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## **Link Real Estate Investment Trust**

*(a collective investment scheme authorised under section 104  
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*  
**(stock code: 823)**

### **ACQUISITION OF PRC PROPERTY 新怡景商业中心 (CENTRALWALK)**

The Board is pleased to announce that pursuant to the Framework Agreement and ETA dated 20 February 2019, Link (through the Buyer) has agreed to acquire the Equity Interest from the Seller.

Upon Completion, Link will through its ownership of the Equity Interest become the sole owner of the Target Company, which in turn is the sole owner of the Property known as 新怡景商业中心 (CENTRALWALK) located at Fuhua Road, Central District, Futian, Shenzhen, the PRC (中国深圳市福田区福华路). The Property is a 5-storey shopping mall with retail area of approximately 83,899.72 sqm and 741 car park spaces offering shopping, leisure, tourism, dining, entertainment and cultural experiences.

The consideration is RMB6,600,000,000.00 (which represents the Agreed Property Value) as adjusted by the Adjusted NAV. As at the Valuation Date, the Appraised Property Value of the Property was RMB6,600,000,000.00 according to the Valuation Report by the Independent Property Valuer.

Based on the estimated Adjusted NAV agreed between the Parties, being negative RMB1,485,436,287.00, the Initial Price to be paid by the Buyer shall be RMB5,114,563,713.00. The estimated Adjusted NAV takes into account the Existing Onshore Loan which will continue after Completion (the outstanding loan amount being approximately RMB1,468,732,000.00 as at the date of this announcement according to the information provided by the Seller, and which shall not at any time before Completion exceed RMB1,500,000,000.00) and other adjustments.

The Buyer will pay the Initial Price as follows:

- (i) on or before the business day immediately after the date of the Framework Agreement, the Deposit of RMB650,000,000.00 (in USD Equivalent), being approximately 10% of the Agreed Property Value, shall be paid to the Onshore Escrow Agent;
- (ii) on and subject to Pre-Completion, the Pre-Completion Payment of RMB1,907,281,856.50 (in USD Equivalent), representing half of the Initial Price less the Deposit, shall be paid to the Offshore Escrow Agent;
- (iii) on and subject to Completion, the Completion Payment of RMB1,907,281,856.50 (in USD Equivalent), representing the remaining half of the Initial Price less the Retention Amount, shall be paid as follows:
  - a. the Existing Offshore Loan Amount (which shall not at any time exceed HK\$720,000,000.00) as at the Completion Date shall be paid to the Existing Offshore Lender for the repayment of the Existing Offshore Loan;
  - b. the Seller Tax Withheld Amount of RMB490,000,000.00 (in USD Equivalent) shall be paid to the Offshore Escrow Agent, who shall hold and deal with such amount in accordance with the Seller Tax Escrow Agreement, and be applied towards settlement of the Seller's PRC Tax; and
  - c. the USD Equivalent of the balance shall be paid to the Seller; and
- (iv) the Retention Amount of RMB650,000,000.00 shall be retained by the Buyer as further assurance for the Seller's performance and observance of the Framework Agreement (including the warranties and indemnities given by the Seller thereunder) and/or the ETA, and the USD Equivalent (as determined on the Completion Date) of the un-utilised part of the Retention Amount (if any) shall be paid by the Buyer to the Seller on or before the second anniversary of the Completion Date.

The Final Adjusted NAV shall be determined after Completion based on completion accounts audited by PricewaterhouseCoopers in accordance with the Framework Agreement, following which an Adjustment Payment may be made by the Buyer or Seller pursuant to the Framework Agreement.

There are Pre-Completion Conditions and Completion Conditions in the Framework Agreement. **Completion of the Acquisition is subject to the satisfaction or waiver of such Pre-Completion Conditions and Completion Conditions, and may or may not take place. Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units.**

The Manager will make further announcements upon Completion, or alternatively, if either Pre-Completion or Completion does not take place due to the non-satisfaction of the Pre-Completion Conditions or Completion Conditions. The Manager will also announce any Adjustment Payment made by the Buyer or the Seller.

Each of the Covenantors has unconditionally and irrevocably guaranteed to the Buyer the due and punctual performance, observance and discharge by the Seller of all its obligations, commitments, undertakings, representations, warranties, indemnities and covenants under and pursuant to the Framework Agreement, the ETA, the Escrow Agreements and/or other transaction documents to which the Seller is a party.

This announcement is made pursuant to 10.3 and 10.4 of the REIT Code. The sum of the Agreed Property Value of RMB6,600,000,000.00 (equivalent to approximately HK\$7,657,320,000.00) and the Expenses (approximately HK\$33,000,000.00), being in total approximately HK\$7,690,320,000.00: (i) represents approximately 4.19% 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 3.52% of the total assets of Link as at 30 September 2018 (as disclosed in the 2018/19 Interim Report) after adjusting for the impact of the payment of the interim distribution by Link on 10 December 2018, completion of the Beijing Acquisition on 23 January 2019 and assuming completion of the Hong Kong Disposal had taken place on 30 September 2018); and (iii) is less than 15% of the gross asset value of Link as at 30 September 2018 (as disclosed in the 2018/19 Interim Report).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries: (i) each of the Seller and its ultimate beneficial owners (namely, the Covenantors) is an Independent Third Party; and (ii) each of the parties to the Transaction Documents is an Independent Third Party. Accordingly, the Acquisition and respective transactions contemplated under the Transaction Documents are not connected party transactions of Link under the REIT Code.

The Board (including the independent non-executive Directors) is satisfied that the Transaction Documents and the respective transactions contemplated thereunder are at arm's length, on normal commercial terms, fair and reasonable and in the interest of Link and the Unitholders as a whole. The Board is satisfied, and (based on and in sole reliance on the opinion of the Board and the information and confirmation provided by the Manager, and having taken into account its duties under the Trust Deed and the REIT Code) the Trustee is also satisfied, that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Buyer to enter into the Transaction Documents and the respective transactions contemplated thereunder.

## SECTION I. OVERVIEW

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On 20 February 2019, the Buyer (being a wholly-owned SPV of Link) entered into the Framework Agreement with the Seller and the Covenantors pursuant to which: (i) the Buyer and the Seller also entered into the ETA on 20 February 2019 under which the Buyer agreed to purchase and acquire from the Seller the Equity Interest; and (ii) each of the Covenantors covenanted with the Buyer to procure that the Seller will sell and transfer the Equity Interest to the Buyer in accordance with the terms and conditions of the Framework Agreement and the ETA.

Upon Completion, Link will through its ownership of the Equity Interest become the sole owner of the entire registered capital of the Target Company, which in turn is the sole owner of the Property known as 新怡景商业中心 (CENTRALWALK) which is located at Fuhua Road, Central District, Futian, Shenzhen, the PRC (中国深圳市福田区福华路). According to the Valuation Report, the Property is a 5-storey shopping mall with retail area of approximately 83,899.72 sqm and 741 car park spaces. Link intends to hold the Property as a long-term investment.

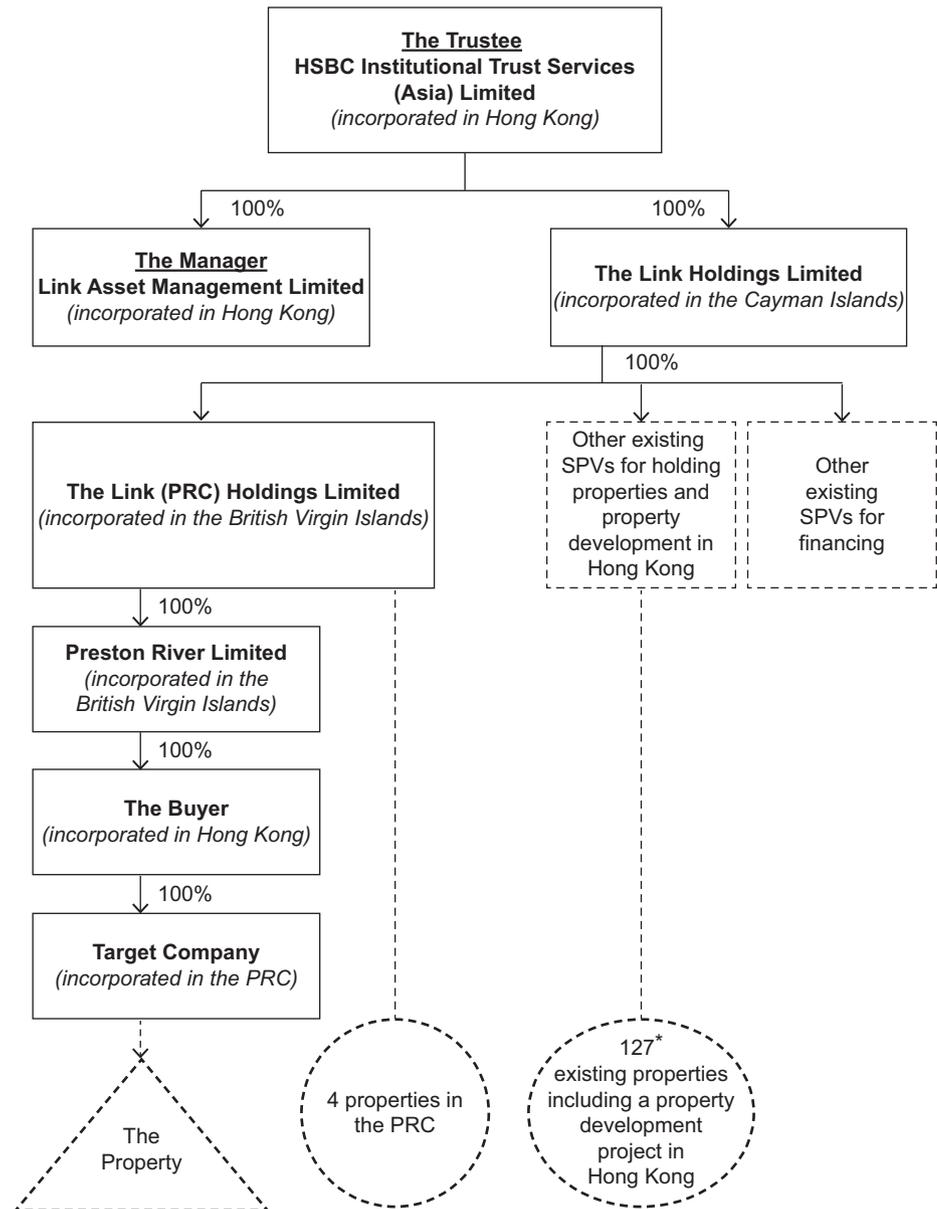
## SECTION II. KEY TERMS OF THE FRAMEWORK AGREEMENT

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- (A) Date: 20 February 2019
- (B) Parties:
- (i) CENTRAL WALK (BARBADOS) COMPANY LTD. — being the Seller and (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) an Independent Third Party;
  - (ii) LIU WEIHONG (刘伟宏) and LIU ERGANG (刘尔纲) — being the Covenantors and (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) each an Independent Third Party; and
  - (iii) PRESTON RIVER (HK) LIMITED — being the Buyer and a wholly-owned SPV of Link set up for the Acquisition.
- (C) Subject of the Acquisition: Pursuant to the Framework Agreement and the ETA, the Seller will on Completion sell and transfer the Equity Interest, free from all encumbrances and together with all rights and benefits attaching thereto, to the Buyer. Following Completion, the Buyer will pledge the Equity Interest in favor of the Existing Onshore Lender as security for the repayment of the Existing Onshore Loan which will continue after Completion (the ***New Equity Pledge***).

(D) Information of the Target Company and holding structure after Completion:

The Target Company has no business activity other than its ownership and asset management operations of the Property. Upon Completion, Link will become the sole owner of the entire registered capital of the Target Company and the Property. Set out below is a simplified chart showing the holding structure of the Target Company and the Property immediately after Completion:



\* Excludes properties under the Hong Kong Disposal. Completion of the Hong Kong Disposal is expected to take place on 13 March 2019.

(E) Consideration and payment:

The consideration for the Acquisition is the Agreed Property Value of RMB6,600,000,000.00 as adjusted by the Adjusted NAV.

Based on the estimated Adjusted NAV agreed between the Parties, being negative RMB1,485,436,287.00 (the **Pro-forma Adjusted NAV**), the initial consideration to be paid by the Buyer shall be RMB5,114,563,713.00 (the **Initial Price**). The Pro-forma Adjusted NAV takes into account the Existing Onshore Loan which will continue after Completion (the outstanding loan amount being approximately RMB1,468,732,000.00 as at the date of this announcement according to the information provided by the Seller, and which shall not at any time before Completion exceed RMB1,500,000,000.00) and other adjustments.

The Buyer will pay the Initial Price as follows:

- (i) on or before the business day immediately after the date of the Framework Agreement, the USD Equivalent of RMB650,000,000.00 (the **Deposit**), being approximately 10% of the Agreed Property Value, shall be paid to the Onshore Escrow Agent. The Onshore Escrow Agent shall release the Deposit to the Seller (excluding accrued interest, which shall belong to the Buyer absolutely) promptly after Completion in accordance with the Deposit Escrow Agreement;
- (ii) on and subject to Pre-Completion, the USD Equivalent of RMB1,907,281,856.50 (the **Pre-Completion Payment**), representing half of the Initial Price less the Deposit, shall be paid to the Offshore Escrow Agent. The Offshore Escrow Agent shall release the Pre-Completion Payment to the Seller (excluding accrued interest, which shall belong to the Buyer absolutely) promptly after Completion in accordance with the Pre-Completion Payment Escrow Agreement;
- (iii) on and subject to Completion, RMB1,907,281,856.50 representing the remaining half of the Initial Price less the Retention Amount (the **Completion Payment**), shall be paid as follows:
  - a. the Existing Offshore Loan Amount (which shall not at any time exceed HK\$720,000,000.00) as at the Completion Date shall be paid to the Existing Offshore Lender for the repayment of the Existing Offshore Loan;

- b. the USD Equivalent of RMB490,000,000.00 (the **Seller Tax Withheld Amount**) shall be paid to the Offshore Escrow Agent, who shall hold and deal with such amount in accordance with the Seller Tax Escrow Agreement, and be applied towards settlement of the Seller's PRC Tax; and
  - c. the USD Equivalent of the balance shall be paid to the Seller; and
- (iv) RMB650,000,000.00 (the **Retention Amount**) shall be retained by the Buyer as further assurance for the Seller's performance and observance of the Framework Agreement and/or the ETA and may, after Completion, be utilised for satisfying any payment obligation of the Seller owing to the Buyer (including amounts payable for claims made against the Seller in respect of the warranties and indemnities given by the Seller). The USD Equivalent (as determined on the Completion Date) of the un-utilised part of the Retention Amount (if any) shall be paid by the Buyer to the Seller on or before the second anniversary of the Completion Date.

LPL has also given the LPL Guarantee in favour of the Seller which guarantees the performance of the Buyer's payment obligations in respect of the Completion Payment and the Retention Amount.

(F) Adjustment payment:

Completion accounts for the Target Company for the period from 1 January 2018 to the close of business on the Completion Date will be audited by PricewaterhouseCoopers in accordance with the Framework Agreement.

The statement of the Adjusted NAV of the Target Company as at the close of business on the Completion Date based on the format, principles and notes set forth in the Framework Agreement and the information in the completion accounts (the **Completion Statement**) shall also be reviewed by PricewaterhouseCoopers.

Within five business days after the determination of the Completion Statement, the following adjustment payment (the **Adjustment Payment**) shall be made:

- (i) if the Pro-forma Adjusted NAV (being a net liability) is a smaller liability than the Adjusted NAV as set forth in the Completion Statement (the **Final Adjusted NAV**) (which is also expected to be a net liability), the Seller shall pay an amount equal to the USD Equivalent of the difference to the Buyer; or

- (ii) if the Pro-forma Adjusted NAV (being a net liability) is a greater liability than the Final Adjusted NAV (which is also expected to be a net liability), the Buyer shall pay an amount equal to the USD Equivalent of the difference to the Seller.

The Manager is satisfied that the basis for determining the consideration for the Acquisition (including the Pro-forma Adjusted NAV and the Final Adjusted NAV) has been arrived at after arm's length negotiation and is fair and reasonable and in the interest of Link and the Unitholders as a whole.

(G) Pre-Completion Conditions:

Pre-Completion shall be conditional upon the following conditions (the ***Pre-Completion Conditions***) being satisfied or waived in accordance with the Framework Agreement:

- (i) there being:
  - a. no breach of any of the fundamental warranties given by the Seller; and
  - b. no breach of any other warranties given by the Seller which may (whether alone or in aggregate with other breaches of warranties given by the Seller) entitle the Buyer to claim for an aggregate amount which may reasonably be expected to exceed RMB5,000,000.00 under the Framework Agreement;

(collectively, the ***Warranties Condition***)

- (ii) the Seller having duly performed and complied with all of its Pre-Completion obligations under the relevant provisions of the Framework Agreement in connection with the Employment Termination (the ***Pre-Completion Employment Condition***);
- (iii) the Seller having duly performed and complied with all of its Pre-Completion obligations under the relevant provisions of the Framework Agreement in respect of the Existing Offshore Loan and the Existing Onshore Loan (the ***Pre-Completion Existing Loan Condition***);

- (iv) the Seller having duly performed and complied with all of its obligations under the relevant provisions of the Framework Agreement in respect of receivables owing to the Target Company from its affiliate(s) (including the Seller and the Covenantors), including (among other things) ensuring that there are no such receivables other than those identified and dealt with in the Framework Agreement (such identified receivables having already been written off as at the date of this announcement) (the **Receivables Condition**); and
- (v) the Property is not, and no material part of the Property (i.e. such part(s) of the Property which has/have a total lettable area of 30% or more of the total lettable area of the Property) is, damaged or destroyed or closed down by the action of any relevant government authority of the PRC for any reason, and the Property has not, and no material part of the Property has, become a dangerous building (危险房屋) according to the assessment by any relevant government authority of the PRC or become inaccessible for any reason, and there being no circumstances or events the occurring of which may reasonably be expected to result in the Property or a material part of the Property being closed down by the action of any relevant government authority of the PRC or becoming a dangerous building (危险房屋) according to the assessment by any relevant government authority of the PRC or becoming inaccessible for any reason (the **Material Damage Condition**).

The Seller shall ensure the satisfaction of all Pre-Completion Conditions by the relevant date specified in the Framework Agreement (as set out in “(K) Termination — Non-satisfaction of Pre-Completion Conditions” below). The Buyer may waive any Pre-Completion Condition.

(H) Pre-Completion: Pre-Completion shall take place after the satisfaction or waiver of the Pre-Completion Conditions in accordance with the Framework Agreement on the Pre-Completion Date whereupon the Seller and the Buyer shall be subject to certain Pre-Completion obligations, including making the Pre-Completion Payment to the Offshore Escrow Agent.

- (I) Completion Conditions: Completion shall be conditional upon the following conditions (the **Completion Conditions**) being satisfied or waived in accordance with the Framework Agreement:
- (i) the Warranties Condition;
  - (ii) the Receivables Condition;
  - (iii) the Material Damage Condition;
  - (iv) the Existing Equity Pledge by the Seller in favor of the Existing Onshore Lender having been absolutely and unconditionally released and discharged in accordance with the Framework Agreement (the **Completion Equity Pledge Release Condition**);
  - (v) certain specified matters following the satisfaction of the Completion Equity Pledge Release Condition relating to (among other things) the registration of the transfer of the Equity Interest from the Seller to the Buyer, the amendment of the articles of association of the Target Company, the change of the directors, chairman, legal representative, supervisors and general manager of the Target Company and the issuance of the new business licence of the Target Company having been completed in accordance with the Framework Agreement (the **Completion Corporate Conditions**);
  - (vi) the Seller having duly performed and complied with all of its Completion obligations under the relevant provisions of the Framework Agreement in respect of the Existing Offshore Loan and the Existing Onshore Loan (the **Completion Existing Loan Condition**); and
  - (vii) the Seller having duly performed and complied with all of its Completion obligations under the relevant provisions of the Framework Agreement in connection with the Employment Termination.

The Seller shall ensure or use its best endeavours to procure the satisfaction of all of the Completion Conditions by the relevant date specified in the Framework Agreement (as set out in “(K) Termination — Non-satisfaction of Completion Conditions” below). The Buyer may waive any of the Completion Conditions.

- (J) Completion: Completion shall take place after the satisfaction or waiver of the Completion Conditions in accordance with the Framework Agreement on the Completion Date whereupon the Seller and the Buyer shall be subject to certain Completion obligations.

(K) Termination:

- Failure to pay Deposit

If the Buyer fails to pay the Deposit in accordance with the Framework Agreement, the Seller may, at any time thereafter but before the Pre-Completion Date, terminate the Framework Agreement and the ETA simultaneously by so notifying the Buyer in writing.

- Non-satisfaction of Pre-Completion Conditions

If:

- (i) on 22 March 2019, the Pre-Completion Employment Condition has not been satisfied or waived or no Pre-Completion Notice has been issued;
- (ii) on the business day immediately before the Pre-Completion Date, the Pre-Completion Existing Loan Condition and the Receivables Condition have not been satisfied or waived; or
- (iii) immediately before Pre-Completion, any of the Pre-Completion Conditions has not been satisfied or waived,

the Buyer may at any time thereafter terminate the Framework Agreement and the ETA simultaneously in which case:

- (iv) the Deposit (together with accrued interest) will be returned to the Buyer; and
- (v) if the Seller has breached its obligations to ensure the satisfaction of all Pre-Completion Conditions or to deliver the Pre-Completion Notice in accordance with the Framework Agreement, the Seller shall pay to the Buyer a further amount equal to the Deposit as liquidated damages.

- Non-satisfaction of Completion Conditions

If:

- (i) on the date of expiry of a one-month period after (and exclusive of) the Pre-Completion Date, or such other date as the Seller and the Buyer may agree in writing, the Completion Equity Pledge Release Condition and the Completion Corporate Conditions have not been satisfied or waived or no Completion Notice has been issued;
- (ii) on the business day immediately before the Completion Date, the Completion Existing Loan Condition has not been satisfied or waived; or
- (iii) immediately before Completion, any of the Completion Conditions has not been satisfied or waived,

the Seller (only where the Completion Equity Pledge Release Condition or the Completion Corporate Conditions have not been satisfied as a result of any action or omission of any relevant government authority of the PRC) or the Buyer may at any time thereafter terminate the Framework Agreement and the ETA simultaneously by so notifying the other Parties in writing in which case:

- (iv) the Deposit and the Pre-Completion Payment (together with accrued interest) shall be returned to the Buyer; and
- (v) if the Seller has breached its obligations to ensure or use its best endeavours to ensure the satisfaction of all Completion Conditions or to deliver the Completion Notice in accordance with the Framework Agreement, the Seller shall pay to the Buyer a further amount equal to the Deposit as liquidated damages.

- Failure to pre-complete

If the Seller or the Buyer does not comply with its Pre-Completion obligations under the Framework Agreement on the Pre-Completion Date, the Buyer (where the Seller is in breach) or the Seller (where the Buyer is in breach) may postpone Pre-Completion, proceed to Pre-Completion as far as practicable, or terminate the Framework Agreement and the ETA simultaneously in accordance with the Framework Agreement.

If the Framework Agreement is terminated due to the Buyer's breach of its Pre-Completion obligations, the Deposit (excluding accrued interest, which shall belong to the Buyer absolutely) shall be forfeited and paid to the Seller as liquidated damages.

Conversely, if the Framework Agreement is terminated due to the Seller's breach of its Pre-Completion obligations, the Deposit (together with accrued interest) shall be returned to the Buyer and the Seller shall pay to the Buyer a further amount equal to the Deposit as liquidated damages.

- Failure to complete

If the Seller or the Buyer does not fully comply with its Completion obligations under the Framework Agreement on the Completion Date, the Buyer (where the Seller is in breach) or the Seller (where the Buyer is in breach) may postpone Completion, proceed to Completion as far as practicable, or terminate the Framework Agreement and the ETA simultaneously in accordance with the Framework Agreement.

If the Framework Agreement is terminated due to the Buyer's breach of its Completion obligations, the Deposit (excluding accrued interest, which shall belong to the Buyer absolutely) shall be forfeited and paid to the Seller as liquidated damages.

Conversely, if the Framework Agreement is terminated due to the Seller's breach of its Completion obligations, the Deposit and the Pre-Completion Payment (together with accrued interest) shall be returned to the Buyer and the Seller shall pay to the Buyer a further amount equal to the Deposit as liquidated damages.

(L) Warranties, indemnities and guarantee: The Framework Agreement contains warranties and indemnities by the Seller customary for transactions of this nature and scale. The Framework Agreement also provides for the retention by the Buyer of the Retention Amount until the second anniversary of the Completion Date, as further assurance for the Seller's performance and observance of the Framework Agreement and/or the ETA.

Each of the Covenantors has unconditionally and irrevocably guaranteed to the Buyer the due and punctual performance, observance and discharge by the Seller of all its obligations, commitments, undertakings, representations, warranties, indemnities and covenants under and pursuant to the Framework Agreement, the ETA, the Escrow Agreements and/or other transaction documents to which the Seller is a party.

The Seller and each of the Covenantors shall be jointly and severally liable for all undertakings, covenants, representations, warranties, indemnities, obligations and other liabilities under the Framework Agreement.

Having considered the above, the Manager is of the view that the arrangements sufficiently protect the interest of Link and the Unitholders as a whole.

### SECTION III. THE PROPERTY

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(A) General description: The Property is a 5-storey shopping mall known as 新怡景商业中心 (CENTRALWALK) located at Fuhua Road, Central District, Futian, Shenzhen, the PRC. According to the Valuation Report, it comprises: (i) a retail area of approximately 83,899.72 sqm; and (ii) 741 car park spaces in basement levels.

The Property was completed in December 2006. According to the Valuation Report, the approximate gross floor area and net lettable area of the Property is as follows:

	<b>Retail</b>	<b>Car park</b>
Gross floor area	83,899.72 sqm	37,064.24 sqm
Net lettable area	59,929.04 sqm	—

- (B) Tenancies: According to the Valuation Report, as at 31 December 2018:
- there were 204 tenancies occupying approximately 100% of the net lettable area of the Property;
  - retail tenancies which will expire in 2019, 2020 and 2021 represent approximately 25.5%, 24.8% and 18.0% of the rental income of the Property, respectively;
  - the gross monthly passing income for the Property was approximately RMB23,788,065.00/month, comprising retail income of RMB18,447,886.00/month, management fee of RMB2,376,826.00/month and other income of RMB2,963,353.00/month; and
  - the top three retail trades of the Property by rental income were fashion and accessories, food and beverage and supermarket, representing approximately 45.0%, 39.5% and 5.5% of the rental income of the Property, respectively.
- (C) Ownership: The Property is solely held by the Target Company.
- (D) Land use rights: The land use rights in respect of the Property will expire on 28 September 2042.
- If the term of the land use rights in respect of the Property is not extended, the Target Company will have no further land use rights upon expiry. If the term of the land use rights in respect of the Property is extended, land premium or other consideration may be payable by the Target Company for such extension, the amount of which cannot be ascertained at this stage.
- In assessing the Appraised Property Value, the Independent Property Valuer has not assigned any value to any extension of the term of the land use rights in respect of the Property upon expiry.
- (E) Property management post-Completion: The Manager is satisfied that, after Completion, it will have full operational control over the management of the Property. Subject to Completion, the Manager will appoint a reputable external manager to provide facility management, car park management and day-to-day property services support to the asset management team at the Target Company in managing the shopping mall and the car parks.

(F) Existing Property Mortgage: The Property is presently mortgaged by the Target Company in favour of the Existing Onshore Lender under and pursuant to the Existing Property Mortgage. The Target Company will continue with the Existing Onshore Loan after Completion, and accordingly, the Existing Property Mortgage will continue after Completion as security for the repayment of the Existing Onshore Loan.

Following Completion, the Buyer will give the New Equity Pledge and LPL will also give a corporate guarantee guaranteeing the repayment of the Existing Onshore Loan (the ***Existing Onshore Loan Guarantee***).

(G) Valuation of the Property: As at the Valuation Date, the Appraised Property Value of the Property was RMB6,600,000,000.00 according to the Valuation Report by the Independent Property Valuer. The Agreed Property Value equals the Appraised Property Value.

#### **SECTION IV. FEES AND EXPENSES**

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No fee or charge is payable to the Manager as a result of the Acquisition.

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

Following Completion, the Manager will consider undertaking asset enhancement initiatives in connection with the Property when appropriate.

## **SECTION V. FINANCIAL INFORMATION OF THE TARGET COMPANY**

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According to the Seller, the financial statements of the Target Company were audited and prepared in accordance with PRC Generally Accepted Accounting Principles.

The following figures have been extracted from the audited financial statements of the Target Company for the two years ended 31 December 2016 and 31 December 2017, as provided by the Seller. Such figures are solely for reference purposes and do not represent the future performance of the Target Company or the Property:

	<b>Year ended 31 December 2016 (Audited) RMB</b>	<b>Year ended 31 December 2017 (Audited) RMB</b>
(1) Revenue	224,764,208.00	250,208,655.00
(2) Net property income, before depreciation	155,938,020.00	183,229,496.00
(3) Net profit before tax	52,406,581.00	12,335,241.00
(4) Net profit after tax	40,233,800.00	162,460.00
(5) Net assets	1,583,939,366.00	1,584,101,826.00

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

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The Initial Price of RMB5,114,563,713.00 (equivalent to approximately HK\$5,933,916,819.82) together with the Expenses (approximately HK\$33,000,000.00) and the payment of the difference between the Pro-forma Adjusted NAV and the Final Adjusted NAV (if applicable) will be entirely funded from Link's own cash resources and/or debt facilities. The Manager also intends for the Target Company to continue with the Existing Onshore Loan (the outstanding loan amount being approximately RMB1,468,732,000.00 as at the date of this announcement according to the information provided by the Seller, and which shall not at any time before Completion exceed RMB1,500,000,000.00) after Completion. The Acquisition and the continuation of the Existing Onshore Loan are not expected to have any material adverse impact on the financial position of Link as compared to that as at 30 September 2018 (as disclosed in the 2018/19 Interim Report).

Upon Completion, based on the consolidated financial position of Link as at 30 September 2018 (as disclosed in the 2018/19 Interim Report), the pro-forma adjusted ratio of debt to total assets of Link is anticipated to change from approximately 11.4% (after adjusting for the impact of the interim distribution distributed to Unitholders on 10 December 2018, the appraised value of the property acquired pursuant to the Beijing Acquisition which completed on 23 January 2019 and assuming completion of the Hong Kong Disposal had taken place on 30 September 2018) to approximately 14.5% (assuming a drawdown of HK\$5,967 million on Link's debt facilities to finance the Acquisition and including the Appraised Property Value as if the Acquisition took place on 30 September 2018).

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

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The Acquisition is in line with the current investment strategy of Link to invest in yield-accretive and income-producing real estate which has potential for long-term growth. Upon Completion, the Property will be held as a long-term investment and will add to Link's large and diversified portfolio of retail and commercial real estate in Hong Kong and in Tier-1 cities of the PRC. The Manager considers the Acquisition is in the interest of Link and the Unitholders as a whole for the following reasons:

- *Aligning Link's PRC strategy*

Shenzhen is a thriving city with its profound development in tech and financial sector which is also the focus of China's national strategy of Greater Bay Area blueprint. Total population of Shenzhen is expected to grow by 14% over the next five years. Seizing a core location in a Tier-1 city of the PRC, the Acquisition aligns with Link's investment strategy of acquiring and holding on long term incoming-producing retail assets that have potential of both income growth and capital value appreciation.

- *Strong consumption demand*

The Property is located in the core part of the Futian central business district of Shenzhen and close to the Shenzhen Stock Exchange. Disposable income of Shenzhen residents has been on the rise. New offices, five-star international-branded hotels and high density residential catchment area around the Property will bring footfall throughout the week and generate retail demand for food and beverage, lifestyle, kids/education and entertainment services at the Property, which in turn will boost the revenue and income of the Target Company.

- Good connectivity

The Property sits directly above two metro lines, namely Line 1 with the highest ridership and Line 4 which is operated by MTR Corporation Limited of Hong Kong. It is very close to the Futian CRH Station which brings in commuters from Hong Kong and other parts of the PRC.

Extensive elevated walkway and underground passageway system (including Link City) connect the Property to many Shenzhen city landmarks and attractions (such as Shenzhen People's Government, Shenzhen Convention and Exhibition Center, Civic Square, Book City, Shenzhen Library etc.), as well as key commercial buildings in the Futian central business district area, with further extension under planning by the Shenzhen government. Metro lines and high speed rails bring commuters and visitations to the Property, which in turn drives the revenue and earnings of the Target Company.

- A high-quality community mall with proven performance and stable revenue

According to the Valuation Report (which is based on the information provided by the Seller), the occupancy rate of the Property was approximately 100% as at 31 December 2018. At present, tenants of the Property comprise a dynamic mix of retailers including supermarket, food and beverage, fashion/accessories, kids/education and lifestyle, health and beauty, and a cinema. Currently, a significant portion of the rental income from the Property is base rent generating a stable rental income. The retail area is well served by 741 car park spaces.

- Near term opportunities

According to the Valuation Report (which is based on the information provided by the Seller), retail Tenancies which will expire in 2019, 2020 and 2021 represent approximately 25.5%, 24.8% and 18.0% of the rental income of the Property, respectively. The Manager believes that there is room for the current passing rent of the Property to catch up and close the gap with the current market rent on fine-tuning the trade mix. Accordingly, the expiry of these retail Tenancies presents opportunity for the Manager to enhance rental reversion and performance of the Property through upgrading the trade-mix. It is expected that the net property income of the Target Company will increase which will improve the financial performance of the Target Company. Rise in income will also increase the capital value of the Property which will be in the interest of Link and the Unitholders as a whole.

- Established asset management team

The Property is currently managed by a team which has many years of experience in the leasing, property management and car park operations of the Property. The Manager will retain core members of this team at the Target Company after Completion. In addition, the Manager will appoint a reputable external manager who is licensed and has experience in providing property management services in the PRC to provide facility management, car park management and day-to-day property services support to the asset management team at the Target Company in managing the shopping mall and the car parks.

The Agreed Property Value was agreed between the Seller and the Buyer after arm's length commercial negotiation and having considered the quality of the Property, its strategic location in Shenzhen Futian area, prevailing market conditions and trade-mix enhancement potentials, and it equals the Appraised Property Value. The Manager does not expect the Acquisition to result in a material change to the overall risk profile of Link. The Acquisition is consistent with the investment policy of Link and the Manager's objective of investing in real estate with potentials for income and capital value growth.

## **SECTION VIII. INFORMATION ON THE TARGET COMPANY**

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The Target Company is a wholly-foreign-owned enterprise established in the PRC on 31 October 2006. The principal business of the Target Company is to acquire, hold, operate, manage and let the Property.

The current term of operation of the Target Company is 40 years from 31 October 2006 to 31 October 2046. The Manager's PRC Legal Adviser is of the view that there are no legal impediments to the renewal of the term of operation of the Target Company since such renewal will primarily involve formality and procedural requirements.

The Manager's PRC Legal Adviser has confirmed that there are no legal impediments to the remittance of dividends from any retained earnings of the Target Company out of the PRC to the Buyer (as the sole shareholder of the Target Company), provided that such remittance is made in accordance with the relevant PRC foreign investment and foreign exchange laws and regulations and in accordance with the provisions of the Existing Property Mortgage.

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

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The Board (including the independent non-executive Directors) is satisfied that the Transaction Documents and the respective transactions contemplated thereunder are at arm's length, on normal commercial terms, fair and reasonable and in the interest of Link and the Unitholders as a whole. The Board is satisfied that no Unitholders' approval is required under the REIT Code and the Trust Deed for the Buyer to enter into the Transaction Documents and the respective transactions contemplated thereunder.

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

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The Manager has conducted due diligence on the Target Company as well as the Property in accordance with the relevant provisions of the REIT Code, the Practice Note on Overseas Investments by SFC-authorized REITs contained in the REIT Code and the Manager's compliance manual. No material irregularity or non-compliance issues have been identified during due diligence and the Manager is satisfied with the due diligence results.

The Manager confirms that, in relation to the Acquisition, the Practice Note on Overseas Investments by SFC-authorized REITs contained in the REIT Code has been complied with.

The Manager's PRC Legal Adviser has advised the Manager that the Target Company legally holds the land use rights and ownership rights of the Property and can legally occupy, use, lease and transfer the same (subject only to the Tenancies, the Existing Property Mortgage and the relevant land grant contracts). Based on advice from the Manager's PRC Legal Adviser, the Manager is of the view that Link (through the Target Company and other intermediate holding companies) will upon Completion have good marketable legal and beneficial title to the Property (subject only to the Tenancies, the Existing Property Mortgage and the relevant land grant contracts).

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

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Based on and in sole reliance on the opinion of the Board and the information and confirmation provided by the Manager (and having taken into account its duties under the Trust Deed and the REIT Code), the Trustee has no objection to the Acquisition and the Buyer entering into the Transaction Documents and the respective transactions contemplated thereunder and, the Trustee is satisfied that: (i) the Acquisition is consistent with Link's investment policy and in compliance with the REIT Code and the Trust Deed; and (ii) no Unitholders' approval is required under the REIT Code and the Trust Deed for the Buyer to enter into the Transaction Documents and the respective transactions contemplated thereunder.

## SECTION XII. REGULATORY IMPLICATIONS

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This announcement is made pursuant to 10.3 and 10.4 of the REIT Code. The sum of the Agreed Property Value of RMB6,600,000,000.00 (equivalent to approximately HK\$7,657,320,000.00) and the Expenses (approximately HK\$33,000,000.00), being in total approximately HK\$7,690,320,000.00: (i) represents approximately 4.19% 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 3.52% of the total assets of Link as at 30 September 2018 (as disclosed in the 2018/19 Interim Report) after adjusting for the impact of the payment of the interim distribution by Link on 10 December 2018, completion of the Beijing Acquisition on 23 January 2019 and assuming completion of the Hong Kong Disposal had taken place on 30 September 2018; and (iii) is less than 15% of the gross asset value of Link as at 30 September 2018 (as disclosed in the 2018/19 Interim Report).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries: (i) each of the Seller and its ultimate beneficial owners (namely, the Covenantors) is an Independent Third Party; and (ii) each of the parties to the Transaction Documents is an Independent Third Party. Accordingly, the Acquisition and respective transactions contemplated under the Transaction Documents are not connected party transactions of Link under the REIT Code.

- **Waiver from strict compliance with 7.5(c) of the REIT Code**

Under 7.5(c) of the REIT Code, a REIT may hold real estate through SPVs provided that, among other things, the SPVs are: (i) established for the sole purpose of directly holding real estate for the REIT and/or arranging financing for the REIT; or (ii) formed solely for the purpose of holding interests in one or more SPVs mentioned in (i).

The Manager has applied to the SFC for a waiver from strict compliance with 7.5(c) of the REIT Code such that: (i) the Buyer will be permitted to directly employ not more than 10 employees for the Centralised Functions (the **Centralised Function Employees**); and (ii) the Target Company will be permitted to directly employ (or continue to employ) not more than 150 employees for the Core Functions (the **Core Function Employees**).

(a) Centralised Function Employees

After Completion, the Buyer intends to employ the Centralised Function Employees to provide services solely to support the business activities of the Target Company, such as legal, financial and treasury, human resources and administration, and supervisory functions (the **Centralised Functions**). The Buyer will not engage in any activities or businesses unrelated to its investment in the Target Company and the Property.

The proposed employment arrangements of the Centralised Function Employees for the Centralised Functions will be in the interest of Link for the following reasons:

- (i) Subject to approval by the relevant tax authorities, the employment of the Centralised Function Employees will enable the Buyer to be eligible for a preferential withholding tax rate (currently, 5% as opposed to the standard withholding tax rate of 10%) in respect of dividends paid by the Target Company, the absence of which will reduce the Total Distributable Income (as defined in the Trust Deed) of Link, which will not be in the interest of Link nor the Unitholders as a whole.
- (ii) If a Centralised Function Employee were to be engaged by a third-party employer, Link would still expect to bear the costs of that employee's employment. Additional costs and other potential liabilities may also arise as a result of the involvement of a third-party employer. The proposed direct employment arrangement by the Buyer is not expected to result in any greater material adverse financial liability to Link than an arrangement involving a third-party employer.
- (iii) The activities of the Buyer will support the functions of the Target Company and will be for the sole benefit of the Target Company and, following Completion, the Buyer will not engage in any other activities or businesses unrelated to its investment in the Target Company and the Property.

(b) Core Function Employees

At Completion, the Target Company intends to directly employ (or continue to employ) the Core Function Employees for the purposes of conducting the Core Functions only. The functions of the Core Function Employees will be limited to the Core Functions.

Certain obligations and functions of the Target Company (the **Core Functions**) are required by the laws and regulations of the PRC to be performed by the Target Company which include:

- (i) legal and regulatory functions (for example, government authority liaison, obtaining government approvals, handling and responding to government enquiries, regulatory compliance, executing legal documents and bringing or defending legal proceedings or other proceedings, obtaining and liaising with government authorities to maintain the operational licences of the Target Company); and
- (ii) certain commercial functions, for example, supervising, monitoring or performing: (1) various facility and property management and asset management services (such as repairs and maintenance, cleaning, security, and car park operations) to the Target Company; and (2) office administrative services, leasing and tenant services in respect of the

Property and liaison with banks such as handling bank accounts of the Target Company and remitting dividends to the sole shareholder of the Target Company (being the Buyer).

The proposed employment arrangements of the Core Function Employees for the Core Functions will be in the interest of Link for the following reasons:

- (i) There is a legal and practical necessity for the Target Company to have a reasonable number of employees to perform the Core Functions, and supervise, monitor and perform various operational activities and enter into ancillary contracts on behalf of the Target Company with third parties whereby the Target Company is required to become a direct contracting party.
- (ii) The Manager does not expect such employment arrangements to cause material liabilities or losses to Link which is an internally-managed REIT nor will the costs of employment of the Core Function Employees represent any significant liability or loss to Link.
- (iii) The fact that engaging a third-party facility/property management company to provide property and facility management services to the Target Company will not relieve the Target Company from its obligations to supervise and monitor the Core Functions.
- (iv) If a Core Function Employee were to be engaged by a third-party employer, Link would still expect to bear the costs of that employee's employment. Additional costs and other potential liabilities may also arise as a result of the involvement of a third-party employer. The proposed direct employment arrangement by the Target Company is not expected to result in any greater material adverse financial liability to Link than an arrangement involving a third-party employer.
- (v) If the Target Company employs the Core Function Employees instead of appointing another service provider to perform the Core Functions, in the event that the appointment of any such service provider is discontinued for any reason, the Target Company will still have staff with knowledge and expertise continuity to perform the Core Functions. This minimises the disruption to the day-to-day operations of the Property and the Target Company.

For the reasons stated above, the Manager does not expect that the proposed employment arrangements of the Centralised Function Employees and the Core Function Employees will result in any significant liability or loss to Link.

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

The Manager has made a submission in respect of 7.5(d) of the REIT Code (regarding the use of more than two layers of SPVs) to hold the Property through intermediate holding companies for the purpose of organising Link's non-Hong

Kong investments, subject to Completion and the condition that there will be no change to the maximum number of five layers of SPVs used by Link for holding the Property without further approval of the SFC.

## SECTION XIII. GENERAL

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- **About the Buyer and Link**

The Buyer is a company incorporated in Hong Kong and a wholly-owned SPV of Link. The Buyer currently has no other business activity and will be used solely to hold the Target Company and the Property upon Completion.

Link is a collective investment scheme authorised by the SFC whose Units are listed on the Main Board of the Stock Exchange (stock code: 823). HSBC Institutional Trust Services (Asia) Limited is the Trustee. Link, managed by the Manager, currently has a diversified portfolio of retail and office properties and car park spaces in Hong Kong and Mainland China.

- **About the Seller and the Covenantors**

The principal business of the Seller is investment holding. Based on the information provided by the Seller, the Seller is ultimately and beneficially owned by the Covenantors.

- **Further announcements**

There are Pre-Completion Conditions and Completion Conditions in the Framework Agreement. **Completion of the Acquisition is subject to the satisfaction or waiver of such Pre-Completion Conditions and Completion Conditions, and may or may not take place. Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units.**

The Manager will make further announcements upon Completion, or alternatively, if either Pre-Completion or Completion does not take place due to the non-satisfaction of the Pre-Completion Conditions or Completion Conditions. The Manager will also announce any Adjustment Payment made by the Buyer or the Seller.

## SECTION XIV. DEFINITIONS

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In this announcement, the following definitions apply unless otherwise stated.

**2018/19 Interim Report** the interim report of Link for the six months ended 30 September 2018

**Acquisition** the acquisition of the Equity Interest (and through which the Property) by the Buyer from the Seller pursuant to the terms of the Framework Agreement and the ETA

<b><i>Adjusted NAV</i></b>	the adjusted NAV of the Target Company as at the close of business on the Completion Date
<b><i>Adjustment Payment</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Agreed Property Value</i></b>	RMB6,600,000,000.00, being the free-from-encumbrances value attributed to the Property, as agreed between the Seller and the Buyer for the Acquisition
<b><i>Appraised Property Value</i></b>	RMB6,600,000,000.00, being the appraised value of the Property as at the Valuation Date according to the Valuation Report
<b><i>Beijing Acquisition</i></b>	the acquisition by Link of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA), which was announced by the Manager on 26 November 2018 and completed on 23 January 2019
<b><i>Board</i></b>	the board of Directors of the Manager
<b><i>Buyer</i></b>	Preston River (HK) Limited, a company incorporated in Hong Kong and a wholly-owned SPV of Link
<b><i>Centralised Function Employees</i></b>	has the meaning given to this term in “SECTION XII — REGULATORY IMPLICATIONS” above
<b><i>Centralised Functions</i></b>	has the meaning given to this term in “SECTION XII — REGULATORY IMPLICATIONS” above
<b><i>Completion</i></b>	completion of the Acquisition
<b><i>Completion Conditions</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Completion Corporate Conditions</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Completion Date</i></b>	the third business day after (and exclusive of) the date of receipt of the Completion Notice, or such other date as the Seller and the Buyer agree in writing
<b><i>Completion Equity Pledge Release Condition</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above

<b><i>Completion Existing Loan Condition</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Completion Notice</i></b>	the notice to be delivered by the Seller to the Buyer on the second business day after (and exclusive of) the date on which the Completion Equity Pledge Release Condition and the Completion Corporate Conditions have been satisfied or waived in accordance with the Framework Agreement
<b><i>Completion Payment</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Completion Statement</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Core Function Employees</i></b>	has the meaning given to this term in “SECTION XII — REGULATORY IMPLICATIONS” above
<b><i>Core Functions</i></b>	has the meaning given to this term in “SECTION XII — REGULATORY IMPLICATIONS” above
<b><i>Covenantors</i></b>	LIU WEIHONG (刘伟宏) and LIU ERGANG (刘尔纲), the ultimate beneficial owners of the Seller and (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) each an Independent Third Party
<b><i>Deposit</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Deposit Escrow Agreement</i></b>	the escrow agreement for the Deposit entered and/or to be entered into by the Seller, the Buyer and the Onshore Escrow Agent on or around the date of the Framework Agreement
<b><i>Director(s)</i></b>	the director(s) of the Manager
<b><i>Employment Termination</i></b>	the termination of all the employees of the Target Company and all the employees of the Seller or its affiliate(s) working for the Target Company as contemplated in the Framework Agreement
<b><i>Equity Interest</i></b>	all of the equity interest of and in the Target Company

<b><i>Escrow Agreements</i></b>	collectively, the Deposit Escrow Agreement, the Pre-Completion Payment Escrow Agreement and the Seller Tax Escrow Agreement
<b><i>ETA</i></b>	the equity transfer agreement dated 20 February 2019 entered into by the Seller and the Buyer in respect of the sale and purchase of the Equity Interest
<b><i>Existing Equity Pledge</i></b>	the existing pledge over the Equity Interest given by the Seller in favour of the Existing Onshore Lender as security for the repayment of the Existing Onshore Loan
<b><i>Existing Offshore Lender</i></b>	China Construction Bank Corporation, Singapore Branch (中国建设银行股份有限公司新加坡分行)
<b><i>Existing Offshore Loan</i></b>	the existing term loan facility provided by the Existing Offshore Lender to the Seller
<b><i>Existing Offshore Loan Amount</i></b>	the total of all amounts (including principal, interests, administrative fees and other fees, penalties, charges, costs, expenses and/or other amounts) owing and/or payable under or in respect of the Existing Offshore Loan, being HK\$712,559,021.68 as at 20 February 2019
<b><i>Existing Onshore Lender</i></b>	China CITIC Bank Corporation Limited, Shenzhen Qianhai Branch (中信银行股份有限公司深圳前海分行), which (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) is an Independent Third Party
<b><i>Existing Onshore Loan</i></b>	the existing term loan facility provided by the Existing Onshore Lender to the Target Company, which the Target Company (as borrower) will continue after Completion
<b><i>Existing Onshore Loan Guarantee</i></b>	has the meaning given to this term in “SECTION III — THE PROPERTY” above
<b><i>Existing Property Mortgage</i></b>	collectively: (i) the existing Maximum Property Mortgage (最高额抵押合同) entered into by, among others, the Target Company and the Existing Onshore Lender in respect of 169 units in the Property; and (ii) the existing Maximum Property Mortgage (最高额抵押合同) entered into by, among others, the Target Company and the Existing Onshore Lender in respect of 175 units in the Property, which the Target Company will continue after Completion

<b><i>Expenses</i></b>	expenses in an aggregate amount of approximately HK\$13,000,000.00 payable by the Buyer in respect of professional services fees, estate agency fees of HK\$17,000,000.00 and stamp duty fee of HK\$3,000,000.00 in connection with the Acquisition
<b><i>Final Adjusted NAV</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Framework Agreement</i></b>	the framework agreement dated 20 February 2019 entered into by the Seller, the Covenantors and the Buyer in respect of the Acquisition
<b><i>Hong Kong</i></b>	the Hong Kong Special Administrative Region of the PRC
<b><i>Hong Kong Disposal</i></b>	the disposal by Link of: (1) the Ap Lei Chau Property; (2) the Chun Shek Property; (3) the Fortune Property; (4) the King Lam Property; (5) the Lei Tung Property; (6) the Ming Tak Property; (7) the Shan King Property; (8) the Siu Hei Property; (9) the Tai Ping Property; (10) the Wah Ming Property; (11) the Wah Sum Property; and (12) the Wang Tau Hom Property, which was announced by the Manager on 12 December 2018
<b><i>HK\$</i></b>	Hong Kong dollars, the lawful currency of Hong Kong
<b><i>Independent Property Valuer</i></b>	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 Chapter 6 of the REIT Code) appointed for valuing the Property for the purpose of the Acquisition
<b><i>Independent Third Party</i></b>	an independent third party who is not a connected person (as defined in the REIT Code) of Link
<b><i>Initial Price</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Link</i></b>	Link Real Estate Investment Trust, a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), whose Units are listed on the Main Board of the Stock Exchange (stock code: 823), and where the context requires, includes SPVs of Link
<b><i>Listing Rules</i></b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

<b>LPL</b>	Link Properties Limited (領展物業有限公司), a company incorporated in the Cayman Islands and a wholly-owned SPV of Link
<b>LPL Guarantee</b>	the guarantee dated 20 February 2019 entered into between LPL (as guarantor) and the Seller (as beneficiary), pursuant to which LPL guarantees the performance of the Buyer's payment obligations in respect of the Completion Payment and the Retention Amount
<b>Manager</b>	Link Asset Management Limited, in its capacity as the manager of Link
<b>Manager's PRC Legal Adviser</b>	Jun He Law Offices, which is the PRC legal adviser appointed by the Manager for the Acquisition
<b>Material Damage Condition</b>	has the meaning given to this term in "SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT" above
<b>NAV</b>	net asset value
<b>New Equity Pledge</b>	has the meaning given to this term in "SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT" above
<b>Offshore Escrow Agent</b>	Bank of East Asia (Trustees) Limited, a company incorporated in Hong Kong and (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) an Independent Third Party
<b>Onshore Escrow Agent</b>	中信銀行股份有限公司深圳分行, who (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) is an Independent Third Party
<b>Parties</b>	the parties to the Framework Agreement
<b>PRC</b>	the People's Republic of China
<b>Pre-Completion</b>	pre-completion of the Acquisition in accordance with the Framework Agreement
<b>Pre-Completion Conditions</b>	has the meaning given to this term in "SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT" above

<b><i>Pre-Completion Date</i></b>	the third business day after (and exclusive of) the date of receipt of the Pre-Completion Notice, or such other date as the Seller and the Buyer agree in writing
<b><i>Pre-Completion Employment Condition</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Pre-Completion Existing Loan Condition</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Pre-Completion Notice</i></b>	the notice to be delivered by the Seller to the Buyer on the second business day after (and exclusive of) the date on which the Pre-Completion Employment Condition has been satisfied or waived in accordance with the Framework Agreement
<b><i>Pre-Completion Payment</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Pre-Completion Payment Escrow Agreement</i></b>	the escrow agreement for the Pre-Completion Payment entered and/or to be entered into by the Seller, the Buyer and the Offshore Escrow Agent on or around the date of the Framework Agreement
<b><i>Property</i></b>	the property known as 新怡景商业中心 (CENTRALWALK), a shopping mall located at Fuhua Road, Central District, Futian, Shenzhen, the PRC (中国深圳市福田区福华路)
<b><i>Pro-forma Adjusted NAV</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>Receivables Condition</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b><i>REIT</i></b>	real estate investment trust
<b><i>REIT Code</i></b>	the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC
<b><i>Retention Amount</i></b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above

<b>RMB</b>	Renminbi, the lawful currency of the PRC
<b>Seller</b>	Central Walk (Barbados) Company Ltd., a company incorporated in Barbados and (to the best knowledge, information and belief of the Manager, having made all reasonable enquiries) an Independent Third Party
<b>Seller Tax Escrow Agreement</b>	the escrow agreement for the Seller Tax Withheld Amount entered and/or to be entered into by the Seller, the Buyer and the Offshore Escrow Agent on or around the date of the Framework Agreement
<b>Seller Tax Withheld Amount</b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above
<b>Seller’s PRC Tax</b>	all taxes (including PRC corporate income taxes) arising from or in connection with and/or payable as a result of or in connection with the transfer of the Equity Interest from the Seller to the Buyer as contemplated in the Framework Agreement and the ETA
<b>SFC</b>	the Securities and Futures Commission of Hong Kong
<b>SPV(s)</b>	special purposes vehicle(s)
<b>sqm</b>	square metre
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Target Company</b>	保怡物业管理(深圳)有限公司, a wholly-foreign-owned enterprise established in the PRC and a direct wholly-owned subsidiary of the Seller
<b>Tenancies</b>	all subsisting leases, tenancy agreements, licence agreements and other rights to occupy or use to which the Property (or any part thereof) is subject
<b>Transaction Documents</b>	means the Framework Agreement, the ETA, the Escrow Agreements, the LPL Guarantee, the New Equity Pledge and the Existing Onshore Loan Guarantee
<b>Trust Deed</b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link (as amended and supplemented by twelve supplemental deeds)
<b>Trustee</b>	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link
<b>Unit(s)</b>	unit(s) of Link

<b>Unitholder(s)</b>	holder(s) of Unit(s)
<b>USD Equivalent</b>	(of any sum in RMB) the sum in US\$ which is equivalent to such sum in RMB calculated using: (i) the US\$/CNY(HK) Spot Rate quoted by Treasury Markets Association on the second business day prior to (and exclusive of) the date on which the relevant determination, payment or conversion, as the case may be, is to be made (if such US\$/CNY(HK) Spot Rate is not available on the date concerned, such US\$/CNY(HK) Spot Rate last available before the date concerned shall be applied); or (ii) such other exchange rate as may be agreed between the Seller and the Buyer in writing
<b>US\$</b>	US dollars, the lawful currency of the United States of America
<b>Valuation Date</b>	31 December 2018
<b>Valuation Report</b>	the valuation report on the Property dated 31 January 2019 by the Independent Property Valuer for the purpose of the Acquisition
<b>Warranties Condition</b>	has the meaning given to this term in “SECTION II — KEY TERMS OF THE FRAMEWORK AGREEMENT” above

The HK\$ equivalent of RMB disclosed in this announcement is arrived at using the Treasury Markets Association spot rate (RMB1: HK\$1.1602) quoted as at two business days before the date of this announcement.

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, 20 February 2019

*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