The Board is pleased to announce that on 8 June 2011, The Link Properties Limited (the “Purchaser”) entered into the SPA pursuant to which certain Nan Fung group companies (the “Vendors”) agreed to sell, and the Purchaser agreed to acquire, the commercial portion of Nan Fung Plaza (南豐廣場) in Tseung Kwan O for a consideration of HK$1,170 million, subject to and with the benefit of the Tenancies but otherwise free from encumbrances. The Purchaser paid a deposit of HK$117 million on entering into the SPA with the Vendors, and will pay the balance of HK$1,053 million on Completion which is expected to take place on or before 11 July 2011.

This announcement is made pursuant to paragraphs 10.3 and 10.4 of the REIT Code. The aggregate sum of the Consideration and the Expenses payable in connection with the Acquisition represents approximately 1.80% of the total assets of The Link REIT (based on the information as disclosed in the 2011 Final Results Announcement), which does not exceed 15% of the gross asset value of The Link REIT as at 31 March 2011 (as disclosed in the 2011 Final Results Announcement). The Manager is satisfied that no Unitholders’ approval is required to approve the transactions under the SPA. Based on the information and confirmation given by the Manager and advice from its legal advisers, the Trustee also confirms that no Unitholders’ approval is required to approve the transactions under the SPA.

At the request of the Manager, trading in the Units has been suspended from 9:00 a.m. on 9 June 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Units with effect from 9:00 a.m. on 10 June 2011.

The Board is pleased to announce that The Link REIT (through the Purchaser) has entered into the SPA with the Vendors in respect of the Acquisition.
KEY TERMS OF THE SPA

Date: 8 June 2011

Parties: (i) The Vendors (who are the registered owners of the Property and, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are Independent Third Parties); and

(ii) The Purchaser.

Subject of the Acquisition: The Property, subject to and with the benefit of the Tenancies but otherwise free from encumbrances.

Set out below is a chart showing the holding structure of the Property immediately upon Completion:

![Diagram of property holding structure]

Consideration: HK$1,170 million, as determined on an arm’s length basis, is payable by the Purchaser to the Vendors in cash in the following manner:

(i) the Deposit, representing 10% of the Consideration, which was paid on 8 June 2011, being the date of the SPA; and

(ii) the Balance, representing 90% of the Consideration, which is payable on Completion.
The Deposit will be refunded to the Purchaser if:

(i) the Vendors fail to complete the transaction in accordance with the terms of the SPA; or

(ii) the Vendors and/or the Purchaser cancel the transaction pursuant to the terms of the SPA.

The Consideration represents a 3.5% premium to the Appraised Value. The Consideration was determined after arm’s length commercial negotiation with the Vendors taking into account the quality of the Property and by reference to its Appraised Value and the valuation report by the Independent Property Valuer.

The aggregate sum of the Consideration and the Expenses payable in connection with the Acquisition represents approximately 1.80% of the total assets of The Link REIT (based on the information as disclosed in the 2011 Final Results Announcement).

Completion: On or before 11 July 2011 (or such later date as may be agreed by the parties to the SPA).

Other terms: The SPA contains provisions on indemnity, representations, warranties and undertakings in customary terms for transactions of this nature and scale.

**THE PROPERTY**

**General descriptions of the Property:** The Property forms the entire Commercial Portion of the Estate under and as defined in the relevant deed of mutual covenant. It comprises commercial units and a kindergarten on the ground floor and podium level 1 of the Estate, and Units R-1, R-2 and R-3 on podium level 1 of the Estate (each together with, where relevant, the respective ancillary or adjoining areas and plant rooms exclusive to such units), and certain external wall advertising spaces. According to the valuation report on the Property as at 1 June 2011 by the Independent Property Valuer, the Property has a gross floor area of approximately 176,075 square feet.

**Tenancies:** The Manager understands that as at the date of this announcement, there are around 208 tenancies and advertising space licenses at the Property delivering an aggregate rental income of approximately HK$4.07 million per month. Taking into account the agreed lease renewals and new leases, it is estimated that the aggregate monthly rental will be approximately HK$4.21 million per month after Completion.

From the due diligence exercise and based on information provided by the Vendors, the Manager understands that currently, the occupancy rate of the Property is 98%. The Manager also understands that the Property has an existing diversified tenant base with a retail trade mix comprising services, fashion and accessories, food and beverage, personal care and valuable goods, supermarket and foodstuff.
General descriptions of the Estate:
The Estate (of which the Property forms part) is opposite the MTR Hang Hau Station. It consists of five residential towers and was completed for occupation in 1999. The Property is connected to The Link REIT’s Hau Tak Shopping Centre by footbridges via the podiums of other major residential developments around the Property.

Government Lease term; un-divided shares:
The Property is held under New Grant No. 8648 from the Government for a term of years from 21 November 1995 until 30 June 2047. Under the relevant deed of mutual covenant, the Estate comprises its Commercial Portion (being the Property), certain residential units, car parking spaces and common areas and facilities. A total of 154,634/1,485,995 undivided shares of and in the Estate have been allocated to the Property and such 154,634/1,485,995 undivided shares represent 100% of the undivided shares allocated to the Commercial Portion of the Estate. Based on information available to the Manager, it anticipates that after Completion, it would have full operational control over the management issues of the Property, being the entire Commercial Portion of the Estate. The remaining 1,331,361/1,485,995 undivided shares of the Estate represent the undivided shares allocated to the other separate portions of the Estate.

Valuation of the Property:
As at 1 June 2011, the Property, based on its existing use, had an Appraised Value of HK$1,130 million as valued by the Independent Property Valuer.

Fees and charges:
No fee or charge is payable to the Manager and the Trustee as a result of the Acquisition. At this stage, the Manager has no capital expenditure planned for the Property shortly after Completion.

**FINANCIAL IMPACT AND FUNDING OF THE ACQUISITION**

The Consideration, together with the Expenses in the approximate sum of HK$65 million, will be funded from The Link REIT’s own cash resources and existing debt facilities.

The Acquisition is not expected to have any material impact on the financial position of The Link REIT. Upon Completion, based on the consolidated financial position of The Link REIT as disclosed in the 2011 Final Results Announcement, the pro-forma adjusted ratio of debts to total assets of The Link REIT is anticipated to change from approximately 15.1% to approximately 16.6% assuming (i) a draw-down of HK$1,235 million on The Link REIT’s existing debt facilities, and (ii) an adjustment to include the Appraised Value in the total assets of The Link REIT as if the Acquisition took place on 31 March 2011.

The payment of the Consideration and the Expenses will not affect the amount of final distribution declared and referred to in the 2011 Final Results Announcement.
REASONS FOR THE ACQUISITION

The Acquisition is consistent with the investment policy of The Link REIT and the Manager’s objective of growing returns for the Unitholders. The pursuit of a yield-accrative strategy through adding quality income-producing properties is a step up from the Manager’s strategy of driving income growth through on-going asset enhancements to its existing portfolio. This strategy leverages on the low funding cost of

The Directors consider that the Acquisition is a good investment opportunity and believe that The Link REIT will benefit from the anticipated growth in value of the Property, while expanding the portfolio of investment properties and providing a steady income stream from those of the Tenancies.

CONNECTED PARTY TRANSACTION - ENGAGEMENT OF DTZ AS PROPERTY AGENT FOR THE ACQUISITION

DTZ has been engaged by the Manager to act as property agent for the Purchaser in respect of the Acquisition. In such capacity, DTZ will be paid the Agency Fee upon successful Completion of the Acquisition. As DTZ is accustomed to act in accordance with the directions of Mr. David Charles WATT, an independent non-executive Director of the Manager, under the REIT Code, DTZ is a connected person to The Link REIT and the engagement of DTZ as the property agent constitutes a connected party transaction (within the meaning in the REIT Code) of The Link REIT.

The engagement of DTZ and the Agency Fee have been approved by the Board, with Mr. David Charles WATT abstaining from voting and giving any opinion in relation thereto, and will be disclosed in the next interim and annual reports of The Link REIT.

OPINION OF THE BOARD

The Board (save for Mr. David Charles WATT who has abstained both from discussion and voting on the relevant transactions) is satisfied that the Acquisition pursuant to the terms and conditions of the SPA and the transactions contemplated thereunder are at arm’s length, on normal commercial terms, and are fair and reasonable and in the interests of The Link REIT and the Unitholders as a whole. Further, the Board (save for Mr. David Charles WATT, who has abstained) is satisfied that no Unitholders’ approval is required to approve the transactions under the SPA.

All the independent non-executive Directors (save for Mr. David Charles WATT, who has abstained) are also satisfied that the engagement by the Manager of DTZ as the property agent for the Purchaser in respect of the Acquisition and the Agency Fee are at arm’s length, on normal commercial terms, and are fair and reasonable and in the interests of The Link REIT and the Unitholders as a whole.
CONFIRMATION BY THE MANAGER

The Manager confirms that due diligence has been carried out in accordance with the relevant provisions under the REIT Code and the Manager’s compliance manual. The Manager is satisfied that The Link REIT (through the Purchaser) will hold good marketable legal and beneficial title in the Property immediately upon Completion.

OPINION OF THE TRUSTEE

Based on the information and confirmation given by the Manager and advice from its legal advisers, the Trustee confirms that:

(i) the Acquisition is consistent with The Link REIT’s investment policy and in compliance with the REIT Code and the Trust Deed;

(ii) no Unitholders’ approval is required to approve the transaction under the SPA; and

(iii) the engagement by the Manager of DTZ as the property agent for the Purchaser in respect of the Acquisition is at arm’s length, on normal commercial terms, and is fair and reasonable and in the interests of The Link REIT and the Unitholders as a whole.

REGULATORY IMPLICATIONS

This announcement is made pursuant to paragraphs 10.3 and 10.4 of the REIT Code. The aggregate sum of the Consideration and the Expenses payable in connection with the Acquisition represents approximately 1.80% of the total assets of The Link REIT (based on the information as disclosed in the 2011 Final Results Announcement), which does not exceed 15% of the gross asset value of The Link REIT as at 31 March 2011 (as disclosed in the 2011 Final Results Announcement).

The Agency Fee payable to DTZ is less than 0.1% of the audited net asset value of The Link REIT as disclosed in the 2011 Final Results Announcement. As such, the connected party transaction arising from the engagement of DTZ as property agent for the Purchaser in respect of the Acquisition and the payment of the Agency Fee are not subject to the Unitholders’ approval or announcement requirements under Chapter 8 of the REIT Code (as applicable to The Link REIT pursuant to the waiver previously granted by the SFC on 26 October 2007, details of which were disclosed in previous annual reports of The Link REIT). The Manager will include information on such engagement in the next interim and annual reports of The Link REIT.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Vendors and their ultimate beneficial owner(s) are each an Independent Third Party. Hence, the Acquisition does not constitute a connected party transaction of The Link REIT under the REIT Code.

The Manager will make an announcement upon Completion having taken place.
GENERAL

About The Link REIT and the Manager
The Link REIT is a collective investment scheme authorised by the SFC and the Units are listed on the Main Board of the Stock Exchange (Stock code: 823). HSBC Institutional Trust Services (Asia) Limited is the trustee of The Link REIT.

The Link REIT, managed by the Manager, currently has a portfolio of 180 properties comprising 149 integrated retail and car park facilities, two standalone retail facilities and 29 standalone car park facilities.

About the Vendors
The Vendors belong to the Nan Fung group, which is a real estate developer and investor in principally Hong Kong and The People's Republic of China. The Vendors are principally engaged in real estate development and investments in Hong Kong. The Vendors are the developers of the Estate.

RESUMPTION OF TRADING

At the request of the Manager, trading in the Units has been suspended from 9:00 a.m. on 9 June 2011 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Units with effect from 9:00 a.m. on 10 June 2011.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“2011 Final Results Announcement” the announcement of the audited consolidated final results for the financial year ended 31 March 2011 of The Link REIT published on 1 June 2011

“Acquisition” the proposed acquisition of the Property (together with all the fittings and fixtures thereto and thereat) by the Purchaser from the Vendors pursuant to the terms of the SPA, subject to and with the benefit of the Tenancies but otherwise free from encumbrances

“Agency Fee” HK$11.7 million (representing 1% of the Consideration) payable on or shortly after Completion by the Purchaser to DTZ as agency commission in respect of the Acquisition

“Appraised Value” HK$1,130 million, being the value of the Property as at 1 June 2011 as appraised by the Independent Property Valuer

“Balance” HK$1,053 million, being balance of the Consideration payable by the Purchaser to the Vendors on Completion
“Board” the board of directors of the Manager

“Completion” completion of the Acquisition pursuant to the terms of the SPA, which is expected to take place on or before 11 July 2011 (or such later date as may be agreed by the parties to the SPA), whereupon, on the payment of the Balance, the Vendors shall assign the Property to the Purchaser subject to and with the benefit of the Tenancies but otherwise free from encumbrances

“connected person” has the meaning ascribed to it under Chapter 8 of the REIT Code

“Consideration” HK$1,170 million, being the total purchase price for the Property payable by the Purchaser to the Vendors in cash in accordance with the terms of the SPA

“Deposit” HK$117 million paid by the Purchaser to the Vendors, as deposit and part payment of the purchase price for the Acquisition, on 8 June 2011, being the date of the SPA

“Directors” the directors of the Manager

“DTZ” DTZ Debenham Tie Leung Limited, property agent for the Purchaser in respect of the Acquisition and a connected person to The Link REIT

“Estate” the residential and commercial development on the Land at 8 Pui Shing Road, Tseung Kwan O, New Territories, Hong Kong known as at the date hereof as Nan Fung Plaza (南豐廣場)

“Expenses” the expenses, other than the Consideration, including stamp duty, agency and other professional fees, in the approximate sum of HK$65 million payable by the Purchaser in connection with the Acquisition

“HK$” Hong Kong dollars, the lawful currency of Hong Kong

“Independent Property Valuer” Jones Lang LaSalle Limited, the current Principal Valuer (as defined in the REIT Code) of The Link REIT and valuer appointed for valuing the Property for the purpose of the REIT Code and the Trust Deed, who is an independent property valuer within the meaning of Chapter 6 of the REIT Code

“Independent Third Parties” third parties who are independent of and not connected persons to The Link REIT
“Land” all that piece and parcel of land registered in the Land Registry (Sai Kung) as Tseung Kwan O Town Lot 23 on which the Property situates

“Manager” The Link Management Limited, a company incorporated in Hong Kong, which is the manager of The Link REIT

“Property” the property which is the subject of the Acquisition as described in the section headed “The Property” of this announcement

“Purchaser” The Link Properties Limited, a company incorporated in the Cayman Islands with limited liability, which is a special purpose vehicle wholly owned by The Link REIT and is the registered owner of all the existing 180 properties of The Link REIT

“REIT Code” the Code on Real Estate Investment Trusts published by the SFC, as amended, supplemented or otherwise modified for the time being

“SFC” the Securities and Futures Commission of Hong Kong

“SFO” the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“SPA” the sale and purchase agreement dated 8 June 2011 entered into between the Vendors and the Purchaser in respect of the Acquisition

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Tenancies” the existing tenancies and licenses in respect of the Property as described in the section headed “The Property” of this announcement

“The Link REIT” The Link Real Estate Investment Trust, a collective investment scheme authorised under section 104 of the SFO, the Units of which are listed on the Main Board of the Stock Exchange (Stock code: 823)

“Trustee” HSBC Institutional Trust Services (Asia) Limited, the trustee of The Link REIT

“Unit(s)” unit(s) of The Link REIT

“Unitholder(s)” holder(s) of the Unit(s)

“Vendors” the existing registered and beneficial owners of the Property, all being Independent Third Parties

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, 9 June 2011

As at the date of this announcement, the Board 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