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## **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)**

### **ACQUISITION OF PROPERTY THROUGH GOVERNMENT TENDER**

On 19 February 2016 (being the Acceptance Date), the Government Property Agency notified the Purchaser that its Tender had been accepted by the Vendor. Under the Tender, Link (through the Purchaser) has agreed to purchase the Property at HK\$5,910,000,000 (which is the Consideration). The Purchaser is a SPV wholly-owned by Link.

The Vendor is The Financial Secretary Incorporated of the Government and an Independent Third Party. The Property is acquired through Government open tender. The Acquisition does not constitute a connected party transaction of Link under the REIT Code.

The Property is a retail-cum-office building currently known as Trade and Industry Department Tower of No. 700 Nathan Road, Kowloon, Hong Kong. Certain shops on the ground floor of the Property have been leased to tenants. The rest of the retail and office space of the Property formerly occupied by Government departments is vacant. The Appraised Value of the Property (according to the Valuation Report by the Principal Valuer) is HK\$6,400,000,000. The Consideration represents a discount of approximately 7.66% to the Appraised Value.

Pursuant to the terms of the Tender Agreement, the Purchaser had paid the Initial Deposit and will pay the Further Deposit (which, together with the Initial Deposit, amounts to 10% of the Consideration) to the Government on execution of the Memorandum of Agreement with the Vendor, which will be within 14 days from (but excluding) the Acceptance Date (expected to be on 4 March 2016). The balance (being 90%) of the Consideration will be paid to the Government on Completion which will take place on the Completion Date (expected to be on 15 April 2016). Upon Completion, Link (through the Purchaser) will become the sole registered owner of the Property. The Manager will lease out the vacant retail and office spaces after renovation. Link intends to hold the Property as long-term investment.

Completion is subject to the Vendor obtaining, prior to Completion, the consent of DoL to the sale of the upper 1st and 2nd floor of the Property. If such consent is not obtained, the Vendor is entitled to cancel the sale of the Property and return the Deposits (without interest) to the Purchaser within five working days from the Completion Date, unless Completion is postponed by agreement with the Purchaser. The Manager will make further announcement when Completion takes place or, if applicable, when it is postponed or cancelled. **Given Completion may or may not proceed, Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units, and are recommended to seek independent professional advice if they are in any doubt about their position and as to the actions that they should take.**

This announcement is made pursuant to 10.3 and 10.4 of the REIT Code. The Consideration and the Expenses in aggregate of approximately HK\$6,415,350,000 payable for the Acquisition (i) represents approximately 6.6% of the total market capitalisation of Link (based on the average closing price of the Units on the Stock Exchange for the five business days immediately preceding the date of this announcement); (ii) represents approximately 4.1% of the total assets of Link as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report) after adjusting for the impact of the interim distribution paid by Link on 4 December 2015 and the disposal of five properties by Link as announced and completed, respectively, on 27 October 2015 and 31 December 2015; and (iii) is less than 15% of Link's gross asset value as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report).

The Board (including the independent non-executive Directors except Professor Richard WONG Yue Chim who had abstained from discussion and voting to avoid potential conflict of interests) is satisfied that the Acquisition and the entering into by the Purchaser of the Tender Agreement and the transactions contemplated there-under are at arm's length, on normal commercial terms, and are fair and reasonable and in the interest of Link and the Unitholders as a whole. The Board (except Professor Richard WONG Yue Chim) is satisfied, and (based on and in sole reliance on the opinion of the Board (except Professor Richard WONG Yue Chim who had abstained as aforesaid) and the information and confirmations provided by the Manager, and having taken into account its duties under the Trust Deed and the REIT Code) the Trustee is also satisfied, that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Purchaser to enter into the Tender Agreement and the transactions contemplated there-under.

## **SECTION I. OVERVIEW**

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The Board is pleased to announce that on 19 February 2016, the Government Property Agency notified the Purchaser the Tender it submitted for the Property for Link had been accepted by the Vendor. The Vendor is The Financial Secretary Incorporated of the Government and an Independent Third Party.

The Property forms part of the Building which is currently known as Trade and Industry Department Tower of No. 700 Nathan Road, Kowloon, Hong Kong (formerly, "Argyle Centre Tower II"). It is sold by the Vendor subject to the Tenancies with respect to shops on the ground floor but with vacant possession as regards the rest of the office and retail space.

Upon acceptance of the Tender, a binding agreement between the Vendor and the Purchaser for the sale and purchase of the Property has been constituted. The Consideration for the Property (being HK\$5,910,000,000) is payable to the Government in the manner as required by the Tender Agreement. Link has paid the Initial Deposit and will pay the Further Deposit when the Purchaser enters into the Memorandum of Agreement with the Vendor. Subject as set out below, Completion will take place on the Completion Date (expected to be on 15 April 2016) in accordance with the terms of the Tender Agreement. Upon Completion, Link (through the Purchaser) will become the sole registered owner of the Property. The Manager will make further announcement on Completion.

## **SECTION II. KEY TERMS OF THE TENDER AGREEMENT**

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The Tender Agreement is constituted by (i) the Tender Notice, (ii) the Form of Tender executed by the Purchaser and accepted by the Vendor on the Acceptance Date, (iii) the Conditions of Sale annexing to the Form of Tender, and (iv) the Memorandum of Agreement. Set out below are the key terms of the Tender Agreement:

- (A). Acceptance Date                      19 February 2016 as per the letter from the Government Property Agency to the Purchaser.
- (B). Parties                                    1. The Financial Secretary Incorporated (being an Independent Third Party) as the Vendor; and
2. Link Monte (HK) Limited (Link's wholly-owned SPV), being the successful tenderer and the Purchaser.
- (C). The Property                            The Property is sold by the Vendor on "as is" basis and subject to and with the benefit of the Tenancies as regards shop nos. 1-11 and nos.13-15 on the ground floor of the Property but otherwise with vacant possession as regards the remaining retail and office space of the Property owned by the Vendor.
- Further details of the Property and the Tenancies are set out in SECTION IV. below.
- (D). Consideration and payment            HK\$5,910,000,000, being the purchase price for the Property, is payable by the Purchaser to the Government in the following manner:
1. Initial Deposit:    HK\$118,200,000 (representing 2% of the Consideration) already paid by the Purchaser on submission of the Tender and is treated as initial deposit and part payment of the Consideration on acceptance of the Tender by the Vendor;

2. Further Deposit: HK\$472,800,000 (as further deposit and part payment of the Consideration) on a working day falling within 14 days from (but excluding) the Acceptance Date (which is expected to be on 4 March 2016). The Further Deposit together with the Initial Deposit amounts to 10% of the Consideration; and
3. Balance: HK\$5,319,000,000 (being 90% of the Consideration) on Completion.

(E). Memorandum of Agreement

To be entered into by the Purchaser with the Vendor within 14 days from (but excluding) the Acceptance Date whereupon the Purchaser shall pay the Further Deposit.

(F). Completion

Completion of the sale and purchase of the Property is to take place on the Completion Date (being a working day falling within 42 days from (but excluding) the date the Memorandum of Agreement is signed and is expected to be on 15 April 2016), whereupon the Vendor shall assign the legal and beneficial title of the Property to the Purchaser (in the form of the deed of assignment as annexed to the Conditions of Sale) subject to and with the benefit of (i) the Tenancies, (ii) the DMC, (iii) the Land Grant, and (iv) the Licence Agreement.

(G). Cancellation or postponement

Under the Tender Agreement, the Property is sold subject to and with the benefit of the Licence Agreement, which regulates (among others) the use and maintenance of the Footbridge. Further details are set out below in SECTION IV. (D).

Clause 1(20)(b)(1) of the Licence Agreement requires the Vendor to obtain the consent of the DoL in relation to the sale of the upper 1st and 2nd floor of the Property. By clause 12(a) of the Conditions of Sale, the Vendor is entitled to cancel the sale of the Property if prior to Completion, it cannot obtain such consent or comply with the conditions which the DoL may impose in giving consent. In such event, the Vendor shall return the Deposits to the Purchaser (without interest) within five working days from the Completion Date unless it has agreed with the Purchaser to postpone Completion.

Clause 1(20)(b)(3) of the Licence Agreement stipulates that the granting of such consent shall be subject only to the condition that the Purchaser agreeing, in document as the DoL may reasonably require, to be bound by and observe and perform the terms of the Licence Agreement. Clause 1(20)(b)(3) of the Licence Agreement further stipulates that such document shall not contain provision for payment of premium or fee or the undertaking of any obligation beyond those under the Licence Agreement. The Purchaser will execute an undertaking (in the form as annexed to the Conditions of Sale) in favour of the Government and the DoL. The Manager, based on legal advice, noted that in previous transactions of the Property, the DoL (upon receiving undertaking in like form) had given consent under clause 1(20)(b)(1) of the Licence Agreement.

If Completion is cancelled due to such consent is not obtained or is (by agreement) postponed due to such consent is not available in time, the Manager will make further announcement in accordance with the requirements of the REIT Code. **Given Completion may or may not proceed, Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units, and are recommended to seek independent professional advice if they are in any doubt about their position and as to the actions that they should take.**

(H). Other terms

1. Sub-sale of any part of the Property by the Purchaser prior to Completion is prohibited.
2. Immediately after the Acceptance Date, the Property is at the Purchaser's risk.
3. The Property is sold by the Vendor on an "as is" basis and in the physical state and conditions as the Property and the Footbridge presently stands. No warranties/representation is given by the Vendor respecting the Property on (i) area, (ii) any re-development potential, (iii) use, (iv) state and condition of any finishes, fittings and installations thereat or their fitness for purpose, (v) legality of any structure, erection, alteration or addition thereto, (vi) composition, (vii) age, (viii) any slope or adjoining retaining wall, and (ix) any of the Tenancies.
4. Rent will be received and expenses of the Property will be discharged by the Vendor up to (and inclusive of) the Completion Date. As from (but exclusive of) the Completion Date, income/rent of the Property will be received and expenses will be discharged by the Purchaser (to be apportioned if necessary).

5. The Purchaser is deemed to have accepted title and matters of conveyance of the Vendor to the Property on submission of the Tender.
6. All stamp duty payable in connection with the sale and purchase of the Property shall be borne by the Purchaser.

(I). Default of the Purchaser

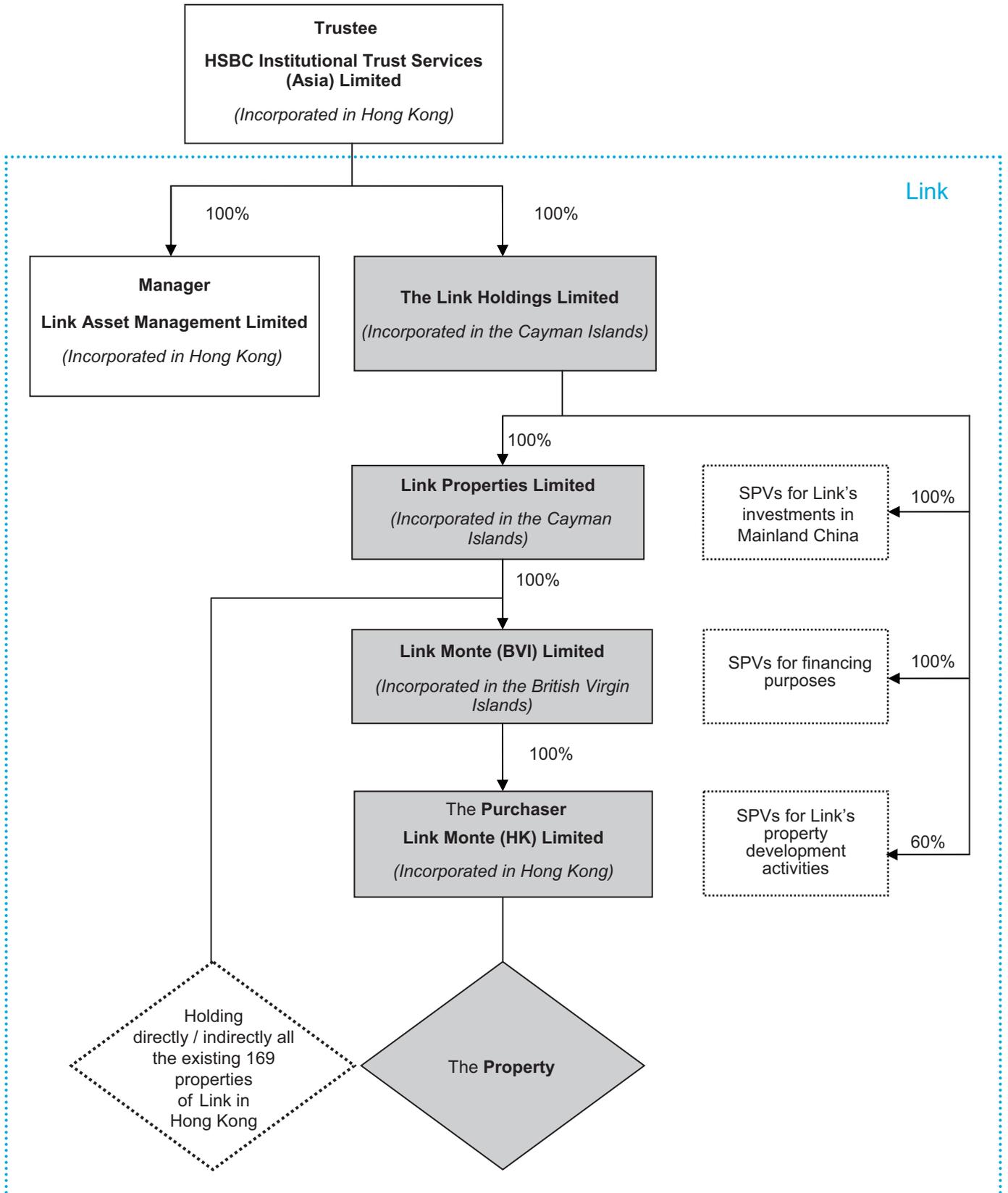
If the Purchaser fails to complete the purchase or pay the Further Deposit and/or the balance of the Consideration, the Vendor may (without tendering an assignment to the Purchaser) rescind the sale and forfeit the Initial Deposit or (as the case may be) the Deposits, and either retain or re-sell the Property or any part thereof, with or without notice to the Purchaser, and either by private treaty or by public auction, or partly by one of such methods of sale and partly by another one or more of such methods of sale subject to such stipulations as the Vendor may think fit.

On default, the Purchaser is also liable to pay interest to the Vendor – at 2% above the best lending rate of The Hongkong and Shanghai Banking Corporation Limited for the time being and from time to time – on the balance of the Consideration from the Completion Date up to (and including) the date the balance of purchase price on a resale of the Property is paid to the Vendor and also on the deficiency on resale from the date the balance of purchase price on resale is paid to the date when the deficiency is actually paid.

Without prejudice to the Vendor's other right and remedies to recover loss, any increase in price on resale shall belong to the Vendor, and any deficiency in price and all expenses attending such resale or any attempted resale shall be made good by the Purchaser.

**SECTION III. POST-ACQUISITION HOLDING STRUCTURE OF THE PROPERTY**

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



## SECTION IV. THE PROPERTY

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- (A). Address and general description
- The Building (comprising the Property) is currently known as “Trade and Industry Department Tower” (formerly, “Argyle Centre Tower II”), No. 700 Nathan Road, Kowloon, Hong Kong.
- The Building consists of 2 basement floors (with connection to the Mongkok MTR station), a retail podium from ground to the 4th floor (with connection to the adjoining Argyle Centre Phase I via the Footbridge), and offices from the 5th to 19th floor.
- According to the information made available by the Vendor, the Building is for use as shop spaces, restaurant, and office spaces and the Property has a gross floor area of approximately 26,411 square metres.
- (B). The Land and term of years
- The Property is situated on Kowloon Inland Lot No. 10470 and is held under the Land Grant for a term of 75 years commencing from 30 May 1980.
- (C). Particulars of the Property
- The Property comprises all those 24,750 equal undivided 25,000th parts or shares of and in the Land and the Building together with the sole and exclusive right and privilege to hold, use, occupy, and enjoy all that the Building (other than those portions as coloured Yellow on the Plans annexed to the Assignment dated 17 March 1984 and registered in the Land Registry by Memorial No. UB2552408 (the **yellow-portion-areas**)) subject to payment of Government rent and performance and observance of the covenants and conditions of the Land Grant, and subject to and with the benefit of (i) the DMC, (ii) the Licence Agreement, and (iii) the Tenancies.
- The remaining 250 equal undivided 25,000th parts or shares of and in the Land and the Building and the exclusive right to hold, use and enjoy the yellow-portion-areas are held by MTR Corporation Limited. The yellow-portion-areas comprise the mass transit vent shafts and cooling water system for MTR as more particularly defined in the DMC.
- (D). The Footbridge and the Licence Agreement
- The Licence Agreement stipulates that the Footbridge is to be used for public passage between the upper 1st and 2nd floor of the Building and the 2nd floor of the adjoining Argyle Centre Phase I and for no other purpose.

Licence to construct and use the Footbridge is granted under the Licence Agreement, which imposes obligations (among others) on the registered owners of the Land and the land of the adjoining Argyle Centre Phase I to pay licence fee to the Government and to repair and maintain the Footbridge. Based on information currently made available by the Vendor, the licence fee was last revised to HK\$60,000 per annum and is payable on 1 November of each year. The licence fee and the repair and maintenance expenses of the Footbridge are shared between the owners of the Land and the land of the adjoining Argyle Centre Phase I.

The licence in respect of the Footbridge continues until the Government withdraws it (i) due to non-payment of the licence fee or non-performance/observance of the Licence Agreement by respective land owner; or (ii) by 6 months' notice when in the opinion of the DoL, improvement of Hong Kong or other public purpose requires the withdrawal of the licence.

No part of the Footbridge and possession thereof or any interest in the Licence Agreement may be assigned, alienated or parted with.

Under clause 1(20)(b)(1) of the Licence Agreement, consent of DoL is required in relation to the sale of the upper 1st and 2nd floor of the Property. Under clause 1(20)(b)(3) of the Licence Agreement, the granting of consent is subject only to the condition that the purchaser/alienee shall enter into such document as the DoL may reasonably require whereby the purchaser/alienee agrees to be bound and observe the terms of the Licence Agreement but such document shall not contain provision for payment of premium or fee or the undertaking of any obligation beyond those under the Licence Agreement.

Pursuant to the Tender Agreement, the Purchaser will execute in favour of the Government and the DoL, and deliver to the Vendor 10 working days before the Completion Date, an undertaking (in the form as prescribed in the Conditions of Sale) agreeing (among other things) to pay the licence fee reserved under and observe and perform the obligations contained in the Licence Agreement.

(E). Tenancies

Based on the information made available by the Vendor, there are currently 12 Tenancies in respect of shop nos.1-11 and nos.13-15 on the ground floor of the Property. The trades are mainly currency exchange dealer and general retails.

Rentals of the Tenancies, as at 1 December 2015, according to information made available by the Vendor, are approximately HK\$2.3 million per month. The Tenancies, at present, account for approximately 2.7% of the total gross floor area of the Property.

The Tenancies are all for a fixed term of three years (subject to landlord's right to early terminate the same by giving three months' written notice to the tenant(s)). The expiry of the Tenancies ranges from 20 August 2016 (in the case of shop no. 5) to 28 March 2018 (in the case of shop no. 15).

The Property (other than those shops on the ground floor under the Tenancies) used to be occupied by Government departments as offices. Those parts of the Property formerly occupied by Government departments (other than the shops as aforesaid) are currently vacant. The Manager intends to lease out the retail and office spaces for Link to hold the Property as long-term investment.

(F). Property management After Completion, the Manager will have full operational control over the management issues of the Property.

(G). Valuation of the Property As at 6 January 2016, according to the Valuation Report by the Principal Valuer for the purpose of the Acquisition, the Property had an Appraised Value of HK\$6,400,000,000.

## **SECTION V. FEES AND EXPENSES**

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No fee or charge is payable to the Manager arising out of the Acquisition.

No fee or charge is payable to the Trustee arising out of the Acquisition, apart from the Trustee's remuneration under the Trust Deed which is based on prescribed percentages per annum of the Property Values (as defined in the Trust Deed) applicable, respectively, to Link's real estate in and outside Hong Kong.

No agency fee is payable in connection with the Acquisition.

The Manager intends to renovate the Property with a view to revamp the trade-mix of the office and retail floors for high-quality tenants and maximise the rental income potential of the Property for the benefit of Link and the Unitholders as a whole. The Manager will carry out asset enhancement initiative in the ordinary course of business of Link to upgrade the facilities. The costs to be incurred for such asset enhancement works are not expected to be material to Link. The Manager has no immediate plan to incur capital expenditures of abnormal scale, or to re-develop any part of the Property.

## **SECTION VI. FINANCIAL IMPACT AND FUNDING OF THE ACQUISITION**

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The Consideration of HK\$5,910,000,000 together with the Expenses of approximately HK\$505,350,000 will be funded by Link's own cash resources and/or debt facilities. The Acquisition is not expected to have any material adverse impact on the financial position of Link, as compared to that as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report).

Upon Completion, based on the consolidated financial position of Link as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report), the pro-forma adjusted ratio of debt to total assets of Link is anticipated to change from approximately 16.9% to approximately 20.4% on the basis of (i) a draw-down of HK\$6,415 million on Link's existing debt facilities; (ii) adjustments for the impact of the interim distribution paid by Link on 4 December 2015 and the disposal of five properties by Link as announced and completed, respectively, on 27 October 2015 and 31 December 2015; and (iii) an adjustment to include the Appraised Value of the Property as if the Acquisition took place on 30 September 2015.

## **SECTION VII. REASONS FOR THE ACQUISITION**

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The Acquisition is in line with the Manager's current investment strategy of diversifying into different sectors of non-residential properties for the long-term prospect of Link. The addition of quality assets enhances the quality of Link's portfolio. The Manager believes that the Property will add value to Link's portfolio, noting:

- *Good location*

Mongkok – the area where the Property is situated – is one of the prime retail locations of Hong Kong. The area consistently attracts high number of local shoppers as well as tourists. Given its focus on mass to mid-mass retail and limited supply of retail and office space, Mongkok has seen the least volatility in rental and capital value of the retail/commercial properties, as compared to other core shopping areas such as Central, Causeway Bay, and Tsimshatsui.

- *Limited existing and new supply of office and retail space*

Existing quality retail/retail-cum-office properties in Mongkok are mostly owned by developers who have neither the need nor any incentive to dispose of them. New sites for retail/commercial development are few and scatter mostly along fringe areas of Mongkok with no direct MTR access. Soaring retail rent at Mongkok and other conventional shopping areas help drive beauty parlors and spas, medical clinics, customer centres and other service providers to office space.

- *Good connectivity of the Property*

The Property is located at one of the busiest parts of Mongkok. It sits atop the Mongkok MTR station and is accessible by all means of public transport. The Footbridge connects the Property to adjoining retail/office blocks, and another footbridge brings pedestrian traffic from the Mongkok East Railway Station to the footstep of the Property. Due to its location and good connectivity, the Property is favourable to a wide range of office and retail tenants. Barring any adverse change in the Hong Kong

economy, the Manager does not expect difficulty in leasing out the vacant retail and office spaces at market level upon renovation of the Property.

- *Opportunity for Link to tap into new retail area*

Mongkok is a new area for Link. Given the retail in Mongkok is mass to mid-mass focus, it complements Link's portfolio and helps Link expand the catchment area of its portfolio into different income groups for better long-term prospect.

The Manager believes the Acquisition is in the interest of Link and considers that the Consideration is fair and reasonable after taking into account the Appraised Value of the Property, the good location of the Property, its rental potential, and market comparables of properties in the Mongkok area as referred to in the Valuation Report. The Consideration represents a discount of approximately 7.66% to the Appraised Value of the Property.

## **SECTION VIII. OPINION OF THE BOARD**

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The Board (including the independent non-executive Directors except Professor Richard WONG Yue Chim who had abstained from discussion and voting to avoid potential conflict of interests) is satisfied that the Acquisition and the entering into of the Tender Agreement by the Purchaser and the transactions contemplated there-under are at arm's length, on normal commercial terms, and are fair and reasonable and in the interest of Link and the Unitholders as a whole.

Further, the Board (except Professor Richard WONG Yue Chim who had abstained as aforesaid) is satisfied that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Purchaser to enter into the Tender Agreement and the transactions contemplated there-under.

## **SECTION IX. CONFIRMATION BY THE MANAGER**

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The Manager has conducted due diligence on the Property and arranged insurance on the Property (on customary terms including public liability) to be effective from the Acceptance Date in accordance with the relevant requirements of the REIT Code and the Manager's compliance manual.

Based on the reports of the external consultants and the advice of the external legal counsels engaged for the purpose of the Acquisition, on submission of the Tender the Manager is satisfied with the due diligence results on the state and conditions of the Property and that the Purchaser will have good marketable legal and beneficial title to the Property (subject only to the Tenancies) upon Completion.

## **SECTION X. OPINION OF THE TRUSTEE**

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Based on and in sole reliance on the opinion of the Board (except Professor Richard WONG Yue Chim who had abstained as above mentioned) and the information and confirmations provided by the Manager (and having taken into account its duties under the Trust Deed and the REIT Code), the Trustee has no objection to the Acquisition nor to the Purchaser entering into the Tender Agreement and the transactions contemplated there-under. Further, the Trustee is satisfied that: (i) the Acquisition

is consistent with Link's investment policy and in compliance with the REIT Code and the Trust Deed; and (ii) no Unitholders' approval is required under the REIT Code and the Trust Deed for the Purchaser to enter into the Tender Agreement and the transactions contemplated there-under.

## **SECTION XI. REGULATORY IMPLICATIONS**

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This announcement is made pursuant to 10.3 and 10.4 of the REIT Code. The Consideration and the Expenses in aggregate of approximately HK\$6,415,350,000 payable for the Acquisition (i) represents approximately 6.6% of the total market capitalisation of Link (based on the average closing price of the Units on the Stock Exchange for the five business days immediately preceding the date of this announcement); (ii) represents approximately 4.1% of the total assets of Link as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report) after adjusting for the impact of the interim distribution paid by Link on 4 December 2015 and the disposal of five properties by Link as announced and completed, respectively, on 27 October 2015 and 31 December 2015; and (iii) is less than 15% of Link's gross asset value as at 30 September 2015 (as disclosed in the 2015/2016 Interim Report).

The Vendor (being The Financial Secretary Incorporated of the Government) is an Independent Third Party. The Property is acquired through Government open tender. The Acquisition does not constitute a connected party transaction of Link under the REIT Code.

### **Submission with regard to 7.5(d) of the REIT Code**

The Manager has made a submission in respect of 7.5(d) of the REIT Code (regarding the use of more than two layers of SPVs) to hold the Property through intermediate holding companies for the purpose of organising more effectively Link's investments, subject to Completion and the condition that there will be no change to the maximum number of four layers of SPVs used by Link for holding the Property without further approval of the SFC.

### **Further Announcement(s)**

Further announcement(s) will be made by the Manager in accordance with the REIT Code and on Completion or, if applicable, when Completion is cancelled or postponed.

## **SECTION XII. GENERAL**

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Link 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 Link. Link – internally managed by the Manager – currently has a diversified portfolio of retail and office properties and car parking spaces in Hong Kong and Mainland China.

The Purchaser is a company incorporated in Hong Kong and directly wholly-owned by Link Monte (BVI), which in turn is a company incorporated in the British Virgin Islands and indirectly wholly-owned by Link. Please also refer to the chart in SECTION III. above of this announcement. The Purchaser has no business activity except acting as the registered owner of the Property upon Completion. Link Monte (BVI) has no business activity except holding the entire issued share capital of the Purchaser.

## SECTION XIII. DEFINITIONS

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In this announcement, the following terms have the following meanings unless otherwise stated. Also, where any term is defined and used only in one section of this announcement, such defined term is not included in the table below.

<b>2015/2016 Interim Report</b>	Link's interim report for the six months ended 30 September 2015
<b>Acceptance Date</b>	19 February 2016, being the date of the letter by the Government Property Agency notifying the Purchaser that its Tender had been accepted by the Vendor
<b>Acquisition</b>	the acquisition by Link (through the Purchaser) of the Property on the terms and conditions set out in the Tender Agreement
<b>Appraised Value</b>	HK\$6,400,000,000, being the appraised value of the Property as at 6 January 2016 according to the Valuation Report
<b>Board and Directors</b>	respectively, (i) the board of directors and (ii) directors of the Manager
<b>Building</b>	the building currently known as "Trade and Industry Department Tower", of No. 700 Nathan Road, Kowloon, Hong Kong (formerly, "Argyle Centre Tower II")
<b>Completion</b>	completion of the sale and purchase of the Property between the Vendor and the Purchaser pursuant to the terms and conditions of the Tender Agreement
<b>Completion Date</b>	the date for Completion of the Acquisition (expected to take place on 15 April 2016)
<b>Conditions of Sale</b>	the terms and conditions of sale of the Property by the Vendor in the form as annexed to the Tender Notice and forming part of the Form of Tender submitted by the Purchaser and accepted by the Vendor
<b>Consideration</b>	HK\$5,910,000,000, being the purchase price for the Property payable by the Purchaser to the Vendor in accordance with the terms of the Tender Agreement
<b>Deposits</b>	together, the Initial Deposit and the Further Deposit
<b>DMC</b>	the deed of mutual covenant in respect of the Building dated 17 March 1984 and registered in the Land Registry by Memorial No. UB2552409

<b>DoL</b>	Director of Lands
<b>Expenses</b>	expenses of approximately HK\$505,350,000 payable by the Purchaser in connection with the Acquisition which include stamp duty payable for and professional services fees incurred in connection with the Acquisition
<b>Footbridge</b>	the single-storey pedestrian footbridge erected over public road on the upper 1st and 2nd floor of the Building connecting the Building with the 2nd floor of the adjoining Argyle Centre Phase I which is shown (coloured pink) on the plan annexed to the Licence Agreement
<b>Further Deposit</b>	HK\$472,800,000 payable by the Purchaser on execution of the Memorandum of Agreement with the Vendor pursuant to the Tender Agreement
<b>Hong Kong, Government, and HK\$</b>	respectively, (i) the Hong Kong Special Administrative Region of The People's Republic of China, (ii) the Government of Hong Kong, and (iii) Hong Kong dollars (the lawful currency of Hong Kong)
<b>Independent Third Party</b>	an independent third party who is not a connected person (within the meaning of Chapter 8 of the REIT Code) of Link
<b>Initial Deposit</b>	HK\$118,200,000, which was paid by the Purchaser on submission of the Tender and is treated as initial deposit upon acceptance by the Vendor of the Tender
<b>Land</b>	Kowloon Inland Lot No. 10470
<b>Land Grant</b>	Conditions of Grant No. 11419 in respect of the Land dated 30 May 1980 and made between the Governor of Hong Kong and Mass Transit Railway Corporation, as varied and modified by (i) a modification letter dated 25 November 1982 and registered in the Land Registry by Memorial No. UB2347095; and (ii) a modification letter dated 11 January 1984 and registered in the Land Registry by Memorial No. UB2520388
<b>Licence Agreement</b>	the Licence Agreement No. KX 843 dated 18 November 1981 and made between His Excellency the Governor of Hong Kong of the one part and Mass Transit Railway Corporation and Hang Tak Company Limited (therein as licensees) of the other part in respect of the Footbridge

<b><i>Link</i></b>	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), whose Units are listed on the Main Board of the Stock Exchange (stock code: 823), and where the context requires, including the SPVs
<b><i>Link Monte (BVI)</i></b>	Link Monte (BVI) Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned SPV of Link, which is the sole shareholder of the Purchaser
<b><i>Manager</i></b>	Link Asset Management Limited, which is the manager of Link
<b><i>Memorandum of Agreement</i></b>	the memorandum respecting the sale and purchase of the Property in the form as annexed to the Conditions of Sale which the Purchaser will enter into with the Vendor on a working day falling within 14 days from (but excluding) the Acceptance Date
<b><i>MTR</i></b>	mass transit railway
<b><i>Principal Valuer</i></b>	CBRE Limited, the principal valuer (as defined in the REIT Code) of Link, who was appointed as independent property valuer (within the meaning of Chapter 6 of the REIT Code) for valuing the Property for the purpose of the Acquisition
<b><i>Property</i></b>	the ownership to undivided shares of and in the Land and the Building and exclusive possession to such part of the Building as described in SECTION IV. of this announcement
<b><i>Purchaser</i></b>	Link Monte (HK) Limited, a company incorporated in Hong Kong and a SPV directly wholly-owned by Link Monte (BVI) which (upon Completion) will be the sole registered owner of the Property
<b><i>REIT Code</i></b>	the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC
<b><i>SFC</i></b>	the Securities and Futures Commission of Hong Kong
<b><i>SPV</i></b>	special purpose vehicle owned and controlled by Link in accordance with the REIT Code and the Trust Deed
<b><i>Stock Exchange</i></b>	The Stock Exchange of Hong Kong Limited

<b><i>Tenancies</i></b>	collectively, the 12 lettings in respect of those shops on the ground floor of the Property which are further described in SECTION IV. (E). of this announcement
<b><i>Tender Agreement</i></b>	the binding agreement for the sale and purchase of the Property comprising (i) the Tender Notice, (ii) the Form of Tender executed by the Purchaser and accepted by the Vendor, (iii) the Conditions of Sale annexing to the Form of Tender, and (iv) the Memorandum of Agreement that is signed between the Purchaser and the Vendor
<b><i>Tender and Form of Tender</i></b>	respectively, (i) the tender (in the form of the Form of Tender) submitted by the Purchaser on 8 January 2016 offering to purchase the Property from the Vendor in response to the Tender Notice by the Government, and (ii) the form of tender (Tender Reference: GPA ADD 3/15) as annexed to the Tender Notice
<b><i>Tender Notice</i></b>	the tender notice (Tender Reference: GPA ADD 3/15) by the Vendor inviting interest from the public to tender for the Property
<b><i>Trust Deed</i></b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, as amended and supplemented by eleven supplemental deeds dated 4 November 2005, 8 November 2005, 16 January 2006, 21 November 2006, 13 July 2007, 23 July 2007, 5 October 2009, 23 July 2010, 25 July 2012, 18 February 2014 and 15 January 2015, respectively
<b><i>Trustee</i></b>	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link
<b><i>Unit(s) and Unitholder(s)</i></b>	respectively, unit(s) of Link and holder(s) of Unit(s)
<b><i>Valuation Date</i></b>	6 January 2016
<b><i>Valuation Report</i></b>	valuation report in respect of the Property dated 6 January 2016 by the Principal Valuer for the purpose of the Acquisition
<b><i>Vendor</i></b>	The Financial Secretary Incorporated, a corporation sole incorporated under the Financial Secretary Incorporation Ordinance (Chapter 1015 of the Laws of Hong Kong), being the current registered owner and vendor of the Property

**working day**

being Monday to Friday (excluding any general holidays as defined in the General Holidays Ordinance (Chapter 149 of the Laws of Hong Kong))

**%**

per centum or percentage

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

Hong Kong, 19 February 2016

*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*

Nicholas Charles ALLEN

William CHAN Chak Cheung

Ed CHAN Yiu Cheong

Poh Lee TAN

May Siew Boi TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

David Charles WATT

Richard WONG Yue Chim

Elaine Carole YOUNG