

STATEMENT OF MATERIAL ASSETS AND LIABILITIES

The following table sets out the material assets and liabilities of The Link REIT as at the Listing Date following the issuance of the Units in the Global Offering and adjusted for the initial drawdown of approximately HK\$12.2 billion from the Loan Facility on or after the Listing Date to be used to partially fund the acquisition of the Properties. The information in the table should be read in conjunction with the section headed “Terms of Acquisition” in this Offering Circular:

	HK\$'M
Assets	
Investment properties ⁽¹⁾	33,802
Goodwill ⁽²⁾	4,389
Liabilities and equity	
Deferred tax liabilities ⁽³⁾	3,748
Security Deposits ⁽⁴⁾	259
Bank loan drawn on or after the Listing Date ⁽⁵⁾	12,169
Unitholders' equity ⁽⁶⁾	22,015

Notes:

- (1) Investment properties are stated at market valuation based on the valuation performed by the Independent Property Valuer as at 30 September 2005.
- (2) Goodwill is the difference between the acquisition cost (as described in the section headed “Terms of Acquisition” in this Offering Circular) and the aggregate fair values of the identified assets and liabilities (including deferred tax liability (note 3)) assumed in the acquisition of HoldCo, PropCo and the Manager.
Based on the Maximum Offer Price (not taking into account the Hong Kong Public Offering Discount) and the market valuation of the Properties based on the 30 September 2005 valuation and the amounts of liabilities listed above, including deferred tax, and assuming the Over-allotment Option is exercised in full, there will be an estimated goodwill of HK\$4,389 million.
- (3) Deferred tax liabilities, estimated at 17.5% of the difference between the tax base of the assets and liabilities acquired and their carrying amounts on the balance sheet, is recognised on the acquisition of HoldCo, PropCo and the Manager and is measured on the basis of the tax consequences that would follow from recovery of the carrying amount of investment properties through use.
- (4) Security deposits represent security deposits paid by tenants of the Retail Facilities under their Leases and are stated based on the warranty in the Share Purchase Agreement that the maximum security deposits would not be more than HK\$259 million. See the section headed “Terms of Acquisition — Security Deposits” in this Offering Circular for further details.
- (5) Bank loan refers to the portion of the acquisition cost to be funded from the Loan Facility and drawn down on the Listing Date.
- (6) Based on the Maximum Offer Price (without taking into account the Hong Kong Public Offering Discount) and assuming that the Over-allotment Option is exercised in full.

Based on the Maximum Offer Price, the NAV per Unit is HK\$10.30 based on the assumptions set out above and on the 2,137,454,000 Units expected to be in issue immediately following completion of the Global Offering, and assuming the Over-allotment Option is exercised in full.

Assuming that the 577,754,000 Units initially available under the Hong Kong Public Offering are issued at the Discounted Maximum Offer Price, and the remaining 1,559,700,000 Units (assuming the Over-allotment Option is exercised in full) are issued at the Maximum Offer Price, Unitholders' equity would be approximately HK\$21.7 billion, and the NAV per Unit would be HK\$10.16.

If Units are reallocated from the International Offering to the Hong Kong Public Offering, the NAV per Unit upon completion of the Global Offering on the same bases would be lower, as those additional Units would be subject to the Hong Kong Public Offering Discount. If Units are reallocated from the Hong Kong Public Offering to the International Offering, the NAV per Unit upon completion of the Global Offering on the same bases would be higher as those Units would no longer be subject to the Hong Kong Public Offering Discount.