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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)

ADOPTION OF UNIT AWARD SCHEME

The Board announces the adoption of the 2017 Scheme on 10 July 2017. The 2017 Scheme is a unit award scheme pursuant to which Awards may be granted to selected eligible Participants.

The 2017 Scheme shall be valid and effective for 10 years commencing from the Adoption Date (i.e. expiring on 9 July 2027), save and except in the case of extension or early termination in accordance with the Rules.

A summary of the principal terms of the 2017 Scheme is set out in this announcement.

The 2017 Scheme does not constitute a unit option scheme or an arrangement analogous to a share option scheme requiring shareholders' approval for the purpose of Chapter 17 of the Listing Rules (as if Chapter 17 of the Listing Rules were applicable to Link). Restricted Unit Awards shall be satisfied by Units purchased on the open stock market save and except in certain limited circumstances prescribed by the Rules (such as in the case of death of a Grantee, in which case a cash payment will be made in lieu of Units), and no new Units will be issued in satisfaction of any Restricted Unit Award that may vest under the 2017 Scheme. The terms of the 2017 Scheme and the adoption thereof comply with the Trust Deed. For the avoidance of doubt, the 2017 Scheme is not a plan succeeding Link's existing long-term incentive plan that will be expiring on 22 July 2017 (unless earlier terminated).

Having regard to legal advice received from its legal advisors as to Hong Kong law, the Manager is satisfied that no Unitholders' approval is required for the adoption of the 2017 Scheme under the Trust Deed. Having regard to legal advice received from its legal advisors as to Hong Kong law and based on the confirmation and information 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 for the adoption of the 2017 Scheme under the Trust Deed.

This announcement is made by the Manager to provide information on the 2017 Scheme, to uphold good corporate governance and for transparency.

I. THE 2017 SCHEME

The Board of the Manager announces that the Board adopted the 2017 Scheme on the Adoption Date (i.e. 10 July 2017). For the avoidance of doubt, the 2017 Scheme is not a plan succeeding Link's existing long-term incentive plan that will be expiring on 22 July 2017 (unless earlier terminated). A summary of the principal terms of the 2017 Scheme is set out below:

1. Objectives

The objectives of the 2017 Scheme are to:

- (a) align the interests of the Participants with the Unitholders as a whole with a view to creating value for Link and the Unitholders;
- (b) enable the Manager to attract and retain talented management and key employees whose contributions are essential to the achievement of the strategic goals and the long-term growth of Link; and
- (c) incentivise management and key employees of the Link Entities through rewarding them in calibration of their contributions to the business performance and success of Link.

2. Duration

The 2017 Scheme shall be valid and effective for 10 years commencing from the Adoption Date (i.e. expiring on 9 July 2027), save and except in the case of extension or early termination in accordance with the Rules.

3. Administration

The Board has full and overriding discretion over all matters relating to the 2017 Scheme. Without affecting the power and authority of the Board under the 2017 Scheme, the Committee shall administer the 2017 Scheme according to the Rules and shall, among other things, establish vesting target(s), vesting scale and other conditions upon which an Award is granted, and review from time to time such vesting target(s) and conditions, in its absolute discretion and power but consistent with the objectives of the 2017 Scheme. The Committee is presently comprised of five INEDs.

Subject to the general power of the Board and the Committee, the Administrator (being the Director of Human Resources of the Manager) shall implement and operate the 2017 Scheme.

4. Eligible Participants

The following persons shall be eligible to participate in the 2017 Scheme: (a) Directors; and (b) key employees of any Link Entity whom, in the opinion of the Committee, have contributed, or have the potential to contribute, to the success of Link (collectively, the "**Participants**" and individually, a "**Participant**").

5. Grant of Award

The Committee has the absolute discretion to select any eligible Participant to participate in the 2017 Scheme, grant to that Participant any Award, and impose any vesting target(s), vesting scale and/or other conditions (if any) on the Award so granted, save and except where an Award is to be granted to a Restricted Person, the grant of that Award and the vesting target(s), vesting scale and/or other conditions (if any) imposed thereon shall be approved by the Board.

An Award may be in the form of a Restricted Unit Award or a Conditional Cash Award. A Restricted Unit Award may be granted with or without a Conditional Cash Award. A Conditional Cash Award, however, shall not be granted alone and must be granted in conjunction with a Restricted Unit Award. Grant of Award is only valid once accepted by the Participant.

No Award shall be granted to an Excluded Person, a Relevant Director or a significant holder of Link, or their respective associates.

6. Applicable Limits

No further Award shall be granted if such grant will result in the maximum number of Units awarded or to be awarded under all Awards granted (excluding Awards lapsed or cancelled) under the 2017 Scheme (and any other incentive scheme(s) of any Link Entity) exceeding 10% of the number of Units in issue as at the Adoption Date (being 221,456,347 Units).

No Award shall be granted to any Participant if such grant will result in the maximum number of Units awarded or to be awarded under all Awards granted to such Participant (excluding Awards finally lapsed) under the 2017 Scheme (and any other incentive scheme(s) of any Link Entity) within 12 months immediately preceding the date of the proposed grant exceeding 1% of the number of Units in issue from to time.

No Award shall be granted to an INED or NED (or his/her associate) if such grant will result in the maximum number of Units awarded or to be awarded under all Awards granted to such INED or NED or his/her associate (excluding Awards finally lapsed) under the 2017 Scheme (and any other incentive scheme(s) of any Link Entity) within 12 months immediately preceding the date of the proposed grant exceeding 0.1% of the number of Units in issue from to time. Further, no Award shall be granted to any INED if such grant will result in such INED being entitled to a total number of Units exceeding such limit provided in the corporate governance policy of the Manager for the purpose of assessing his/her independence as an INED.

7. Operation and Vesting

Restricted Unit Awards shall be satisfied by Units purchased on the open stock market save and except in certain limited circumstances prescribed by the Rules (such as in the case of death of a Grantee) where a cash amount may be paid in lieu of Units that would have vested under the relevant Restricted Unit Awards.

On expiry of the applicable vesting period, the Committee shall review and determine (if applicable) whether and to what extent the vesting target(s) and/or such other conditions in respect of such Award have been finally satisfied (or, if applicable, waived).

Upon the Committee's determination of the vesting results in accordance with the Rules, but subject to the dealing restrictions disclosed under paragraph 10 below, the Manager (through the Administrator) shall, among other things:

- (a) fund the Third Party Intermediary to enable it to purchase (or procure the purchase of) Units in favour of, and in the name of, the relevant Grantees in satisfaction of the Restricted Unit Awards that have vested, and such purchases shall be made by the Third Party Intermediary within 20 Business Days upon receipt of the funds, having regard to prevailing market conditions, Applicable Laws and Regulations, and practicability and other matters; and
- (b) pay to the relevant Grantees cash amounts in satisfaction of the Conditional Cash Awards that have vested, as soon as practicable after completion of the purchase of Units in paragraph 7(a) above, and such cash amounts shall be calculated with reference to the respective distributions per Unit during the applicable vesting period, taking into account the number of Units in respect of which such Restricted Unit Award has vested, and assuming such Units had been in issue during that vesting period.

Subject to the applicable limits disclosed under paragraph 6 above, the Board (upon the recommendation of the Committee) has the absolute discretion to vary (or, as the case may be, waive) any vesting target(s), vesting scale or vesting date imposed on an Award during the vesting period and in accordance with the Rules, if the Board (based on market data and/or advice from an independent external consultant and upon the recommendation of the Committee) considers that such variation (or, as the case may be, waiver) is a more accurate measurement of the performance and success, or will otherwise bring about benefit to or is in the long-term interest of Link and the Unitholders as a whole, provided that: (a) any variation and/or waiver of any vesting target(s), vesting scale or vesting date imposed on Awards granted to a Restricted Person shall further be approved by the INEDs (other than any INED who has an interest in the foregoing); (b) no Director shall approve or vote on any variation of terms of an Award in his (or his associate's) favour; (c) the variation of any conditions imposed on an Award (other than the vesting target(s), vesting scale or vesting date, which shall only be approved by the Board) may be made by the Committee (based on the recommendation of the Administrator) at its sole discretion; and (d) no variation of any kind shall be made after the expiry of the vesting period.

8. Cash in lieu of Units

In the event that the Manager is unable to fulfil the obligation to satisfy Restricted Unit Awards vested with any Grantee in the form of Units due to compliance with fiscal, taxation, securities laws and other regulations; or if the tax position of a Link Entity or the Grantee will be adversely affected if the Grantee receives Units for satisfaction of Restricted Unit Awards vested; or the Grantee has since become or found to be an Excluded Person after the date of a grant of Award, the Grantee shall, in lieu of Units that would have vested under the relevant Restricted Unit Awards, instead receive a cash amount equal to the market value, on the vesting date, of the number of Units which the relevant Grantee would have received under the relevant Restricted Unit Awards as vested. In the case of death of a Grantee, the estate of such Grantee shall, in lieu of Units, receive a cash amount equal to the market value, on the day of death, of the number of Units which the deceased Grantee would be entitled to receive under the 2017 Scheme. The Grantee will also receive the face value of any Conditional Cash Awards that may have vested, calculated in accordance with paragraph 7(b) above.

9. Lapse of Awards

Except as determined by the Committee in its absolute discretion (or by the Board in the case of a Restricted Person), an Award shall lapse automatically and wholly when the relevant Grantee:

- (a) ceases to be an employee of the Link Entity (other than on retirement), whether by resignation or dismissal;
- (b) has been on unpaid leave for a consecutive period of nine months if the relevant Grantee is an employee of a Link Entity where all unvested Awards held by such Grantee shall lapse on expiry of the such nine-month period;
- (c) is adjudicated bankrupt by court, or enters into individual voluntary arrangement under the Bankruptcy Ordinance with his/her creditors;
- (d) is convicted of: (i) any criminal offence involving integrity or dishonesty; or (ii) any other criminal offence for which immediate custodian sentence or suspended custodian sentence of 3 months or over is imposed, by any court, magistracy, or tribunal;
- (e) is a Director, such Director: (i) is removed or resigns from the Board (other than on retirement); (ii) is the subject of a disqualification order under any statute by any tribunal or court; or (iii) is convicted of any offence relating to breach of fiduciary duty, fraud or market misconduct under the SFO, or any criminal offence as mentioned in sub-paragraph (d) above by any tribunal, magistracy, or court; or
- (f) renounces or surrenders an Award in accordance with the Rules.

No Award shall vest but it shall lapse:

- (a) when the Committee determines that the vesting target(s) and/or conditions of that Award have not been finally satisfied (or waived);
- (b) when the entity by which the Grantee is employed has ceased to be a Link Entity;
- (c) when the Grantee is found to have become an Excluded Person;
- (d) when a Grantee fails to complete or provide or deliver any vesting document within the period prescribed by the Administrator or the Third Party Intermediary and the Administrator (under the advice of the Third Party Intermediary) determines that such failure has made vesting of the Restricted Unit Awards practically impossible; or
- (e) when an order for the winding-up of the Manager or Link is made by any court or a resolution for the winding-up of the Manager or Link is made other than for voluntary liquidation or liquidation for the purpose of (or followed by) a merger, amalgamation, group reconstruction or restructuring, or an arrangement in or under which substantially the whole or a part of the undertakings, business, operations, assets and/or liabilities of Link is or will be passed or transferred to, or absorbed or taken up by, a successor entity.

10. Dealing restrictions

Unless permissible by the Applicable Laws and Regulations:

- (a) no Award will be granted;
- (b) no instructions and/or funding will be given to the Third Party Intermediary for the purpose of purchasing of or otherwise dealing in Units;
- (c) no Units will be purchased (or procured to be purchased) by the Third Party Intermediary for or in favour of the relevant Grantees under the 2017 Scheme; and
- (d) no discretion will be exercised on matters relating to acceleration, deferral, or variation of any vesting, vesting target(s) or other conditions of any Award granted,

during the following times (beginning and end days both inclusive):

- (i) from the day after an event involving inside information in relation to the affairs or securities of Link has occurred or a matter involving inside information in relation to the securities of Link has been the subject of a decision, until the day on which such inside information has been publicly announced in accordance with the Applicable Laws and Regulations;

- (ii) (1) on any day on which the Manager publishes the annual or half-yearly (or, if applicable, quarterly) results of Link; (2) during the period commencing: (A) 60 days immediately preceding the publication by the Manager of Link's annual results or (B) 30 days immediately preceding the publication by the Manager of Link's half-yearly (or, if applicable, quarterly) results; or (3) if shorter, the period from the end of the relevant financial year, or half-yearly (or quarterly) period (as the case may be) up to (and including) the date of publication of such results; and
- (iii) where the doing of any matter by the Manager in relation to the Units is prohibited under any Applicable Laws and Regulations and such prohibition has not been waived by the SFC and/or the Stock Exchange.

11. Alteration

The 2017 Scheme may be amended without Board approval for: (a) any correction of typographical, grammatical or any manifest error; and (b) amendment mandated or occasioned by Applicable Laws and Regulations. The 2017 Scheme may be altered and the Rules may be amended by resolution of the Board, provided that no such alteration or amendment shall operate to adversely affect: (i) the terms of any Award granted to a Grantee; (ii) the terms of any Award offered to a Participant for acceptance prior to such alteration or amendment; or (iii) the subsisting rights of any Grantee, save and except where in each instance approved by the affected Grantees in accordance with the Rules. Further, no amendment to the 2017 Scheme shall be made if such amendment would result in inconsistency or non-compliance with the Applicable Laws and Regulations (including the Trust Deed), and any amendment to the 2017 Scheme shall be made in accordance with the Applicable Laws and Regulations, and other laws (if relevant and necessary).

12. Expiry and termination

The Board may by resolution terminate the 2017 Scheme prior to expiry provided that such termination shall not affect the subsisting rights of any Grantee. Further, the 2017 Scheme shall automatically terminate should the Manager cease to be owned by the Trustee. Upon termination of the 2017 Scheme, no further Awards shall be granted but Awards granted and accepted prior to termination shall continue to be valid.

13. Corporate governance

Grant of Awards under the 2017 Scheme is subject to the Manager's governance framework, which presently includes, without limitation, that:

- (a) the Committee (comprising solely INEDs) will review, oversee and recommend the grant of Awards to Directors, and approve the grant of Awards to the senior management of the Manager (as published in Link's annual report from time to time in accordance with the Listing Rules, as if they were applicable to Link); and
- (b) the grant of Awards to Directors will be approved by the Board (based on the recommendations of the Committee),

and details on the Manager's remuneration framework are disclosed in Link's corporate governance report in Link's annual report published by the Manager from time to time in accordance with the relevant requirements of the Listing Rules (as if such Listing Rules were applicable to Link). Such remuneration framework applies the principles in and complies with, to the extent appropriate, the provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Further, the Committee is primarily charged with the oversight of the operation of the 2017 Scheme.

II. VIEWS OF THE MANAGER AND THE TRUSTEE

Having regard to the objectives to be achieved by the 2017 Scheme as set out in paragraph 1 of Section I above, the Manager considers that the adoption of the 2017 Scheme is in the best interest of Link and the Unitholders as a whole. Having regard to legal advice received from its legal advisors as to Hong Kong law, the Manager is satisfied that no Unitholders' approval is required for the adoption of the 2017 Scheme under the Trust Deed.

Having regard to legal advice received from its legal advisors as to Hong Kong law and based on the confirmation and information provided by the Manager (and having taken into account its duties under the Trust Deed and the REIT Code), the Trustee: (i) has no objection to the Manager's adoption of the 2017 Scheme; and (ii) is satisfied that no Unitholders' approval is required for the adoption of the 2017 Scheme under the Trust Deed.

III. GENERAL

The 2017 Scheme does not constitute a unit option scheme or an arrangement analogous to a share option scheme requiring shareholders' approval for the purpose of Chapter 17 of the Listing Rules (as if Chapter 17 of the Listing Rules were applicable to Link). No new Units will be issued in satisfaction of any Restricted Unit Award that may vest under the 2017 Scheme. The terms of the 2017 Scheme and the adoption thereof comply with the Trust Deed. Such schemes involving the satisfaction of vested awards by shares purchased on the open stock market, as opposed to the issuance of shares, have been adopted by Hong Kong listed companies. Except for operational matters which are immaterial or administrative in nature, the 2017 Scheme and the adoption of the same are consistent with share award schemes adopted by Hong Kong listed companies.

This announcement is made by the Manager to provide information on the 2017 Scheme, to uphold good corporate governance and for transparency.

The Manager will make further announcement(s) on the grant of Award(s) under the 2017 Scheme pursuant to REIT Code 10.3, or in circumstances as required by the REIT Code. Details of any Awards granted, vested, lapsed and/or cancelled under the 2017 Scheme will be disclosed in interim and annual reports of Link.

IV. DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

2017 Scheme	the new long-term incentive scheme of Link adopted by the Board on the Adoption Date
Administrator	the entity or person appointed by the Committee to assist it in the administration of the 2017 Scheme, which is presently the Director of Human Resources of the Manager
Adoption Date	10 July 2017
Applicable Laws and Regulations	the REIT Code, the Listing Rules, the SFO and its subsidiary legislations, The Codes on Takeovers and Mergers and Share Buy-backs and other codes of the SFC and rules of the Stock Exchange that have direct relevance to the 2017 Scheme and its operations, and relevant guidance or practice notes, circulars, interpretative letters, and FAQs by the SFC and the Stock Exchange, and for the purpose of the Rules, the Trust Deed, and in all cases, in their respective present form and as updated, amended, re-enacted, or supplemented from time to time
associate	has the meaning ascribed to it under the REIT Code
Award	a Restricted Unit Award, or a Conditional Cash Award, or a combination of both (as the context requires) granted under the 2017 Scheme
Board	the board of directors of the Manager
Business Day	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks are open for general business in Hong Kong
Committee	the Remuneration Committee of the Board
Conditional Cash Award	an Award giving a conditional right to receive cash payments granted to a Participant in accordance with the Rules and the relevant grant letter
connected person	a connected person of Link within the meaning of the REIT Code

Director	a director of the Manager
Excluded Person	<p>a Participant who is (or a Grantee who has since the grant of an Award become) resident in a jurisdiction where the settlement of any sum, the grant, accepting and/or holding of any Award, and the vesting and/or the transfer of any Unit pursuant to the terms of the 2017 Scheme either:</p> <ul style="list-style-type: none"> (i) is not permitted under the fiscal, taxation, foreign exchange, securities or other laws and regulations of such jurisdiction, or (ii) requires, under applicable securities laws and regulations of that jurisdiction, the issue and/or filing of a prospectus or other offer document in respect thereof, or (iii) where in the view of the Committee, compliance with the relevant laws and regulations in such jurisdiction makes it necessary or expedient (on account of, without limitation, cost, time delay, impracticability, or other reasonable cause) to exclude such person from participating in the 2017 Scheme
Grantee	any Participant who accepts the offer of grant of any Award under the 2017 Scheme and on the terms and conditions of the relevant grant letter
Hong Kong	Hong Kong Special Administrative Region of The People's Republic of China
INED	an independent non-executive director of the Manager
inside information	has the meaning ascribed to it under the SFO
Link	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) and, where the context shall require, includes all companies and special purpose vehicles owned and/or controlled by it
Link Entities	the Manager, the Manager's subsidiaries and special purpose vehicles of Link, and a " Link Entity " refers to any of them
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Manager	Link Asset Management Limited, the manager of Link

NED	a non-executive director of the Manager
Participant	has the meaning ascribed to it in paragraph 4 of Section I of this announcement
REIT Code	the Code on Real Estate Investment Trusts published by the SFC, as may be amended from time to time
Relevant Director	a Director who was appointed as a result of a specific nomination or request (whether pursuant to a contractual entitlement or otherwise) by, or as a result of a specific invitation to sit on the Board to represent, a Unitholder holding not less than 5% of the Units in issue
Restricted Person	an individual being: (i) a Director; (ii) the Chief Executive Officer (if he is not a Director) of the Manager; or (iii) any of their respective associate (other than a person who is an associate of such individual solely by virtue of the person's employment by a Link Entity)
Restricted Unit Award	an Award giving a conditional right to receive Units granted to a Participant in accordance with the Rules and the relevant grant letter
Rules	the rules of the 2017 Scheme, as may be amended from time to time
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time
significant holder	has the meaning ascribed to it under Chapter 8 of the REIT Code
Stock Exchange	The Stock Exchange of Hong Kong Limited
Third Party Intermediary	an intermediary as the Manager may from time to time appoint for the purpose of the 2017 Scheme which is an independent third party to, and not a connected person of, Link and all Link Entities and must be duly licensed to carry on required regulated activities for which it is appointed
Trust Deed	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, as may be amended from time to time

Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link
Unit and Unitholder	respectively, a unit of Link and holder of Unit(s)
%	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, 10 July 2017

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

Chairman (also an Independent Non-Executive Director)

Nicholas Charles ALLEN

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

William CHAN Chak Cheung

Ed CHAN Yiu Cheong

Blair Chilton PICKERELL

Poh Lee TAN

May Siew Boi TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

David Charles WATT

Elaine Carole YOUNG