping Centre [(2)]	**66**	**early 2012**
Leung King Shopping Centre	**200**	**mid 2012**
Sheung Tak Shopping Centre [(2)]	**43**	**early 2013**
Total	**780**	

Notes:

(1) Projects which have secured all internal and necessary statutory approvals.

(2) Projects which have been newly approved since 30 September 2010.

Contribution to Revenue (Excluding Car Parks) by Completed AEIs



Status of AEIs

	Number	**Capex** *HK$'M*
Completed since initial public offering	21	1,603
Underway	6	780
Pending statutory approval	6	497
Others under planning *(1)*	>20	>1,500
Total *(1)*	**>53**	**>4,380**

Note:

(1) Latest estimated figures

CAR PARK PORTFOLIO

The Manager reviews the operation efficiency of the car parks on a regular basis to improve services. During the year, the Manager implemented procedures on leasing of car park spaces to ensure that they conformed with the terms of the relevant Government land leases. When necessary, the Manager applied to the Government for land lease waivers to enable the Manager to lease car park spaces in compliance with the terms of the relevant land leases.

Key Car Park Property Performance Indicators

	Year ended 31 March 2011 *HK$'M*	Year ended 31 March 2010 *HK$'M*
Car park space allocation – monthly *(%)*	**87.0**	86.9
Car park space allocation – hourly *(%)*	**13.0**	13.1
Gross receipts by monthly users *(%)*	**74.5**	76.5
Gross receipts by hourly users *(%)*	**25.5**	23.5
Utilisation of car park space *(%)*	**75.0**	71.8
Car park income per space per month *(HK$)*	**1,095**	1,054
Net property income margin *(%)*	**58.5**	51.0

STRATEGY AND OUTLOOK

The Manager will continue to execute its strategy of upgrading the properties of The Link REIT through better quality service, improving tenant mix and capital investments. The Manager believes that the enhanced shopping experience offered by the upgraded retail facilities of The Link REIT will benefit all its stakeholders – shoppers, tenants, staff and Unitholders. Better shopping environment will drive footfall, improve occupancy, encourage consumer spending, resulting in higher sales volume for the tenants and have a positive effect on rental income.

The Manager believes that there are further values to be extracted from the existing portfolio and will continue to focus on organic growth opportunities to deliver earnings growth in the near term. Revenue improvement from the stable centres would be driven by rental reversion, improving tenant mix and higher occupancy rates. Whilst average unit rent per square foot has been consistently increasing, the Manager believes that with the continuous upgrade of the retail properties and a buoyant local economy, the momentum on the reversion rate on the back of the increase in the average monthly unit rent can be maintained.

With the completion of 21 AEI projects as at 31 March 2011, revenue contributions from these upgraded shopping centres will become more significant. These upgraded shopping centres will not only deliver immediate rental return but also potential for further rental growth in the future due to their ability to attract quality branded tenants. The quality of these AEI-upgraded shopping centres is commensurate with the brand quality of some popular retailers which opened stores in The Link REIT's portfolio for the first time during the financial year under review. The Manager expects more of these quality brands to join The Link REIT's portfolio which would in turn attract other complementary retailers to do so. Tenants in the consumer staples sector offering daily necessities to local residents would continue to be an important part of the tenant mix within the properties of The Link REIT but the Manager will seek new tenants to add to the core tenants to give consumers more variety and attract them to shop in their local vicinity.

The Manager would continue its strategy to invest more capital on new AEI projects and would conduct further feasibility studies to assess the financial return of the newly identified potential AEIs. AEI plans will be executed on those properties which could achieve the target rate of return on investments.

The Tai Yuen market has provided us with a lot of insight into how we could improve the attractiveness of our markets. The Manager will capitalise on the experience learned from the Tai Yuen market to apply them to appropriate markets within the portfolio to improve the quality and rental yield.

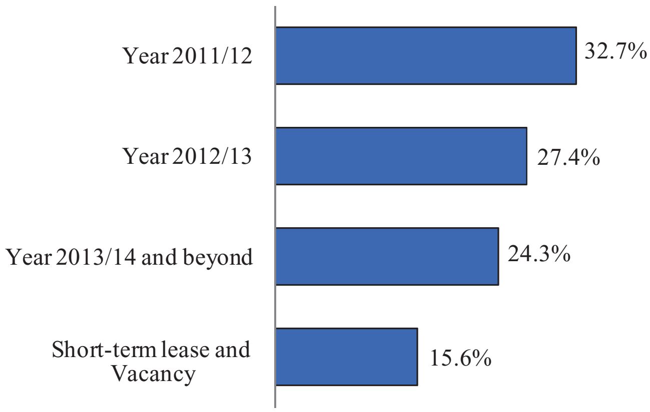
Cost management will continue to be a main focus of the Manager in the coming year as there could be continuing pressure on certain cost items due to external factors such as increases in utility tariff and Government rent and rates whilst efforts will be deployed to stabilise staff and repair and maintenance costs near current levels. The implementation of the statutory minimum wage legislation in Hong Kong will increase the cost of the Manager's outsourcing arrangement with contractors in cleaning services, security, car park management and maintenance. Ongoing energy saving initiatives including upgrade programmes on lighting and air conditioners will continue to generate both environmental benefits and cost efficiencies to mitigate impact of any increase in electricity tariff. More diligent cost control would be required to mitigate these cost increases in order to achieve target performance year-on-year.

The Manager mentioned in the interim report of The Link REIT its intention to seek growth opportunities beyond its existing portfolio in Hong Kong where it could leverage on its local expertise and would take into consideration factors such as investment returns, funding costs, AEI potential and management expertise in selecting appropriate investment opportunities. The Manager believes that acquisitions in Hong Kong could create synergy and would supplement the growth opportunities of the existing portfolio.

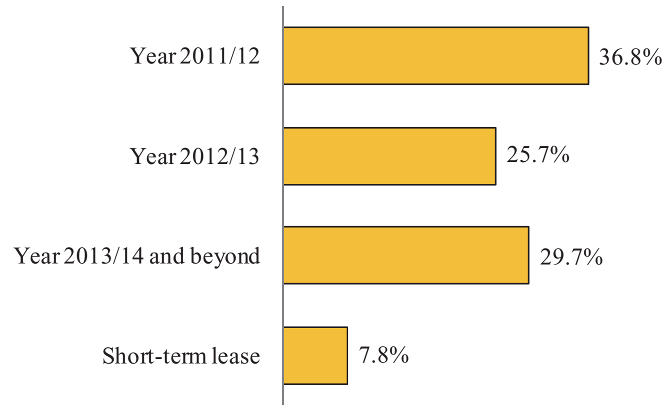
The term of a typical lease in The Link REIT's retail properties is three years. In the financial year ending 31 March 2012, leases accounting for approximately 37% by monthly base rent and approximately 33% by IFA of the retail properties will expire. With the strong local economy and buoyant consumer confidence, demand for retail space is expected to be strong. The Manager is confident that retail space from expiring leases will be filled by existing or new tenants at competitive rates. The proportion of leases expiring in the new financial year is comparatively higher than in other years. Going forward, the Manager targets to manage the expiry profile more actively to smooth out possible market risks.

Portfolio Lease Expiry Profile

By Total IFA (as at 31 March 2011)



By Monthly Base Rent (as at 31 March 2011)



Retail sales growth in Hong Kong continued to be strong in the first quarter of calendar year 2011 reflecting robust consumer confidence. The continuous improvement of the properties in The Link REIT supported by the strong local economy would drive rental reversion. Coupled with increasing contributions from the completed AEIs, it is expected to achieve positive rental growth in the financial year ending 31 March 2012. With diligent costs control, energy efficient measures and prospect of rent increase, the Manager is optimistic that performance would be further improved.

HUMAN RESOURCES

The Manager's remuneration policy is to provide an equitable, motivating and competitive remuneration package in order to attract, motivate and retain high performing staff. As an ongoing practice of adhering to these principles, the Manager regularly reviews the remuneration policies and practices with the assistance of independent consultants. The Manager completely revamped the bonus plan for non-management staff this year with clear differentiation on bonus payment to reward outstanding performance, putting across the message "Link will reward performance" clearly. As at 31 March 2011, the Manager had 798 staff.

To nurture a pool of management talent for future business development, the Manager has introduced a management trainee program this year. Four graduates were recruited from four local universities as management trainees. These trainees are undergoing a two-year intensive program incorporating on-the-job training and job rotation to different functions of the Manager. This program will expand to intake more graduates in the coming year.

The Manager provides a series of comprehensive training and development programs to promote service excellence and professional standards among the staff. A wide range of training has been provided to staff in the year including customer service, communications, complaint handling and emergency response.

APPRECIATION

The Board would like to offer sincere thanks to our management and staff, whose professionalism and dedication are critical to the success of The Link REIT.

The Board would also like to take this opportunity to express its appreciation to Mr Ian David Murray ROBINS for his invaluable contribution to The Link REIT during his tenure as the Chief Executive Officer ("**CEO**") of the Manager. The Board was also very pleased with the seamless transition of senior leadership to Mr George Kwok Lung HONGCHOY who succeeded as the CEO on 17 May 2010, and Mr Andy CHEUNG Lee Ming who was appointed as the Chief Financial Officer and an Executive Director of the Manager on 28 June 2010.

COMPLETION OF TITLE TRANSFER OF THE PROPERTIES

As disclosed in the latest interim report of The Link REIT, legal title of all the List 1 Properties and List 2 Properties (as defined in the offering circular dated 14 November 2005 of The Link REIT) had been transferred to The Link REIT by 31 August 2010.

REVIEW BY AUDIT COMMITTEE

The final results and the consolidated financial statements of the Group for the year ended 31 March 2011 had been reviewed by the Audit Committee, in conjunction with the external auditor, PricewaterhouseCoopers.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in this final results announcement have been agreed by The Link REIT's external auditor, PricewaterhouseCoopers, to the amounts set out in the audited consolidated financial statements for the year ended 31 March 2011 of The Link REIT. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and, consequently, no assurance has been expressed by PricewaterhouseCoopers on this final results announcement.

FINAL DISTRIBUTION AND CLOSURE OF REGISTER OF UNITHOLDERS

The final distribution of HK57.59 cents per unit for the year ended 31 March 2011 will be paid on or around Tuesday, 26 July 2011 to Unitholders whose names appear on the register of Unitholders of The Link REIT on 21 June 2011. For the purpose of ascertaining Unitholders' entitlement to the final distribution, the register of Unitholders of The Link REIT will be closed from Friday, 17 June 2011 to Tuesday, 21 June 2011, both days inclusive, during which period no transfer of units will be registered. In order to qualify for the final distribution, all transfer documents 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 Thursday, 16 June 2011.

Further, for the purpose of ascertaining Unitholders' right to attend the forthcoming annual general meeting of the Unitholders of The Link REIT scheduled to be held on Wednesday, 13 July 2011, the register of Unitholders of The Link REIT will be closed from Monday, 11 July 2011 to Wednesday, 13 July 2011, both days inclusive. In order for a Unitholder to be eligible to attend and vote at the forthcoming annual general meeting, all transfer documents 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 Friday, 8 July 2011.

DISTRIBUTION REINVESTMENT SCHEME

The Board has resolved to make available a distribution reinvestment scheme in respect of the final distribution for the year ended 31 March 2011 to those Unitholders with a registered address in Hong Kong, whereby eligible Unitholders may elect to receive the said final distribution wholly in cash or wholly in the form of new units or a combination of both. An announcement giving further information of such distribution reinvestment scheme will be published on or around 21 June 2011 and a circular containing details of such distribution reinvestment scheme together with the relevant election form or entitlement advice will be despatched to Unitholders on or around 27 June 2011.

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

During the year ended 31 March 2011, neither the Manager nor any of the subsidiaries of The Link REIT purchased, sold or redeemed any of The Link REIT's listed units.

ISSUE OF NEW UNITS

During the year ended 31 March 2011, 30,241,061 new units of The Link REIT were issued. Among them, 1,816,583 new units were issued under the long-term incentive plan adopted by Unitholders on 23 July 2007. Further, 13,609,788 new units at an issue price of HK$19.744 per unit and 14,814,690 new units at an issue price of HK$24.04 per unit were issued on 4 August 2010 and 20 January 2011, respectively, pursuant to two distribution reinvestment schemes adopted in respect of the final distribution for the last financial year ended 31 March 2010 and the interim distribution for the six months ended 30 September 2010.

PUBLIC FLOAT

As at 31 March 2011, based on the information that is publicly available to the Manager, more than 25% of the issued units of The Link REIT was held in public hands.

CORPORATE GOVERNANCE

During the year ended 31 March 2011, the Manager and The Link REIT complied with the REIT Code, the Securities and Futures Ordinance, (wherever applicable) the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Trust Deed, and the corporate governance requirements contained in the compliance manual of the Manager. The Manager and The Link REIT 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.

Full corporate governance report will appear in The Link REIT's Annual Report 2011.

ISSUANCE OF ANNUAL REPORT 2011

The Annual Report 2011 of The Link REIT will be published and despatched to Unitholders on or about 13 June 2011.

ANNUAL GENERAL MEETING OF THE UNITHOLDERS

It is proposed that the forthcoming annual general meeting of the Unitholders of The Link REIT will be held on Wednesday, 13 July 2011. Notice convening the meeting will be published and issued to the Unitholders in accordance with the requirements of the REIT Code, the Listing Rules, the Trust Deed and other applicable requirements.

By order of the board of directors of
The Link Management Limited
(as manager of The Link Real Estate Investment Trust)
Ricky CHAN Ming Tak
Company Secretary

Hong Kong, 1 June 2011

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
George Kwok Lung HONGCHOY *(Chief Executive Officer)*
Andy CHEUNG Lee Ming *(Chief Financial Officer)*

Non-Executive Director
Ian Keith GRIFFITHS

Independent Non-Executive Directors
Michael Ian ARNOLD
William CHAN Chak Cheung
Anthony CHOW Wing Kin
Patrick FUNG Yuk Bun
Stanley KO Kam Chuen
David Charles WATT
Richard WONG Yue Chim
Allan ZEMAN