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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)

DISCLOSEABLE TRANSACTION COMPLETION OF STRATEGIC REVIEW AND DISPOSAL OF PROPERTIES

The Manager had completed the strategic review disclosed in Link's announcement dated 26 July 2017. The Board announces that on 28 November 2017, the Vendor (being a wholly-owned SPV of Link) has entered into the SPAs with the Property Purchasers and the Share Purchaser (all of which belong to the same group) under which, for HK\$23,000,000,000 (being the Aggregate Consideration), the Vendor has agreed to dispose of:

- the (i) Cheung Hang Property; (ii) Kai Yip Property; (iii) Kam Tai Property; (iv) Lei Cheng Uk Property; (v) On Ting Property; (vi) Shek Lei Property; (vii) Tai Wo Hau Property; (viii) Tsz Ching Property; (ix) Yau Oi Property; (x) Yung Shing Property; (xi) Kwai Fong Property; (xii) Kwai Shing East Property; (xiii) Lai Kok Property; (xiv) Lee On Property; (xv) Shun Tin Property; and (xvi) Tsing Yi Property to the respective Property Purchasers pursuant to the Property SPAs; and
- the Target Group (through disposing of the Sale Share and the Sale Loans) to the Share Purchaser pursuant to the Share SPA. The Target Group is wholly-owned by Link and owns the Lions Rise Property.

The Property Purchasers are special purpose vehicles incorporated in Hong Kong and the Share Purchaser is a special purpose vehicle incorporated in the British Virgin Islands. Each of the Property Purchasers and the Share Purchaser is a real estate investment company formed for the purpose of acquiring the relevant Property or the Target Group. To the best of the knowledge, information and belief (having made all reasonable enquiries) of, and basing on the information provided to, the Manager, each of the Purchasers is an Independent Third Party.

The Aggregate Consideration represents a premium of approximately 51.7% over the aggregate Appraised Value of the Properties and the Lions Rise Property as at the Valuation Date (i.e. 30 September 2017) and a premium of approximately 58.7% over their aggregate valuations as at 31 March 2017.

The Aggregate Consideration comprises the Properties Consideration and the consideration for the Target Group. The Properties Consideration will not be adjusted. The consideration for the Target Group will be adjusted, initially by the Pro-forma Adjusted NAV (which shall be the Initial Share Consideration) on Completion, and then by the Final Adjusted NAV after Completion upon determination of the combined net asset value of the Target Group as at the Completion Date (which will be reviewed by the Auditor) in the manner as specified in the Share SPA. If the Share Consideration after adjusting for the Final Adjusted NAV is greater than the Initial Share Consideration, the Share Purchaser shall pay the excess to the Vendor; but if it is less than the Initial Share Consideration, the Vendor shall pay the shortfall to the Share Purchaser.

The Manager will publish an announcement on Completion of the Disposals and also when the Share Consideration after adjusting for the Final Adjusted NAV is finally determined.

Pursuant to the terms of the SPAs:

- the Purchasers paid the Initial Deposits (totaling HK\$850 million) on signing thereof and will pay the Further Deposits (totaling HK\$1,450 million) within 5 business days from (and including) the date of the SPAs, which together equals 10% of the Aggregate Consideration;
- if any Purchaser fails to pay the Further Deposit required under a SPA, the Vendor is entitled to terminate all the SPAs and forfeit the Initial Deposits (as well as any Further Deposits, if already paid under any SPAs);
- Completion of the SPAs shall all take place on 28 February 2018 (or such other date as the Vendor and the relevant Purchaser may agree in writing); and
- if any Purchaser fails to complete any SPA, this will constitute a material breach (unless it is waived by the Vendor) and the Vendor is entitled to terminate all the SPAs and forfeit the Deposits paid under all the SPAs without prejudice to the Vendor's other rights and remedies. Similarly, if the Vendor fails to complete any SPA, this will constitute a material breach of all the SPAs whereupon the Vendor shall return the Deposits to the Purchasers without prejudice to the Purchasers' other rights and remedies.

Subject to Completion, it is estimated that the net gain from the Disposals will be approximately HK\$7,393 million (after taking into account, among others, the Expenses but before the Final Adjusted NAV).

This announcement is made pursuant to 10.3 of the REIT Code. The Aggregate Consideration (being HK\$23,000,000,000) for the Disposals (i) represents approximately 15.2% 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 12.2% of the total assets of Link as at 30 September 2017 (as disclosed in the 2017/2018 Interim Report) after adjusting for the impact of the interim distribution payable by Link on 1 December 2017; and (iii) is less than 15% of Link's gross asset value as at 30 September 2017 (as disclosed in the 2017/2018 Interim Report). As the aforesaid percentage ratios are both above 5%, the Disposals constitute a discloseable transaction under Chapter 14 of the Listing Rules as if the relevant requirements were applicable to Link.

The Manager appointed HSBC and UBS as its financial advisors and C&W as its real estate advisor for the purposes of the strategic review and the Disposals. Please refer to Section VII. "Regulatory Implications" below for further details.

The Manager is satisfied that no Unitholders' approval is required under the REIT Code for the Vendor to enter into the Property SPAs, the Share SPA, and the respective transactions contemplated thereunder.

SECTION I. OVERVIEW

Reference is made to the announcement of Link dated 26 July 2017 regarding a strategic review of Link's portfolio. The Manager reviewed various growth options under the strategic review having had reference to leading property companies and international peers and views of market practitioners. The Manager concluded that the Disposals are in line with Link's strategic objectives and current growth trajectory.

The Manager appointed HSBC and UBS as its financial advisors and C&W as its real estate advisor for the purposes of the strategic review and the Disposals (having been satisfied that they have the requisite expertise and resources). The Manager also appointed the Principal Valuer to value each of the Properties and the Lions Rise Property for the purposes of the Disposals.

SECTION II. DISPOSAL OF THE PROPERTIES AND THE TARGET GROUP

The Board announces that on 28 November 2017, the Vendor has agreed to dispose of the Properties and the Target Group for the Aggregate Consideration of HK\$23,000,000,000. None of the Properties or the Lions Rise Property was acquired in the two-year period prior to the date of the relevant SPA. Each Disposal comprises the Vendor's entire interest in the relevant Property or in the entire issued share capital of the Target Group. The Disposals are on a portfolio basis.

A. DISPOSAL OF THE PROPERTIES

The Vendor is the sole registered owner of each of the Properties. The Properties are all sold subject to the Tenancies. They will be assigned to each of the Property Purchasers in accordance with the terms of the Property SPAs on Completion.

In arriving at its decision to dispose of the Properties, the Board took into account the aggregate Appraised Value of the Properties as at the Valuation Date (i.e. 30 September 2017) and the premium over the aggregate Appraised Value by the Properties Consideration. The respective Appraised Value was arrived at by the Principal Valuer having also had reference to recent commercial investment property transactions in Hong Kong.

SUMMARY OF THE PROPERTIES, THE PROPERTY PURCHASERS, THE PROPERTY SPAs, THE PROPERTIES CONSIDERATION, AND THE RESPECTIVE APPRAISED VALUE OF THE PROPERTIES

<u>Column (I)</u>	<u>Column (II)</u>	<u>Column (III)</u>	<u>Column (IV)</u>	<u>Column (V)</u>	<u>Column (VI)</u>
Property	Property Purchaser	Property SPA	Property Consideration (HK\$'M)	Appraised Value of the Property as at the Valuation Date (i.e. 30 September 2017) (HK\$'M)	Valuation of the Property as at 31 March 2017 (HK\$'M)
1. Cheung Hang Property	Modern Diamond Limited	Cheung Hang SPA	918.022	576.5	553.5
2. Kai Yip Property	New Try Limited	Kai Yip SPA	1,010.016	636.3	616.5
3. Kam Tai Property	Jumble Succeed Limited	Kam Tai SPA	1,351.160	840.4	819.8
4. Lei Cheng Uk Property	Praise Creator Limited	Lei Cheng Uk SPA	822.195	573.8	545.5
5. On Ting Property	Delong Limited	On Ting SPA	2,708.165	1,626.4	1,556.0
6. Shek Lei Property	Global Stream Limited	Shek Lei SPA	2,439.467	1,602.1	1,527.0
7. Tai Wo Hau Property	Glory Basic Limited	Tai Wo Hau SPA	1,467.590	902.7	851.1
8. Tsz Ching Property	Long Coast Limited	Tsz Ching SPA	1,146.090	683.8	646.5

9.	Yau Oi Property	Best Regain Limited	Yau Oi SPA	2,361.368	1,426.1	1,337.9
10.	Yung Shing Property	Luxury Gain Limited	Yung Shing SPA	858.609	658.7	619.1
11.	Kwai Fong Property	Ray Glory Limited	Kwai Fong SPA	1,481.293	962.7	907.8
12.	Kwai Shing East Property	Sino Phil Limited	Kwai Shing East SPA	1,354.322	922.2	888.8
13.	Lai Kok Property	Prime Space Limited	Lai Kok SPA	607.543	434.3	408.0
14.	Lee On Property	Summer Blaze Limited	Lee On SPA	1,268.749	816.2	773.5
15.	Shun Tin Property	Supreme Cosmo Limited	Shun Tin SPA	972.643	600.4	574.1
16.	Tsing Yi Property	Sure Rainbow Limited	Tsing Yi SPA	962.103	570.2	546.8

B. DISPOSAL OF THE TARGET GROUP

The Target Group comprises Metro Pilot and LLRM. LLRM is the sole registered owner of the Lions Rise Property. There are existing Tenancies at the Lions Rise Property.

LLRM is a wholly-owned subsidiary of Metro Pilot. The Sale Share represents the entire issued share capital of Metro Pilot and is held by the Vendor. The Sale Loans represent amounts owing by Metro Pilot and LLRM to the Vendor. The Sale Share and the Sale Loans will be transferred and assigned to the Share Purchaser on Completion in accordance with the terms of the Share SPA.

The Share Consideration is the Lions Rise Agreed Value as adjusted for the Final Adjusted NAV of the Target Group. In arriving at its decision to dispose of the Target Group, the Board took into account the Appraised Value of the Lions Rise Property which was HK\$1,332.1 million as at the Valuation Date (i.e. 30 September 2017) and HK\$1,320.2 million as at 31 March 2017. The Principal Valuer arrived at the Appraised Value of the Lions Rise Property having also had reference to recent commercial investment property transactions in Hong Kong.

SECTION III. SUMMARY OF KEY TERMS OF THE SPAS

The Vendor has entered into 16 Property SPAs with the 16 Property Purchasers, and the Share SPA with the Share Purchaser (all of which belong to the same group and are Independent Third Parties).

The sale and purchase of a Property under a Property SPA or the Target Group under the Share SPA is part and parcel of the sale and purchase of the other Properties and the Target Group under the other SPAs. The SPAs are inter-conditional to each other and are to be completed all on 28 February 2018 (or such other date as the Vendor and the relevant Purchaser may agree in writing).

A. THE PROPERTY SPAs

The Property SPAs are identical in terms save for specific matters such as the identity of the Property Purchaser, descriptions of the Property and the Tenancies relating to it, the individual Property Consideration, and other property-specific details. A summary of the key terms of the Property SPAs is set out below:

1. Date: 28 November 2017
2. Parties:
 - (i) Link Properties Limited (the Vendor) as vendor; and
 - (ii) the relevant Property Purchaser as purchaser.
3. Payments:
 - (i) an Initial Deposit of HK\$50 million already paid by the Property Purchaser on the signing of the Property SPA;
 - (ii) a Further Deposit (which equals 10% of the Property Consideration less the Initial Deposit paid) shall be paid by the Property Purchaser to the Vendor within 5 business days from (and including) the date of the Property SPA.

If a Property Purchaser (other than due to the default of the Vendor) fails to pay the Further Deposit under a Property SPA, or the Share Purchaser (other than due to the default of the Vendor) fails to pay the Further Deposit under the Share SPA, such non-payment shall constitute a material breach of all the SPAs.

In any of such events, the Vendor shall be entitled to exercise its rights against all the Purchasers, including (among others) forfeiting the Initial Deposits (and the Further Deposits if already paid under any (non-defaulted) SPAs);

- (iii) the balance (being 90% of the Property Consideration) shall be paid by the Property Purchaser to the Vendor on Completion; and
 - (iv) if any Property Purchaser defaults on payment(s) on the relevant due date(s) under a Property SPA, it shall pay to the Vendor interest on the amount remaining unpaid at the rate of 4% per annum over the best lending rate from time to time of HSBC from the date(s) when the money falls due or becomes payable until the date(s) of payment. Such payment of interest shall be in addition to and shall be without prejudice to any other rights and remedies which the Vendor may have against the relevant Property Purchaser on account of such Property Purchaser's default on payment(s) on the due date(s) under the Property SPA.
4. Completion:
 - (i) All the Property SPAs are to be completed – together with the Share SPA – on 28 February 2018 (or such other date as the Vendor and the relevant Property Purchaser may agree in writing).
 - (ii) If a Property Purchaser (other than due to the default of the Vendor) fails to complete the Property SPA, or the Share Purchaser (other than due to the default of the Vendor) fails to complete the Share SPA, then (unless it is waived by the Vendor) such default by that Property Purchaser, or by the Share Purchaser as the case may be, shall constitute a material breach of all the SPAs.

In any of such events, the Vendor may terminate all the SPAs and forfeit the Deposits paid thereunder notwithstanding that the (non-defaulting) Property Purchaser or the (non-defaulting) Share Purchaser is ready, able and willing to perform its obligations under the (non-defaulted) SPA.

- (iii) If the Vendor (other than due to the default of a Purchaser) fails to complete the Property SPA or the Share SPA, it shall constitute a material breach of all the SPAs by the Vendor in which event the Deposits shall forthwith be returned to the Purchasers who shall be entitled to exercise and/or enforce any and all their rights and remedies against the Vendor as a result.
- (iv) There is no condition precedent to Completion of the Property SPAs.

5. Other:

- (i) On termination of a Property SPA, the Vendor is entitled to re-enter upon the relevant Property and repossess the same if possession shall have been given to the Property Purchaser free from any right or interest of the Property Purchaser therein. In addition to the Deposit forfeited, the Vendor may resell, let or otherwise deal with the relevant Property or any part(s) thereof either by public auction or by tender or by private contract 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 and any increase in price on resale shall belong to the Vendor. Without prejudice to the Vendor's right to recover the actual losses which may flow from the relevant Property Purchaser's breach of the Property SPA, on such resale any deficiency in price shall be made good and all expenses attending such resale or any attempted resale shall be borne by the relevant Property Purchaser and such deficiency and expenses shall be recoverable by the Vendor credit being given for any amount forfeited or retained as aforesaid.
- (ii) There is no indemnity or guarantee given by the Vendor or the Manager in respect of the Property concerned, or any deferred payment or payment otherwise than by cash, in any of the Property SPAs.

B. THE SHARE SPA

The Vendor has entered into the Share SPA with the Share Purchaser pursuant to which for the Share Consideration, the Vendor shall sell the Sale Share and assign the Sale Loans to the Share Purchaser at Completion. The Disposal of the Sale Share and the Sale Loans is part and parcel of the Disposal of the 16 Properties, and the Share SPA is to be completed simultaneously with – and inter-conditional upon the Completion of – all the Property SPAs.

A summary of the key terms of the Share SPA is set out below:

- 1. Date: 28 November 2017
- 2. Parties:
 - (i) Link Properties Limited (the Vendor) as vendor; and
 - (ii) the Share Purchaser as purchaser.
- 3. Payments:
 - (i) an Initial Deposit of HK\$50 million already paid by the Share Purchaser on the signing of the Share SPA;
 - (ii) a Further Deposit (being 10% of the Lions Rise Agreed Value less the Initial Deposit paid under the Share SPA) shall be paid by the Share Purchaser to the Vendor within 5 business days from (and including) the date of the Share SPA.

If the Share Purchaser (other than due to the default of the Vendor) fails to pay the Further Deposit, or any Property Purchaser (other than due to the default of the Vendor) fails to pay the Further Deposit under any Property SPA, such non-payment shall constitute a material breach of all the SPAs (including the Share SPA), in which event the Vendor shall be entitled to (among others) terminate all the SPAs (including the Share SPA) and forfeit the Initial Deposits (and any Further Deposits if already paid under any other SPAs);

- (iii) the balance (being the Initial Share Consideration less the Deposit paid under the Share SPA) shall be paid by the Share Purchaser to the Vendor on Completion; and
- (iv) if the Share Purchaser defaults on payment(s) on the relevant due date(s) under the Share SPA, the Share Purchaser shall pay to the Vendor interest on the amount remaining unpaid at the rate of 4% per annum over the best lending rate from time to time of HSBC from the date(s) when the money falls due or becomes payable until the date(s) of payment. Such payment of interest shall be in addition to and shall be without prejudice to any other rights and remedies which the Vendor may have against the Share Purchaser on account of the Share Purchaser's default on payment on the due date(s) under the Share SPA.

4. Completion:

- (i) The Share SPA is to be completed simultaneously with the Property SPAs on 28 February 2018 (or such other date as the Vendor and the Share Purchaser may agree in writing).
- (ii) If (other than due to Vendor's default) the Share Purchaser fails to complete the Share SPA, the Vendor may terminate the Share SPA and all the Property SPAs and forfeit the Deposits paid thereunder or hold the same as security for payment of compensation for the loss the Vendor has suffered.

If any Property Purchaser (other than due to the default of the Vendor) fails to complete a Property SPA, then (unless it is waived by the Vendor) it shall be deemed to be a material breach of all the SPAs (including the Share SPA).

In such event, the Vendor shall have no obligation to complete any but may terminate all the SPAs (including the Share SPA notwithstanding the Share Purchaser is ready, able and willing to perform its obligations under the Share SPA), and forfeit the Deposits.

- (iii) If the Vendor (other than due to the default of the Share Purchaser) fails to complete the Share SPA, it shall constitute a material breach of all SPAs and the Deposit shall forthwith be returned to the Share Purchaser without prejudice to other rights and remedies of the Share Purchaser.
- (iv) There is no condition precedent to Completion of the Share SPA.

5. Net Asset Adjustment to the Share Consideration:

- (i) The Share Consideration shall be the Lions Rise Agreed Value as adjusted for the Final Adjusted NAV.
- (ii) As the Final Adjusted NAV is referenced to the combined net asset value of the Target Group at Completion, the final amount can only be ascertained after Completion. Accordingly, for the purpose of determining the amount payable by the Share Purchaser to the Vendor on Completion of the Share SPA, the Vendor and the Share Purchaser have agreed that the Lions Rise Agreed Value shall be adjusted initially for the Pro-forma Adjusted NAV to arrive at the Initial Share Consideration.

- (iii) The Final Adjusted NAV will be ascertained and reviewed by the Auditor after Completion in accordance with the terms of the Share SPA.
- (iv) If after adjusting for the Final Adjusted NAV, the Share Consideration is greater than the Initial Share Consideration, the Share Purchaser shall pay the excess to the Vendor. Conversely, if after adjusting for the Final Adjusted NAV, the Share Consideration is less than the Initial Share Consideration, the Vendor shall pay the shortfall to the Share Purchaser.
- (v) The Manager will make an announcement when the Share Consideration as adjusted for the Final Adjusted NAV is finally determined.

6. Other: The Share SPA contains indemnities, warranties and representations customary for share sale and purchase transactions of similar nature and scale.

SECTION IV. INFORMATION ON THE PROPERTIES, THE LIONS RISE PROPERTY, THE SALE SHARE AND THE TARGET GROUP

(1) Cheung Hang Property

According to the Valuation Report, the Cheung Hang Property, completed in 1990, comprises principally a 5-storey commercial centre, a 5-storey car park building with parking spaces and associated areas within Cheung Hang Estate, No. 6 Liu To Road, Tsing Yi, New Territories, Hong Kong. It comprises 26,593/289,056 equal and undivided shares of and in Tsing Yi Town Lot No. 177, and is being held under Government lease for a term of 50 years from 29 December 2008.

The occupancy of the Cheung Hang Property at, respectively, 30 September 2017 and 31 March 2017 was 96.9% and 94.1%.

The turnover and net property income of the Cheung Hang Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount	Approx. % of Link's entire portfolio	Amount	Approx. % of Link's entire portfolio
	<i>(HK\$'000)</i>	<i>(%)</i>	<i>(HK\$'000)</i>	<i>(%)</i>
Turnover	17,875	0.36	34,236	0.37
Net property income	12,597	0.33	23,817	0.34

The Appraised Value of the Cheung Hang Property represented approximately 0.30% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(2) Kai Yip Property

According to the Valuation Report, the Kai Yip Property, completed in 1981, comprises principally a 4-storey commercial/car park building with parking spaces, various cooked food stalls at the commercial blocks, various shop units at the Kai Yip Community Hall and on the ground floors of the residential blocks of Kai Yin House and Kai Lok House, as well as open car parks and associated areas within Kai Yip Estate, No. 18 Kai Yip Road, Kowloon, Hong Kong. It comprises 26,955/211,867 equal and undivided shares of and in New Kowloon Inland Lot No. 6466, and is being held under Government lease for a term of 50 years from 3 July 2008.

The occupancy of the Kai Yip Property at, respectively, 30 September 2017 and 31 March 2017 was 94.8% and 98.4%.

The turnover and net property income of the Kai Yip Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	17,737	0.36	35,755	0.39
Net property income	11,714	0.31	25,936	0.37

The Appraised Value of the Kai Yip Property represented approximately 0.34% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(3) Kam Tai Property

According to the Valuation Report, the Kam Tai Property, completed in 2000, comprises principally a 7-storey commercial/car park building with parking spaces, at No. 31 Ning Tai Road, Sha Tin, New Territories, Hong Kong. It comprises 31,347/32,708 equal and undivided shares of and in Section A of Sha Tin Town Lot No. 447, and is being held under Government lease for a term of 50 years from 29 June 1998.

The occupancy of the Kam Tai Property at, respectively, 30 September 2017 and 31 March 2017 was 100.0% and 100.0%.

The turnover and net property income of the Kam Tai Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	24,961	0.50	49,859	0.54
Net property income	19,110	0.51	38,592	0.55

The Appraised Value of the Kam Tai Property represented approximately 0.44% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(4) Lei Cheng Uk Property

According to the Valuation Report, the Lei Cheng Uk Property, completed in 1984, comprises principally a 4-storey commercial/car parking podium, a single-storey car park building near Lai Yeung House, various shop units and portions in Yan Oi House, Chung Hou House, Wo Ping House and Shun Yee House as well as open car parks and parking spaces within Lei Cheng Uk Estate, No. 10 Fat Tseung Street, Kowloon, Hong Kong. It comprises 21,862/264,258 equal and undivided shares of and in New Kowloon Inland Lot No. 6416, and is being held under Government lease for a term of 50 years from 24 January 2002.

The occupancy of the Lei Cheng Uk Property at, respectively, 30 September 2017 and 31 March 2017 was 99.2% and 100.0%.

The turnover and net property income of the Lei Cheng Uk Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	16,378	0.33	31,938	0.35
Net property income	11,509	0.31	23,000	0.33

The Appraised Value of the Lei Cheng Uk Property represented approximately 0.30% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(5) On Ting Property (now known as H.A.N.D.S together with the Property in (9) below)

According to the Valuation Report, the On Ting Property, completed in 1980, comprises principally a 5-storey (including a mezzanine floor) car park and market building, another 3-storey retail building and a restaurant block, a 6-storey commercial accommodation located within the residential block of Ting Cheung House as well as various open car parks, associated areas and parking spaces within On Ting Estate, No. 2A Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories, Hong Kong. It comprises 41,242/323,574 equal and undivided shares of and in The Remaining Portion of Tuen Mun Town Lot No. 476, and is being held under Government lease for a term of 50 years from 29 September 2009.

The occupancy of the On Ting Property at, respectively, 30 September 2017 and 31 March 2017 was 98.2% and 94.6%.

The turnover and net property income of the On Ting Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	51,516	1.04	100,559	1.09
Net property income	37,382	0.99	78,899	1.13

The Appraised Value of the On Ting Property represented approximately 0.86% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(6) Shek Lei Property

According to the Valuation Report, the Shek Lei Property includes (i) Shek Lei Shopping Centre Phase I and (ii) Shek Lei Shopping Centre Phase II within Shek Lei Estate, Kwai Chung, New Territories, Hong Kong.

Shek Lei Shopping Centre Phase I, completed in 1993, comprises principally a 4-storey commercial/car park building, a 2-storey car park building with retail shop on the ground floor, various shop units located within the residential blocks of Shek Ning House and Shek Sau House as well as open car parks and parking spaces within Shek Lei Estate. Shek Lei Shopping Centre Phase II, completed in 1999, comprises principally a 6-storey commercial/car park building as well as parking spaces within Shek Lei Estate. The Shek Lei Property comprises 52,075/655,826 equal and undivided shares of and in The Remaining Portion of Kwai Chung Town Lot No. 505, and is being held under the Government lease for a term of 50 years from 31 March 2010.

The occupancy of the Shek Lei Property at, respectively, 30 September 2017 and 31 March 2017 was 95.0% and 95.9%.

The turnover and net property income of the Shek Lei Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	49,381	1.00	94,997	1.03
Net property income	34,711	0.92	65,775	0.94

The Appraised Value of the Shek Lei Property represented approximately 0.84% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(7) Tai Wo Hau Property

According to the Valuation Report, the Tai Wo Hau Property, built in phases in 1984 and 1993, comprises principally a 4-storey commercial/car park block, a single-storey retail building, a 4-storey car park, car parks on Levels 1 and 2 of the multi-storey car park, various floors located within the residential blocks of Fu On House, Fu Man House, Fu Pong House, Fu Pik House, Fu Tak House and the Indoor Recreation Centre as well as various open car parks, associated areas and parking spaces within Tai Wo Hau Estate, No. 15 Tai Wo Hau Road, Kwai Chung, New Territories, Hong Kong. It comprises 32,793/475,099 equal and undivided shares of and in The Remaining Portion of Kwai Chung Town Lot No. 503, and is being held under Government lease for a term of 50 years from 29 December 2008.

The occupancy of the Tai Wo Hau Property at, respectively, 30 September 2017 and 31 March 2017 was 96.4% and 91.6%.

The turnover and net property income of the Tai Wo Hau Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	29,206	0.59	55,132	0.60
Net property income	21,847	0.58	40,465	0.58

The Appraised Value of the Tai Wo Hau Property represented approximately 0.48% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(8) Tsz Ching Property

According to the Valuation Report, the Tsz Ching Property, built in phases from 1996 to 2001, comprises principally a 3-storey commercial/car park building, a 4-storey commercial/car park building including basement commercial/car park building, a stand-alone 5-storey plus a mezzanine floor car park building, various shop units on the ground floor of Ching Wo House, open commercial loading/unloading space and associated areas as well as parking spaces within Tsz Ching Estate, No. 80 Tsz Wan Shan Road, Kowloon, Hong Kong. It comprises 32,549/507,335 equal and undivided shares of and in New Kowloon Inland Lot No. 6444, and is being held under Government lease for a term of 50 years from 28 February 2007.

The occupancy of the Tsz Ching Property at, respectively, 30 September 2017 and 31 March 2017 was 100.0% and 100.0%.

The turnover and net property income of the Tsz Ching Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	22,226	0.45	40,460	0.44
Net property income	17,650	0.47	31,893	0.46

The Appraised Value of the Tsz Ching Property represented approximately 0.36% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(9) Yau Oi Property (now known as H.A.N.D.S together with the Property in (5) above)

According to the Valuation Report, the Yau Oi Property, completed in 1980, comprises principally a 3-storey commercial complex composing the restaurant block and portions of Oi Yung House, an adjoining single-storey commercial podium, a 6-storey car park building with market including mezzanine floor, another 4-storey car park building, various cooked food stalls as well as open car parks and parking spaces within Yau Oi Estate, Tuen Mun, New Territories, Hong Kong. It comprises 41,037/551,040 equal and undivided shares of and in Tuen Mun Town Lot No. 479, and is being held under Government lease for a term of 50 years from 14 July 2010.

The occupancy of the Yau Oi Property at, respectively, 30 September 2017 and 31 March 2017 was 97.3% and 96.7%.

The turnover and net property income of the Yau Oi Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	45,709	0.92	87,655	0.95
Net property income	34,423	0.91	63,660	0.91

The Appraised Value of the Yau Oi Property represented approximately 0.75% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(10) Yung Shing Property

According to the Valuation Report, the Yung Shing Property, completed in 1999, comprises principally a 3-storey commercial building and the car park podium of an adjoining 7-storey ancillary facilities block as well as parking spaces thereat, within Yung Shing Court, No. 8 Fai Ming Road, Fanling, New Territories, Hong Kong. It comprises 12,641/161,475 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 207, and is being held under Government lease for a term of 50 years from 16 July 1999.

The occupancy of the Yung Shing Property at, respectively, 30 September 2017 and 31 March 2017 was 97.7% and 99.0%.

The turnover and net property income of the Yung Shing Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	19,345	0.39	39,099	0.42
Net property income	13,545	0.36	28,158	0.40

The Appraised Value of the Yung Shing Property represented approximately 0.35% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(11) Kwai Fong Property

According to the Valuation Report, the Kwai Fong Property, built in phases from 1995 to 2000, comprises principally a 6-storey car park building, the roof and upper roof of another car park block, a 2-storey commercial/car park building, the integrated commercial/car park accommodations in Kwai Oi House and Kwai Kin House, the multi-storey commercial/car park accommodation as well as open car parks, associated areas and parking spaces within Kwai Fong Estate, No. 177 Hing Fong Road, Kwai Chung, New Territories, Hong Kong. It comprises 24,107/408,730 equal and undivided shares of and in Kwai Chung Town Lot No. 500, and is being held under Government lease for a term of 50 years from 27 March 2009.

The occupancy of the Kwai Fong Property at, respectively, 30 September 2017 and 31 March 2017 was 94.1% and 95.5%.

The turnover and net property income of the Kwai Fong Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	29,313	0.59	57,047	0.62
Net property income	20,751	0.55	40,541	0.58

The Appraised Value of the Kwai Fong Property represented approximately 0.51% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(12) Kwai Shing East Property

According to the Valuation Report, the Kwai Shing East Property, completed in 1999, comprises principally a 5-storey commercial block, another 5-storey commercial block, a standalone single-storey retail block and a single-storey car park podium under Shing Ka House as well as parking spaces, within Kwai Shing East Estate, No. 63 Kwai Shing Circuit, Kwai Chung, New Territories, Hong Kong. It comprises 50,672/426,967 equal and undivided shares of and in Kwai Chung Town Lot No. 498, and is being held under Government lease for a term of 50 years from 13 October 2009.

The occupancy of the Kwai Shing East Property at, respectively, 30 September 2017 and 31 March 2017 was 97.0% and 98.7%.

The turnover and net property income of the Kwai Shing East Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	30,815	0.62	57,138	0.62
Net property income	19,814	0.53	36,529	0.52

The Appraised Value of the Kwai Shing East Property represented approximately 0.49% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(13) Lai Kok Property

According to the Valuation Report, the Lai Kok Property, completed in 1981, comprises principally a 3-storey commercial building, a 3-storey car park building, a single-storey wet market, various ground level shop units opposite to Lai Ho House, various shop units on the ground floors of Lai Lan House, Lai Huen House and Lai Mei House as well as associated area, open car parks, a generator room, and parking spaces within Lai Kok Estate, No. 12 Tonkin Street, Kowloon, Hong Kong. It comprises 17,339/164,134 equal and undivided shares of and in New Kowloon Inland Lot No. 6475, and is being held under Government lease for a term of 50 years from 30 October 2009.

The occupancy of the Lai Kok Property at, respectively, 30 September 2017 and 31 March 2017 was 87.9% and 87.9%.

The turnover and net property income of the Lai Kok Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	12,675	0.26	23,989	0.26
Net property income	7,376	0.20	14,578	0.21

The Appraised Value of the Lai Kok Property represented approximately 0.23% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(14) Lee On Property

According to the Valuation Report, the Lee On Property, completed in 1993, comprises principally a 4-storey commercial centre with retail, market and parking spaces in and various associated areas and open car parks scattered over Lee On Estate, No. 23 Sha On Street, Sha Tin, New Territories, Hong Kong. It comprises 21,025/258,612 equal and undivided shares of and in Sha Tin Town Lot No. 553, and is being held under Government lease for a term of 50 years from 26 February 2008.

The occupancy of the Lee On Property at, respectively, 30 September 2017 and 31 March 2017 was 99.3% and 100.0%.

The turnover and net property income of the Lee On Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	24,022	0.49	47,067	0.51
Net property income	19,423	0.52	36,548	0.52

The Appraised Value of the Lee On Property represented approximately 0.43% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(15) Shun Tin Property

According to the Valuation Report, the Shun Tin Property, completed in 1981, comprises principally a 4-storey car park building, another 3-storey car park building, commercial blocks A, B and C, integrated commercial/car park accommodations located within the residential blocks of Tin Kam House, Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House as well as parking spaces within Shun Tin Estate, No. 9 Shun On Road, Kowloon, Hong Kong. It comprises 24,566/378,187 equal and undivided shares of and in The Remaining Portion of New Kowloon Inland Lot No. 6474, and is being held under Government lease for a term of 50 years from 9 February 2009.

The occupancy of the Shun Tin Property at, respectively, 30 September 2017 and 31 March 2017 was 100.0% and 97.9%.

The turnover and net property income of the Shun Tin Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	18,663	0.38	34,693	0.37
Net property income	13,213	0.35	26,794	0.38

The Appraised Value of the Shun Tin Property represented approximately 0.32% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(16) Tsing Yi Property

According to the Valuation Report, the Tsing Yi Property, completed in 1986, comprises principally a 4-storey commercial complex, a 4-storey car park building, a 3-storey car park building, parking area and facilities thereat as well as various open car parks, associated areas and parking spaces within Tsing Yi Estate, No. 10 Fung Shue Wo Road, Tsing Yi, New Territories, Hong Kong. It comprises 20,014/222,251 equal and undivided shares of and in Tsing Yi Town Lot No. 167, and is being held under Government lease for a term of 50 years from 8 February 2001.

The occupancy of the Tsing Yi Property at, respectively, 30 September 2017 and 31 March 2017 was 100.0% and 100.0%.

The turnover and net property income of the Tsing Yi Property for the six months ended 30 September 2017 and the year ended 31 March 2017 were as follows:

	Six months ended 30 September 2017 (unaudited)		Year ended 31 March 2017 (audited)	
	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)	Amount (HK\$'000)	Approx. % of Link's entire portfolio (%)
Turnover	18,513	0.37	36,241	0.39
Net property income	13,486	0.36	27,010	0.39

The Appraised Value of the Tsing Yi Property represented approximately 0.30% of the total appraised value of Link's entire portfolio as at 30 September 2017.

(17) Lions Rise Property, the Sale Share, and financial information of the Target Group

- The Lions Rise Property

According to the Valuation Report, the Lions Rise Property, completed in 2012, comprises principally 3 storeys within the commercial podium and portion of the car parking spaces on basement level of the development named Lions Rise, at No. 8 Muk Lun Street, Kowloon, Hong Kong. It comprises 12,551/81,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6309, and is being held under Conditions of Sale No. 20045 for a term of 50 years from 31 July 2007.

The occupancy of the Lions Rise Property at, respectively, 30 September 2017 and 31 March 2017 was 93.7% and 95.8%.

The Appraised Value of the Lions Rise Property represented approximately 0.70% of the total appraised value of Link's entire portfolio as at 30 September 2017.

- The Sale Share

The Sale Share represents the entire issued share capital of Metro Pilot, which is a wholly-owned subsidiary of the Vendor. Metro Pilot holds directly the entire issued share capital of LLRM, which is the sole registered owner of the Lions Rise Property.

- Financial information of the Target Group

Metro Pilot is incorporated in the British Virgin Islands. LLRM is incorporated in Hong Kong.

Metro Pilot has not prepared any audited consolidated financial statements. The following financial information of Metro Pilot and LLRM is extracted from their respective audited financial statements for the years ended 31 March 2016 and 31 March 2017:

	<u>METRO PILOT</u>		<u>LLRM</u>	
	Year ended 31 March 2017 (audited) (HK\$)	Year ended 31 March 2016 (audited) (HK\$)	Year ended 31 March 2017 (audited) (HK\$)	Year ended 31 March 2016 (audited) (HK\$)
(1) Revenue	0	0	51,070,385	50,634,958
(2) Net property income	0	0	37,831,570	36,760,548
(3) Net (loss)/profit before tax	(26,035)	(39,630)	(44,081,901)	21,197,924
(4) Net (loss)/profit after tax	(26,035)	(39,630)	(44,221,502)	21,207,543
(5) Net liabilities (as at 31.03.2017 or 31.03.2016)	(88,211)	(62,176)	(132,194,086)	(87,972,584)

SECTION V. REASONS FOR AND FINANCIAL IMPACT OF THE DISPOSALS

The Aggregate Consideration for the Disposals represents a premium of approximately 51.7% over the aggregate Appraised Value of the Properties and the Lions Rise Property as at the Valuation Date and a premium of approximately 58.7% over their aggregate valuations as at 31 March 2017. The Disposals are in line with the Manager's strategy to improve operational efficiency and performance of Link's portfolio and recycle capital for value creation to the Unitholders. The Manager will continue to review the mix and diversity, and monitor the performance of Link's portfolio.

Subject to Completion, it is estimated that the net gain from the Disposals will be approximately HK\$7,393 million (after taking into account, among others, the Expenses but before the Final Adjusted NAV).

Subject to Completion, based on the consolidated financial position of Link as at 30 September 2017 (as disclosed in the 2017/2018 Interim Report), the pro-forma adjusted ratio of debt to total assets of Link is anticipated to change from approximately 17.4% to approximately 17.0% after adjusting for the impact of interim distribution payable by Link on 1 December 2017, and Completion of the Disposals as if Completion took place on 30 September 2017.

Neither the Manager nor the Trustee will charge any fee to Link in connection with the Disposals.

SECTION VI. USE OF PROCEEDS

Subject to Completion, the Manager currently intends to use the net proceeds from the Disposals for new investments that fit Link's growth trajectory and general corporate purposes including, without limitation, repayment of debts and (where appropriate) unit buy-backs.

SECTION VII. REGULATORY IMPLICATIONS

This announcement is made pursuant to 10.3 of the REIT Code. The Aggregate Consideration (being HK\$23,000,000,000) for the Disposals (i) represents approximately 15.2% 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 12.2% of the total assets of Link as at 30 September 2017 (as disclosed in the 2017/2018 Interim Report) after adjusting for the impact of the interim distribution payable by Link on 1 December 2017; and (iii) is less than 15% of Link's gross asset value as at 30 September 2017 (as disclosed in the 2017/2018 Interim Report). As the aforesaid percentage ratios are both above 5%, the Disposals constitute a discloseable transaction under Chapter 14 of the Listing Rules as if the relevant requirements were applicable to Link.

To the best of the knowledge, information and belief of the Directors (having made all reasonable enquiries), each of the Purchasers, UBS (being one of the two financial advisors appointed by the Manager for the purposes of the strategic review and the Disposals), and C&W (being the real estate advisor appointed by the Manager for such purposes), and the Principal Valuer, as well as their respective ultimate beneficial owner(s) is an Independent Third Party.

The Trustee is a subsidiary of HSBC and hence HSBC is a connected person of Link. The appointment of HSBC as one of the financial advisors was within the HSBC Waiver, and it was conducted at arm's length, on normal commercial terms and within the contemplation of the HSBC Waiver.

SECTION VIII. OPINIONS OF THE BOARD AND THE TRUSTEE

Ms. Nancy TSE Sau Ling is an independent non-executive director of HSBC Provident Fund Trustee (Hong Kong) Limited, which is a wholly-owned subsidiary of HSBC. Mr. Peter TSE Pak Wing is an independent non-executive director of HSBC Bank (China) Company Limited, which is also a wholly-owned subsidiary of HSBC. Solely out of good corporate governance, Ms. Nancy TSE Sau Ling and Mr. Peter TSE Pak Wing abstained from any decision concerning the engagement of HSBC as advisor to Link in or relating to the Disposals.

The Board (including the independent non-executive Directors but with Mr. Peter TSE Pak Wing and Ms. Nancy TSE Sau Ling abstaining as aforesaid on this matter) has reviewed and is satisfied that given the size and complexity of the portfolio strategic review and the Disposals, the engagement of HSBC and UBS (as financial advisors) and C&W (as property advisor) as well as the advisory fees payable to each of them (including the amount of fee payable to HSBC) are at arm's length, on normal commercial terms, and are fair and reasonable and in the interests of Link and the Unitholders as a whole. As set out in Section VII. above, UBS and C&W are Independent Third Parties.

The Board (including the independent non-executive Directors (with Mr. Ian Keith GRIFFITHS abstaining)) is satisfied that the Disposals pursuant to the terms of the SPAs and the respective transactions contemplated thereunder are at arm's length, on normal commercial terms, and are fair and reasonable and in the interests of Link and the Unitholders as a whole. Mr. Ian Keith GRIFFITHS (a non-executive Director) abstained from the discussions and voting on the Disposals to avoid potential conflict of interests as Aedas Limited (a company in which Mr. Ian Keith GRIFFITHS is an executive director and has indirect interest through the holding company) was one of the advisors to a potentially interested party.

The Board (with Mr. Ian Keith GRIFFITHS abstaining as aforesaid) reviewed and is satisfied that no Unitholders' approval is required under the REIT Code for the Vendor to enter into the SPAs and the respective transactions contemplated thereunder.

Based on the opinion of the Board (except Mr. Ian Keith GRIFFITHS who abstained as aforesaid) and the information and confirmation given by the Manager to the Trustee, the Trustee is satisfied that:

- (i) the Disposals are in compliance with the REIT Code and the Trust Deed; and
- (ii) no Unitholders' approval is required under the REIT Code for the Vendor to enter into the SPAs and the respective transactions contemplated thereunder.

SECTION IX. GENERAL

- *About Link and the Manager*

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

- *About the Vendor, Metro Pilot and LLRM*

The Vendor, incorporated in the Cayman Islands, is a wholly-owned SPV of Link. It is the sole registered owner of all the Properties and through the Target Group an indirect owner of the Lions Rise Property. Its principal activities are property holding and leasing.

Metro Pilot, incorporated in the British Virgin Islands, is a wholly-owned SPV of Link. The entire issued share capital of Metro Pilot is held by the Vendor. Metro Pilot has no business other than holding the entire issued share capital of LLRM. LLRM, incorporated in Hong Kong, is a wholly-owned SPV of Link and the sole registered owner of the Lions Rise Property. LLRM's principal activities are investment holding and leasing with respect to the Lions Rise Property.

- About the Purchasers

The Purchasers are special purpose vehicles formed for acquiring the Properties and the Target Group and are wholly-owned and controlled by a consortium led by GAW Capital Partners (as general partner of Gateway Real Estate Fund V, L.P.). According to the information provided to the Manager and to the best of its knowledge, information and belief (having made all reasonable enquiries), the Property Purchasers are incorporated in Hong Kong and the Share Purchaser is incorporated in the British Virgin Islands and are each an Independent Third Party.

- Further Announcement(s)

Further announcement(s) will be made by the Manager in accordance with the REIT Code, on Completion, and when the Share Consideration is finally adjusted upon determination of the Final Adjusted NAV.

SECTION X. DEFINITIONS

In this announcement, unless otherwise stated, the following definitions have the following meanings:

2017/2018 Interim Report	the interim report for the six months ended 30 September 2017 of Link
Aggregate Consideration	HK\$23,000,000,000, being the aggregate of the Properties Consideration and the Lions Rise Agreed Value
Appraised Value	the appraised value of each of the Properties and the Lions Rise Property as assessed by the Principal Valuer at the Valuation Date for the purposes of the Disposals
Auditor	being PRICEWATERHOUSECOOPERS appointed for the purpose of reviewing the Final Adjusted NAV
Board	the board of directors of the Manager
C&W	CUSHMAN & WAKEFIELD (HK) LIMITED (formerly, DTZ Cushman & Wakefield (HK) Limited), an Independent Third Party and the real estate advisor appointed by the Manager for the purposes of the Disposals
Completion	completion of the Property SPAs and the Share SPA on the Completion Date and, where the context requires, complete shall be construed accordingly
Completion Date	28 February 2018 (or such other date as may be agreed in writing by the Vendor with the relevant Purchaser)
connected person	has the meaning given to this term under Chapter 8 of the REIT Code

Deposits	collectively, the Initial Deposits paid and the Further Deposits payable under the SPAs which are together equal to 10% of the aggregate of the Properties Consideration and the Lions Rise Agreed Value, and Deposit is the Initial Deposit and the Further Deposit under an individual Property SPA or the Share SPA
Directors	the directors of the Manager
Disposals	collectively, the disposal by the Vendor of the Properties and the Target Group pursuant to, respectively, the Property SPAs and the Share SPA, and each a Disposal
Expenses	estimated expenses of approximately HK\$372 million payable by the Vendor in connection with the Disposals
Final Adjusted NAV	the combined total adjusted net asset value of Metro Pilot and LLRM – being the total assets less total liabilities excluding investment properties value, goodwill value, investment in a subsidiary and the Sale Loans – as at the Completion Date (and immediately prior to Completion) to be determined after the Completion Date and reviewed by the Auditor in the manner as specified in the Share SPA
Further Deposits	the aggregate amount of HK\$1,450 million payable to the Vendor by the Purchasers within five business days from (and including) the date of the SPAs, and Further Deposit is the sum being 10% of the Property Consideration or the Lions Rise Agreed Value less the Initial Deposit already paid under the Property SPA or the Share SPA
HK\$ and Hong Kong	Hong Kong dollar (the lawful currency of Hong Kong) and Hong Kong Special Administrative Region of The People’s Republic of China, respectively
HSBC	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, one of the two financial advisors appointed by the Manager for the purposes of the Disposals, which, by virtue of being the holding company of the Trustee, is a connected person to Link
HSBC Waiver	the waiver granted on the listing of Link by the SFC to Link from strict compliance with Unitholders’ approval and disclosure requirements under Chapter 8 of the REIT Code with respect to certain connected party transactions (including, among others, corporate advisory transactions) entered or to be entered into by Link with HSBC and its subsidiaries
Independent Third Party	an independent third party who is not a connected person (within the meaning of Chapter 8 of the REIT Code) of Link
Initial Deposits	the aggregate amount of HK\$850 million paid to the Vendor by the Purchasers under the SPAs, and Initial Deposit is the sum of HK\$50 million paid by each Purchaser upon the signing of the relevant SPA
Initial Share Consideration	HK\$1,258,391,554, being the consideration payable by the Share Purchaser to the Vendor for the Target Group which, for the purpose of calculating the amount payable by the Share Purchaser on Completion of the Share SPA, is taken as the Lions Rise Agreed Value as adjusted for the Pro-forma Adjusted NAV

Link	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, includes its SPVs
Lions Rise Agreed Value	HK\$1,270,665,000, being the value of the Lions Rise Property agreed between the Vendor and the Share Purchaser for the purposes of the Disposal of the Target Group under the Share SPA
Lions Rise Property	the property described in Section IV. (17) above
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
LLRM	LINK (LRM) LIMITED, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Metro Pilot, which is the sole registered owner of the Lions Rise Property
Manager	LINK ASSET MANAGEMENT LIMITED, which is the manager of Link
Metro Pilot	METRO PILOT LIMITED, a company incorporated in the British Virgin Islands, which is a direct wholly-owned subsidiary of the Vendor
Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link, being JONES LANG LASALLE LIMITED, who prepared the Valuation Reports for the purposes of the Disposals
Pro-forma Adjusted NAV	the estimated combined total adjusted net asset value of Metro Pilot and LLRM – being the estimated total assets less estimated total liabilities excluding investment properties value, goodwill value, investment in a subsidiary and the Sale Loans – as at the Completion Date (and immediately prior to Completion), which a negative figure of HK\$12,273,446 and will be subtracted from the Lions Rise Agreed Value to arrive at the Initial Share Consideration
Properties	collectively, the Cheung Hang Property as described in Section IV. (1) above; Kai Yip Property as described in Section IV. (2) above; Kam Tai Property as described in Section IV. (3) above; Lei Cheng Uk Property as described in Section IV. (4) above; On Ting Property as described in Section IV. (5) above; Shek Lei Property as described in Section IV. (6) above; Tai Wo Hau Property as described in Section IV. (7) above; Tsz Ching Property as described in Section IV. (8) above; Yau Oi Property as described in Section IV. (9) above; Yung Shing Property as described in Section IV. (10) above; Kwai Fong Property as described in Section IV. (11) above; Kwai Shing East Property as described in Section IV. (12) above; Lai Kok Property as described in Section IV. (13) above; Lee On Property as described in Section IV. (14) above; Shun Tin Property as described in Section IV. (15) above; and Tsing Yi Property as described in Section IV. (16) above, and Property is any of them

Properties Consideration	HK\$21,729,335,000, being the total purchase price payable by the Property Purchasers pursuant to the relevant Property SPAs for the (1) Cheung Hang Property; (2) Kai Yip Property; (3) Kam Tai Property; (4) Lei Cheng Uk Property; (5) On Ting Property; (6) Shek Lei Property; (7) Tai Wo Hau Property; (8) Tsz Ching Property; (9) Yau Oi Property; (10) Yung Shing Property, (11) Kwai Fong Property; (12) Kwai Shing East Property; (13) Lai Kok Property; (14) Lee On Property; (15) Shun Tin Property; and (16) Tsing Yi Property, and Property Consideration is the purchase price payable for each of them by the Property Purchaser as specified against each Property in column (IV) of the table in Section II above
Property Purchasers	collectively, the 16 entities specified in column (II) of the table in Section II. above, all of which are special purpose vehicles incorporated in Hong Kong and are Independent Third Parties, and Property Purchaser is any of them
Property SPAs	collectively, the 16 sale and purchase agreements specified in column (III) of the table in Section II above, which the Vendor entered into with the Property Purchasers on 28 November 2017, and Property SPA is any of them
Purchasers	collectively, the Property Purchasers and the Share Purchaser, and Purchaser refers to any one of such purchasers
REIT Code	the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC
Sale Loans	collectively, all amounts (whether principal, interest or otherwise) owing by Metro Pilot and LLRM to the Vendor at Completion, which will be assigned to the Share Purchaser on Completion
Sale Share	one share of par value of US dollar 1.00 in the capital of Metro Pilot, being its entire issued capital
SFC	the Securities and Futures Commission of Hong Kong
Share Consideration	the Lions Rise Agreed Value as adjusted for the Final Adjusted NAV
Share Disposal	the disposal of the Sale Share and the Sale Loans by the Vendor to the Share Purchaser pursuant to the terms of the Share SPA
Share Purchaser	PATROL LINK 17 LIMITED, which is a special purpose vehicle incorporated in the British Virgin Islands and an Independent Third Party
Share SPA	the sale and purchase agreement in respect of the Share Disposal dated 28 November 2017 entered into between the Vendor and the Share Purchaser
SPAs	collectively, the Property SPAs and the Share SPA, and SPA refers to any one of them
SPV(s)	special purpose vehicle(s) owned and controlled by Link in accordance with the REIT Code and the Trust Deed
Stock Exchange	The Stock Exchange of Hong Kong Limited
Target Group	Metro Pilot and LLRM, wholly-owned subsidiaries of Link

Tenancies	the existing tenancy agreement(s) and (where applicable) licence agreement(s) made between the Vendor (in relation to each Property) or LLRM (in relation to the Lions Rise Property) and the respective tenants and licensees
Trust Deed	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link (as amended and supplemented by supplemental deeds)
Trustee	HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED, in its capacity as the trustee of Link
UBS	UBS AG, Hong Kong Branch, an Independent Third Party and one of the two financial advisors appointed by the Manager for the purposes of the Disposals
Unit(s) and Unitholder(s)	unit(s) of Link and holder(s) of Unit(s), respectively
Valuation Date	30 September 2017
Valuation Reports	valuation reports all dated 17 November 2017 in respect of the Properties and the Lions Rise Property prepared by the Principal Valuer in accordance with the REIT Code and the Trust Deed and Valuation Report is any one of them
Vendor	Link Properties Limited, being Link's wholly-owned SPV and the vendor in respect of each of the Disposals
%	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, 28 November 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

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