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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 PORTFOLIO REVIEW AND DISPOSAL OF PROPERTIES

The Board announces that the Manager has completed the portfolio review announced on 24 September 2018. On 12 December 2018, the Vendor (being Link Properties Limited, which is a SPV wholly-owned by Link) has entered into SPAs with the Purchasers under which, for HK\$12,010 million (being the Properties Consideration), the Vendor has agreed to dispose of: (i) Ap Lei Chau Property; (ii) Chun Shek Property; (iii) Fortune Property; (iv) King Lam Property; (v) Lei Tung Property; (vi) Ming Tak Property; (vii) Shan King Property; (viii) Siu Hei Property; (ix) Tai Ping Property; (x) Wah Ming Property; (xi) Wah Sum Property; and (xii) Wang Tau Hom Property to the respective Purchasers pursuant to the SPAs.

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

The Properties Consideration represents a premium of approximately 32.1% over the aggregate Appraised Value of the Properties as at the Valuation Date (i.e. 30 September 2018) and a premium of approximately 36.8% over the aggregate appraised value of the Properties as at 31 March 2018.

The Manager will publish an announcement on Completion of the Disposals.

Pursuant to the terms of the SPAs:

- the Purchasers paid the Initial Deposits (totaling HK\$340 million) on signing thereof and will pay the Further Deposits (totaling HK\$861 million) within 5 business days from (and including) the date of the SPAs, which together equals 10% of the Properties 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 Deposit(s), if already paid under any SPA);
- Completion of the SPAs shall all take place on 13 March 2019 (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 other 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 other 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\$2,787.6 million (after taking into account, among others, the Expenses).

This announcement is made pursuant to 10.3 of the REIT Code. The Properties Consideration (being HK\$12,010 million) for the Disposals (i) represents approximately 7.3% 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 5.6% of the total assets of Link as at 30 September 2018 (as disclosed in the 2018/2019 Interim Report) after adjusting for the impact of the interim distribution distributed to Unitholders on 10 December 2018 and the appraised value of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) acquired by Link and announced by the Manager on 26 November 2018; and (iii) is less than 15% of Link's gross asset value as at 30 September 2018 (as disclosed in the 2018/2019 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 as its financial advisor and C&W as its real estate advisor for the purposes of the portfolio review and the Disposals. Please refer to Section VIII. 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 SPAs and the respective transactions contemplated thereunder.

SECTION I. OVERVIEW

Reference is made to the announcement of Link dated 24 September 2018 regarding a portfolio review of Link's portfolio. The Manager reviewed various growth options under the portfolio 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 as its financial advisor and C&W as its real estate advisor for the purposes of the portfolio 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 for the Disposals.

SECTION II. DISPOSAL OF THE PROPERTIES

The Board announces that on 12 December 2018, the Vendor entered into the SPAs whereby it agreed to dispose of the Properties to the Purchasers for the Properties Consideration of HK\$12,010 million. None of the Properties was acquired in less than two-year period prior to the date of the relevant SPA. Each Disposal comprises the Vendor's entire interest in the relevant Property. The Disposals are on a portfolio basis.

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 Purchasers in accordance with the terms of the 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 2018) 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.

SECTION III. SUMMARY OF THE PROPERTIES, THE PURCHASERS, THE 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>
The Property	The Purchaser	The SPA	Property Consideration (HK\$'M)	Appraised Value of the Property as at 30 September 2018 (HK\$'M)	Valuation of the Property as at 31 March 2018 (HK\$'M)
1. Ap Lei Chau Property	Century World Limited	Ap Lei Chau SPA	1,041.0	802.1	789.8
2. Chun Shek Property	Giant Vic Limited	Chun Shek SPA	1,059.0	810.5	777.4
3. Fortune Property	Gold Elegance Limited	Fortune SPA	498.0	374.7	355.9

4.	King Lam Property	Grab Success Limited	King Lam SPA	1,029.0	770.8	740.3
5.	Lei Tung Property	Greater Capital Limited	Lei Tung SPA	1,692.0	1,191.6	1,140.4
6.	Ming Tak Property	Honor World Limited	Ming Tak SPA	997.0	736.9	709.2
7.	Shan King Property	Jet Joyful Limited	Shan King SPA	1,836.0	1,454.1	1,391.4
8.	Siu Hei Property	Willing Link Limited	Siu Hei SPA	512.0	390.1	374.2
9.	Tai Ping Property	Sunny Tone Limited	Tai Ping SPA	122.0	95.4	93.0
10.	Wah Ming Property	Talent Made Limited	Wah Ming SPA	1,663.0	1,348.7	1,321.7
11.	Wah Sum Property	Techno Giant Limited	Wah Sum SPA	809.0	585.6	579.3
12.	Wang Tau Hom Property	Way Power Limited	Wang Tau Hom SPA	752.0	527.9	506.3
			Total	12,010.0	9,088.4	8,778.9

SECTION IV. SUMMARY OF KEY TERMS OF THE SPAS

The Vendor has entered into 12 SPAs with the 12 Purchasers, all of which belong to the same group and are Independent Third Parties.

The SPAs are inter-conditional to each other and are to be completed all on 13 March 2019 (or such other date as the Vendor and the relevant Purchaser may agree in writing).

The SPAs are identical in terms save for specific matters such as the identity of the Purchaser, description 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 SPAs is set out below:

1. *Date:* 12 December 2018

2. *Parties:* (i) Link Properties Limited (the Vendor) as vendor; and
(ii) the relevant Purchaser as purchaser.

3. *Payments:* (i) an Initial Deposit already paid by the Purchaser on signing of the SPA;
(ii) a Further Deposit (which equals 10% of the Property Consideration less the Initial Deposit paid) shall be paid by the Purchaser to the Vendor within 5 business days from (and including) the date of the SPA.

If a Purchaser (other than due to the default of the Vendor) fails to pay the Further Deposit under a SPA, such non-payment shall constitute a material breach of the relevant SPA as well as a material breach of all the other 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 Purchaser to the Vendor on Completion; and
(iv) if any Purchaser defaults on payment(s) on the relevant due date(s) under a 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 Purchaser on account of such Purchaser's default on payment(s) on the due date(s) under the SPA.

4. *Completion:* (i) All the SPAs are to be completed on 13 March 2019 (or such other date as the Vendor and the relevant Purchasers may agree in writing).

(ii) If a Purchaser (other than due to the default of the Vendor) fails to complete the SPA, then (unless it is waived by the Vendor) such default by that Purchaser, 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) 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 SPA, it shall constitute a material breach of all the SPAs by the Vendor in which event the Deposits shall 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 SPAs.

5. Other:

(i) On termination of a SPA, the Vendor is entitled to re-enter upon the relevant Property and repossess the same if possession shall have been given to the Purchaser free from any right or interest of the 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 Purchaser's breach of the 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 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 SPAs.

SECTION V. INFORMATION ON THE PROPERTIES

(1) Ap Lei Chau Property – Ap Lei Chau Bridge Road, Hong Kong

According to the Valuation Report, the Ap Lei Chau Property, completed in 1980, comprises principally a 2-storey market/office building, a 6-storey commercial/car park building, various shop units located on the ground floor within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House as well as associated areas and open car parks scattered within Ap Lei Chau Estate. A total of 325 car parking spaces are provided. It comprises 18,111/246,593 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 134, and is being held under Government lease for a term of 50 years from 4 May 2010.

The occupancy rate of the Ap Lei Chau Property as at 30 September 2018 was 82.2%.

The turnover and net property income of the Ap Lei Chau Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	19,005	0.39	38,000	0.38
Net property income	15,265	0.41	31,046	0.41

The Appraised Value of the Ap Lei Chau Property represented approximately 0.38% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(2) Chun Shek Property – No. 1 Shing Tin Street, Sha Tin, New Territories

According to the Valuation Report, the Chun Shek Property, completed in 1984, comprises principally a 4-storey commercial building, an adjoining 4-storey car park building, a separate 2-storey car park building, various shop units located within the Shek Jing House as well as open car parks and associated areas in Chun Shek Estate. A total of 583 car parking spaces are provided. It comprises 26,567/155,467 equal and undivided shares of and in Sha Tin Town Lot No. 555, and is being held under Government lease for a term of 50 years from 30 September 2009.

The occupancy rate of the Chun Shek Property as at 30 September 2018 was 97.6%.

The turnover and net property income of the Chun Shek Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	21,502	0.44	40,592	0.40
Net property income	15,264	0.41	29,339	0.38

The Appraised Value of the Chun Shek Property represented approximately 0.39% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(3) Fortune Property – No. 8 Hang Cheung Street, Cheung Sha Wan, Kowloon

According to the Valuation Report, the Fortune Property, completed in 2000, comprises principally a 2-storey commercial/car park building, a 5-storey car park building, associated areas, covered areas, guard kiosk and portion of multi-purpose HA Accommodation (the integrated commercial/car park accommodation on 2/F of Fook Ming House). A total of 153 car parking spaces are provided. It comprises 11,807/115,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6484, and is being held under Government lease for a term of 50 years from 27 April 2009.

The occupancy rate of the Fortune Property as at 30 September 2018 was 79.7%.

The turnover and net property income of the Fortune Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	10,053	0.20	20,952	0.21
Net property income	6,135	0.16	13,771	0.18

The Appraised Value of the Fortune Property represented approximately 0.18% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(4) King Lam Property – No. 38 Po Lam Road North, Tseung Kwan O, Sai Kung, New Territories

According to the Valuation Report, the King Lam Property, completed in 1990, comprises principally a 4-storey commercial/car park building, various shop units on the ground floors located within the residential block of King Chung House and King Lui House and various open car parks in King Lam Estate. A total of 418 car parking spaces are provided. It comprises 18,412/278,433 equal and undivided shares of and in Tseung Kwan O Town Lot No. 83, and is being held under Government lease for a term of 50 years from 8 February 2001.

The occupancy rate of the King Lam Property as at 30 September 2018 was 100%.

The turnover and net property income of the King Lam Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	20,677	0.42	38,894	0.39
Net property income	16,164	0.43	30,194	0.39

The Appraised Value of the King Lam Property represented approximately 0.37% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(5) Lei Tung Property – No. 5 Lei Tung Estate Road, Hong Kong

According to the Valuation Report, the Lei Tung Property, completed in 1988, comprises principally a 4-storey commercial building, a 7-storey (including 3 basement levels) commercial/car park building, a 4-level car park/market building, a 3-storey car park/community hall building, various ancillary units and car parking spaces on ground, second and third floors of Tung Hing House, ground floor of Tung Mau House, basement, ground and second floors of Tung Sing House, second to fourth floors of Tung On House as well as various associated areas within Lei Tung Estate. A total of 687 car parking spaces are provided. It comprises 45,424/451,716 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 133, and is being held under Government lease for a term of 50 years from 20 December 2004.

The occupancy rate of the Lei Tung Property as at 30 September 2018 was 90.3%.

The turnover and net property income of the Lei Tung Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	32,415	0.66	61,617	0.61
Net property income	24,163	0.64	42,939	0.56

The Appraised Value of the Lei Tung Property represented approximately 0.57% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(6) Ming Tak Property – No. 10 Pui Shing Lane, Tseung Kwan O, Sai Kung, New Territories

According to the Valuation Report, the Ming Tak Property, completed in 1999, comprises principally a 4-storey commercial/car park building as well as associated areas, open car parks and guard kiosks in Ming Tak Estate. A total of 383 car parking spaces are provided. It comprises 20,354/108,489 equal and undivided shares of and in Tseung Kwan O Town Lot No. 108, and is being held under Government lease for a term of 50 years from 28 July 2008.

The occupancy rate of the Ming Tak Property as at 30 September 2018 was 100%.

The turnover and net property income of the Ming Tak Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	21,395	0.43	38,904	0.39
Net property income	16,390	0.44	29,632	0.39

The Appraised Value of the Ming Tak Property represented approximately 0.35% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(7) Shan King Property – No. 1 Ming Kum Road, Tuen Mun, New Territories

According to the Valuation Report, the Shan King Property, completed in 1983, comprises principally a 5-storey commercial/car park building, a 4-storey car park building, portions of the Integrated HA Accommodation on the ground floor and second floor of King Wah House, various cooked food stalls on ground floor and open car parks in Shan King Estate. A total of 638 car parking spaces are provided. It comprises 41,369/477,867 equal and undivided shares of and in Tuen Mun Town Lot No. 469, and is being held under Government lease for a term of 50 years from 20 August 2004.

The occupancy rate of the Shan King Property as at 30 September 2018 was 87.3%.

The turnover and net property income of the Shan King Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	33,959	0.69	64,730	0.65
Net property income	24,703	0.66	47,748	0.62

The Appraised Value of the Shan King Property represented approximately 0.69% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(8) Siu Hei Property – No. 201 Wu Chui Road, Tuen Mun, New Territories

According to the Valuation Report, the Siu Hei Property, completed in 1986, comprises principally a 3-storey commercial centre (including mezzanine floor) with retail, market, and welfare facilities therein and a 4-storey split level car park building. A total of 560 car parking spaces are provided. It comprises the entire lot section of Section A of Tuen Mun Town Lot No. 255, and is being held under Government lease for a term of 99 years less the last 3 days from 1 July 1898 which has been statutorily extended to 30 June 2047.

The occupancy rate of the Siu Hei Property as at 30 September 2018 was 85.5%.

The turnover and net property income of the Siu Hei Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	9,556	0.19	18,737	0.19
Net property income	6,572	0.17	13,158	0.17

The Appraised Value of the Siu Hei Property represented approximately 0.19% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(9) Tai Ping Property – No. 8 Po Ping Road, Sheung Shui, New Territories

According to the Valuation Report, the Tai Ping Property, completed in 1989, comprises principally a 2-storey car park building with retail shops on the ground floor of Ping Hay House and open car parks in Tai Ping Estate. A total of 101 car parking spaces are provided. It comprises 2,787/86,121 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 223, and is being held under Government lease for a term of 50 years from 24 January 2002.

The occupancy rate of the Tai Ping Property as at 30 September 2018 was 100%.

The turnover and net property income of the Tai Ping Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	2,313	0.05	4,613	0.05
Net property income	1,569	0.04	3,247	0.04

The Appraised Value of the Tai Ping Property represented approximately 0.05% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(10) Wah Ming Property – No. 21 Wah Ming Road, Fanling, New Territories

According to the Valuation Report, the Wah Ming Property, completed in 1990, comprises principally a 3-storey commercial building and an adjoining 3-storey commercial/car park building linked by a footbridge on second floor, and portions of the parking areas within Wah Ming Estate. A total of 295 car parking spaces are provided. It comprises 22,726/324,858 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 204, and is being held under Government lease for a term of 50 years from 18 March 1999.

The occupancy rate of the Wah Ming Property as at 30 September 2018 was 98.6%.

The turnover and net property income of the Wah Ming Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	33,131	0.67	57,706	0.58
Net property income	26,099	0.69	43,689	0.57

The Appraised Value of the Wah Ming Property represented approximately 0.64% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(11) Wah Sum Property – No. 18 Yat Ming Road, Fanling, New Territories

According to the Valuation Report, the Wah Sum Property, completed in 1995, comprises principally a 2-storey commercial building (Commercial Centre) and an adjoining 4-storey car park building interconnected with the Commercial Centre on the first floor as well as associated areas and open car parks in Wah Sum Estate. A total of 356 car parking spaces are provided. It comprises 16,753/109,515 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 236, and is being held under Government lease for a term of 50 years from 16 January 2009.

The occupancy rate of the Wah Sum Property as at 30 September 2018 was 97.2%.

The turnover and net property income of the Wah Sum Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	16,134	0.33	31,176	0.31
Net property income	11,516	0.31	22,783	0.30

The Appraised Value of the Wah Sum Property represented approximately 0.28% of the total appraised value of Link's entire portfolio as at 30 September 2018.

(12) Wang Tau Hom Property – No. 17 Fu Mei Street, Kowloon

According to the Valuation Report, the Wang Tau Hom Property, completed in 1982, comprises principally a 3-storey commercial building, a single-storey wet market, a 5-storey split-level car park building as well as associated areas and open car parks in Wang Tau Hom Estate. A total of 290 car parking spaces are provided. It comprises 12,507/373,309 equal and undivided shares of and in New Kowloon Inland Lot No. 6462, and is being held under Government lease for a term of 50 years from 16 July 2008.

The occupancy rate of the Wang Tau Hom Property as at 30 September 2018 was 100%.

The turnover and net property income of the Wang Tau Hom Property for the six months ended 30 September 2018 and the year ended 31 March 2018 were as follows:

	Six months ended 30 September 2018 (unaudited)		Year ended 31 March 2018 (audited)	
	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)	Amount (HK\$'000)	Approximate % of Link's entire portfolio (%)
Turnover	15,029	0.30	26,492	0.26
Net property income	11,334	0.30	20,732	0.27

The Appraised Value of the Wang Tau Hom Property represented approximately 0.25% of the total appraised value of Link's entire portfolio as at 30 September 2018.

SECTION VI. REASONS FOR AND FINANCIAL IMPACT OF THE DISPOSALS

The Properties Consideration for the Disposals represents a premium of approximately 32.1% over the aggregate Appraised Value of the Properties as at the Valuation Date and a premium of approximately 36.8% over the aggregate appraised value of the Properties as at 31 March 2018. 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\$2,787.6 million (after taking into account, among others, the Expenses).

Subject to Completion, based on the consolidated financial position of Link as at 30 September 2018 (as disclosed in the 2018/2019 Interim Report), the pro-forma adjusted ratio of debt to total assets of Link is anticipated to change from approximately 10.3% to approximately 11.4% after adjusting for the impact of interim distribution distributed to Unitholders on 10 December 2018, the appraised value of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) acquired by Link and announced by the Manager on 26 November 2018 (the **Acquisition**) and Completion of the Disposals as if the completion of the Acquisition and Completion of the Disposals took place on 30 September 2018.

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

SECTION VII. 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 VIII. REGULATORY IMPLICATIONS

This announcement is made pursuant to 10.3 of the REIT Code. The Properties Consideration (being HK\$12,010 million) for the Disposals (i) represents approximately 7.3% 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 5.6% of the total assets of Link as at 30 September 2018 (as disclosed in the 2018/2019 Interim Report) after adjusting for the impact of the interim distribution distributed to Unitholders on 10 December 2018 and after adjusting for the appraised value of the Acquisition; and (iii) is less than 15% of Link's gross asset value as at 30 September 2018 (as disclosed in the 2018/2019 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, 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 financial advisor 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 IX. OPINIONS OF THE BOARD AND THE TRUSTEE

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 (including the independent non-executive Directors but with Mr Ian Keith GRIFFITHS abstaining as aforesaid on this matter) has reviewed and is satisfied that given the size and complexity of the portfolio review and the Disposals, the engagement of HSBC (as financial advisor) and C&W (as real estate 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 VIII. REGULATORY IMPLICATIONS above, C&W is an Independent Third Party.

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.

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

SECTION X. 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*

The Vendor, incorporated in the Cayman Islands, is a wholly-owned SPV of Link. It is the sole registered owner of all the Properties. Its principal activities are property holding and leasing.

- About the Purchasers

The Purchasers are special purpose vehicles formed for acquiring the Properties. They are wholly-owned and controlled by a consortium led by Gaw Capital Partners (as general partner of Gateway Real Estate Fund VI, L.P.). According to the information provided to the Manager, and to the best of the Manager's knowledge, information and belief (having made all reasonable enquiries), each of the Purchasers is an Independent Third Party.

- Further Announcement(s)

Further announcement(s) will be made by the Manager in accordance with the REIT Code on Completion.

SECTION XI. DEFINITIONS

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

2018/2019 Interim Report	the interim report for the six months ended 30 September 2018 of Link
Appraised Value	the appraised value of each of the Properties as assessed by the Principal Valuer at the Valuation Date for the purposes of the Disposals
Board	the board of Directors of the Manager
C&W	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 SPAs on the Completion Date and, where the context requires, complete shall be construed accordingly
Completion Date	13 March 2019 (or such other day 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 Deposit is the Initial Deposit and the Further Deposit under an individual SPA
Directors	the directors of the Manager
Disposals	collectively, the disposal by the Vendor of the Properties pursuant to the SPAs, and each a Disposal

Expenses	estimated expenses of approximately HK\$120.7 million payable by the Vendor in connection with the Disposals
Further Deposits	the aggregate amount of HK\$861 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 less the Initial Deposit already paid under the 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, the financial advisor appointed by the Manager for the purpose of the Disposals, which, by virtue of being the holding company of the Trustee, is a connected person of 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\$340 million paid to the Vendor by the Purchasers under the SPAs, and Initial Deposit is the sum of HK\$30 million paid by each Purchaser upon the signing of the relevant SPA (except Tai Ping Property when the Initial Deposit is HK\$10 million under that SPA)
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
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Manager	LINK ASSET MANAGEMENT LIMITED, which is the manager of Link

Principal Valuer	JONES LANG LASALLE LIMITED, the current Principal Valuer (as defined in the REIT Code) of Link and an independent property valuer (within the meaning of the Chapter 6 of the REIT Code) appointed for valuing the Properties for the purposes of the Disposals
Properties	collectively, the Ap Lei Chau Property as described in Section V. INFORMATION ON THE PROPERTIES (1) above; Chun Shek Property as described in the said Section V.(2) above; Fortune Property as described in the said Section V.(3) above; King Lam Property as described in the said Section V.(4) above; Lei Tung Property as described in the said Section V.(5) above; Ming Tak Property as described in the said Section V.(6) above; Shan King Property as described in the said Section V.(7) above; Siu Hei Property as described in the said Section V.(8) above; Tai Ping Property as described in the said Section V.(9) above; Wah Ming Property as described in the said Section V.(10) above; Wah Sum Property as described in the said Section V.(11) above; Wang Tau Hom Property as described in the said Section V.(12) above; and Property is any of them
Properties Consideration	being the total purchase price payable by the Purchasers pursuant to the relevant SPAs for the (1) Ap Lei Chau Property; (2) Chun Shek Property; (3) Fortune Property; (4) King Lam Property; (5) Lei Tung Property; (6) Ming Tak Property; (7) Shan King Property; (8) Siu Hei Property; (9) Tai Ping Property; (10) Wah Ming Property; (11) Wah Sum Property; (12) Wang Tau Hom Property, and Property Consideration is the purchase price payable for any of them by the Purchaser as specified against each Property in column (IV) of the table in Section III. – SUMMARY OF THE PROPERTIES, THE PURCHASERS, THE SPAS, THE PROPERTIES CONSIDERATION, AND THE RESPECTIVE APPRAISED VALUE OF THE PROPERTIES above
Purchasers	collectively, the 12 entities specified in column (II) of the table in Section III. – SUMMARY OF THE PROPERTIES, THE PURCHASERS, THE SPAS, THE PROPERTIES CONSIDERATION, AND THE RESPECTIVE APPRAISED VALUE OF THE PROPERTIES above, all of which are special purpose vehicles incorporated in Hong Kong and are Independent Third Parties, and Purchaser is any of them
REIT Code	the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC
SFC	the Securities and Futures Commission of Hong Kong

SPAs	collectively, the 12 sale and purchase agreements specified in column (III) of the table in Section III. – SUMMARY OF THE PROPERTIES, THE PURCHASERS, THE SPAs, THE PROPERTIES CONSIDERATION, AND THE RESPECTIVE APPRAISED VALUE OF THE PROPERTIES above, which the Vendor entered into with the Purchasers on 12 December 2018, and SPA is any 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
Tenancies	the existing tenancy agreement(s) and (where applicable) licence agreement(s) made between the Vendor (in relation to each 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 twelve supplemental deeds)
Trustee	HSBC INSTITUTIONAL TRUST SERVICES (ASIA) LIMITED, in its capacity as the trustee of Link
Unit(s) and Unitholder(s)	unit(s) of Link and holder(s) of Unit(s), respectively
Valuation Date	30 September 2018
Valuation Reports	valuation reports all dated 10 December 2018 in respect of the Properties and 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, the registered owner of the Properties and the vendor in respect of each of the Disposals
% or per cent.	per centum or percentage

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

Hong Kong, 12 December 2018

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 Operating Officer*)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE

Ed CHAN Yiu Cheong

Blair Chilton PICKERELL

Poh Lee TAN

May Siew Boi TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling

Elaine Carole YOUNG