

Details of Connected Party Transactions

Following completion of the Global Offering, there will be continuing transactions between The Link REIT and the following persons noted below, which will constitute connected party transactions of The Link REIT within the meaning of the REIT Code. Details of these transactions as well as the modifications or waivers sought by The Link REIT in relation to the relevant provisions in Chapter 8 of the REIT Code on connected party transactions are set out below.

Introduction

Following completion of the Global Offering, there will be, and it is likely that there will continue to occur from time to time, a number of transactions between The Link REIT's Group and parties which have a relationship or connection with The Link REIT.

The REIT Code contains rules governing transactions between The Link REIT's Group and certain defined categories of connected persons. Such transactions will constitute connected party transactions for the purposes of the REIT Code.

As well as significant holders, The Link REIT's connected persons will include, among others: (i) the Trustee and companies within the same group as, or associated companies of, the Trustee; and (ii) the Directors and their respective associates. For this purpose, the associates of the Directors include (among others) other companies of which they are directors.

The Manager has established an internal control system intended to ensure that connected party transactions between The Link REIT's Group and its connected persons are monitored and that these are undertaken on terms in compliance with the REIT Code. As required by the REIT Code, all connected party transactions must be carried out at arm's length terms and in the best interest of Unitholders.

The Manager has also applied for certain waivers from the REIT Code with respect to transactions with financial services groups that are connected persons. These waivers are subject to the conditions mentioned under the sub-section headed "Waivers from strict compliance with the requirements of the REIT Code in respect of Certain Transactions" below.

Internal Controls

The Manager has established an internal control system intended to ensure that connected party transactions between The Link REIT's Group and its connected persons are monitored and undertaken on terms in compliance with the REIT Code. As required by the REIT Code, all connected party transactions must be carried out at arm's length terms and in the best interest of Unitholders.

As a general rule, the Manager must demonstrate to the Audit Committee (comprising at all times independent non-executive Directors only) that connected party transactions satisfy the foregoing criteria, which may entail (where applicable) obtaining quotations from parties unrelated to The Link REIT's Group, or obtaining one or more valuations from independent professional valuers.

The Manager will maintain a register to record all connected party transactions which are entered into by members of The Link REIT's Group and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into. The Manager will also incorporate into its internal audit plan a review of all connected party transactions entered into by members of The Link REIT's Group. The Audit Committee will review the internal audit reports to ascertain, among other things, whether the guidelines and procedures established to monitor connected party transactions have been complied with and whether the transactions are fair and reasonable. In addition, the Trustee will also have the right to review such audit reports to ascertain whether the provisions of the REIT Code have been complied with.

With respect to leases of real estate by members of The Link REIT's Group in the ordinary course of business, transactions will be evaluated for these purposes by reference to the value of rental for the terms of the leases.

If an underwriting of any issue of securities in connection with a rights issue, open offer or placing subsequent to the Global Offering involves participation by any connected person, the arrangements will normally be subject to the approval of the Audit Committee (which may approve the terms or procedures proposed) unless: (a) the underwriting arrangements are of a syndicated nature under which each connected person participates together with another party or parties on no more favourable terms than other members of the syndicate not being connected persons; or (b) it is not reasonably practicable due to timing considerations in light of market conditions, in which case: (i) the Manager will use its best endeavours to ensure that the arrangements are notified to, and considered in advance by, at least one member of the Audit Committee; and (ii) the Audit Committee will review the terms of the arrangements as soon as may be practicable in order to be satisfied as to the arm's length nature of participation by connected persons.

Without limiting the foregoing, a financial services transaction between any member of The Link REIT's Group and a connected person may be entered into only with the prior written approval of the Audit Committee or the Board (which may approve the terms or procedures proposed) if the transaction is or involves a swap or transaction for hedging purposes of existing or contemplated facilities.

Under the Trust Deed, a significant holder and its related parties are prohibited from voting their Units at, or being part of a quorum for, any meeting of Unitholders convened to approve any matter in which the significant holder or any of its related parties has a material interest in the business to be conducted.

It is also provided in the Trust Deed and the compliance manual of the Manager that if the Trustee is required to decide whether or not to take any action against any person in relation to any breach of any agreement (or otherwise pursuant to any contractual arrangements) entered into by the Trustee or the Manager (for and on behalf of The Link REIT) with a Trustee Connected Party, the Trustee and the Manager shall consult with a reputable law firm (which is independent of the subject or the person against whom the action is to be taken) which will provide legal advice on the matter. If that law firm is of the opinion that The Link REIT, or any other member of The Link REIT's Group, has a prima facie case against the party allegedly in breach under such agreement, the Trustee or the Manager will be obliged to take appropriate action in relation to such agreement (provided that, in respect of any action involving a Trustee Connected Party, the Trustee shall always act in accordance with the instructions of the Manager). The Directors will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager must inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by any member of The Link REIT's Group (or by the Trustee or the Manager for and on behalf of The Link REIT) with a Trustee Connected Party, and the Manager may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Where the Trustee considers that it is not in the best interests of the Unitholders pursuant to the Trust Deed to take action as contemplated therein, such opinion shall not waive the rights of the Trustee or the Manager on behalf of the The Link REIT or any of its subsidiaries to take such action at a future date or to otherwise act in the best interests of the Unitholders pursuant to the Trust Deed.

Notwithstanding the measures in the internal control procedures described above, the Manager will have to ensure compliance with the REIT Code requirements on connected party transactions.

Ordinary Course Banking Services and Other Transactions with Connected Financial Services Groups

As noted above, The Link REIT's connected persons include, among others: (a) the Trustee and companies within the same group as, or associated companies of, the Trustee; and (b) the Directors and their respective associates (for which purpose, the associates of the Directors include, among others, other companies of which they are directors).

As a result, the list of connected persons of The Link REIT and the Manager will include: (a) The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries because the Trustee is an indirect wholly-owned subsidiary of The Hong Kong and Shanghai Banking Corporation Limited; and

(b) Wing Hang Bank, Ltd. and other members of the WHB Group because Mr. Patrick Fung is the chairman, chief executive of Wing Hang Bank, Ltd., and a director of Wing Hang Bank, Ltd. and a director of various other members of the WHB Group. The HSBC Group and the WHB Group are together referred to below as the Relevant Banking Group.

Based on the internal controls described above, the Manager intends to adopt and observe certain policies with respect to transactions between members of The Link REIT's Group and the Relevant Banking Group.

The following categories of transactions with the Relevant Banking Group (hereafter referred to as ordinary course banking services) may be entered into from time to time and will be deemed not to be a connected party transaction and therefore will not be subject to any requirement for an announcement or Unitholders' approval under the Connected Party Rules:

- (a) deposits and other "banking business" (as defined in the Banking Ordinance) by The Link REIT (or any other member of The Link REIT's Group) on arm's length commercial terms with any member of the Relevant Banking Group (excluding the Trustee) which is a "licensed corporation" or "registered institution" (each as defined in the SFO) or overseas equivalent (together referred to as Relevant Banking Group intermediaries);
- (b) loans in the form of current accounts or revolving facilities and other loans in the ordinary course of business of The Link REIT (or any other member of The Link REIT's Group) may be made or provided to, or arranged for, The Link REIT (or any other member of The Link REIT's Group) on arm's length commercial terms by any Relevant Banking Group intermediaries (excluding the Trustee) and such facilities may be secured or unsecured; and
- (c) related financial services constituting "regulated activities" (as defined in the SFO) and other services required in the ordinary course of business by The Link REIT (or any other member of The Link REIT's Group) (including, for example, corporate credit cards, mandatory provident fund services, payment and cash management services, insurance, ORSO retirement benefit schemes and asset management services) may be provided on arm's length commercial terms by any member of the Relevant Banking Group (excluding the Trustee).

In relation to the above categories of transactions with the Relevant Banking Group, the Manager will:

- (a) disclose in its annual report a positive or negative confirmation whether any ordinary course banking services have been entered into with each member of the Relevant Banking Group in the relevant financial year and a description of the general nature or types of such transactions; and
- (b) disclose in its annual report that (i) the Audit Committee has reviewed the general nature and types of such transactions and reported on them and (ii) the Audit Committee is satisfied that the general nature and types of transactions are of the type that are contemplated in the waiver application and are of a nature and a type that would be entered into in the ordinary and usual course of business at arm's length on normal commercial terms and there are no material inconsistencies with the internal procedures of the Manager that should be drawn to the attention of the Unitholders.

In any case where the Relevant Banking Group (excluding the Trustee) is acting in the ordinary course of its business and in the capacity of fund manager, nominee, custodian, agent or trustee or otherwise on behalf of a third party (so that the transaction is being conducted for the account or benefit of a party other than the Relevant Banking Group concerned), the transaction (including a transaction in securities of The Link REIT) will not be regarded as a connected party transaction. Such a transaction would include a transaction between The Link REIT and another collective investment scheme (including another REIT) for which a company within the Relevant Banking Group acts as the manager or trustee, provided the transaction is not a proprietary transaction of the Relevant Banking Group.

For the avoidance of doubt, a transaction which is the subject of a waiver stipulated or described under the sub-sections headed “Waivers from strict compliance with the requirements of the REIT Code in respect of Certain Transactions” or “Unitholders’ Mandate” below are not required to be taken into account and aggregated with any transactions which are not the subject of any such waiver.

Waivers from strict compliance with the requirements of the REIT Code in respect of Certain Transactions

1 Waiver of Disclosure and Reporting Requirements with respect to Excluded Transactions and Transactions with Excluded Persons

The Manager has applied for, and the SFC has granted, a waiver from strict compliance with the disclosure and reporting obligations in respect of certain connected party transactions (as set out in Rules 8.14, 8.15, 8.16 and 10.4 of, and note 2 of Appendix C to, the REIT Code) as follows:

Excluded transactions

Any transaction (other than connected party transactions with the HSBC Group):

- (i) that is in the nature of the ordinary course of the leasing business of The Link REIT and is transacted on normal arm’s length commercial terms which are offered to the public or otherwise at published rates (such as leasing of premises, carparking facilities, booth hire and advertising space); or
- (ii) that is entered into with a connected person in his/her/its capacity as a Unitholder, on terms which are the same or substantially the same as those offered to Unitholders in general on a pro rata basis (such as a rights issue of new units or other securities); and

Excluded persons

Those persons falling within the scope of employees under paragraphs (c) and (k) of the definition of associate, as defined in Schedule 1 to the SFO, (namely, employees of the relevant connected person (and, where the relevant connected person is a corporation, employees of any of its related corporations)), but such exclusion does not exempt such persons from other categories of connected persons.

Pursuant to such waiver, any connected party transactions falling within the categories in paragraphs (a) and (b) above need not be disclosed as connected party transactions.

2 Waivers from strict compliance with the Approval and Disclosure Requirements with respect to Lease Transactions with the HSBC Group

The Manager has also applied for, and the SFC has granted, a waiver from strict compliance with the Unitholders’ approval requirements in Rules 8.9 and 8.11 of the REIT Code and a modification of the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to certain lease transactions with the HSBC Group.

As a result of the waiver, the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code that would apply in respect of any lease transaction entered into between any member of The Link REIT’s Group and the HSBC Group (excluding the Trustee, the subsidiaries of the Trustee and any unit of the HSBC Group carrying out the Trustee’s functions) as lessee, shall be modified as described in conditions (c), (e), (f) and (g) below.

Such waiver has been granted subject to the following specific continuing conditions and the general conditions under the sub-section headed “General Conditions Applicable to Waivers under Paragraphs 2, 3 and 4 above” below:

- (a) the lease transaction is carried out at arm’s length on normal commercial terms;
- (b) the grant and the terms of the lease are negotiated and determined solely by and at the discretion of the Manager and not the Trustee;

- (c) a statement is made by the Audit Committee in the annual report of The Link REIT that it has reviewed the terms of the lease transactions and is satisfied that these transactions have been entered into in the ordinary and usual course of business at arm's length on normal commercial terms, are fair and reasonable and are in the interests of Unitholders;
- (d) an independent valuation is required for such lease transactions unless they are entered into at arm's length on normal commercial terms consistent with the terms offered to the public (including at published rates) or otherwise at market rates taking into account the circumstances of the particular tenant, the particular property, the relevant trade mix and/or similar tenants or properties.
- (e) disclosure is made in the annual report of The Link REIT of the aggregate annual rent paid by the HSBC Group to The Link REIT during the year;
- (f) disclosure is made in the annual report of The Link REIT of the grant and material terms of any lease entered into by the HSBC Group with The Link REIT under which the annual rent exceeds HK\$1 million per lease in accordance with Rule 8.15 of the Code; and
- (g) auditors of The Link REIT to report to the Manager confirming that the transactions:
 - (i) were duly approved by the board of Directors of the Manager in accordance with the internal procedures of the Manager; and
 - (ii) were entered into in accordance with the terms of the agreements governing the transactions.

3 Waivers from strict compliance with the Approval, Disclosure and Reporting Requirements with respect to Unit Dealing Transactions with the HSBC Group

The Manager has also applied for, and the SFC has granted, a waiver from compliance with the Unitholders' approval requirements in Rules 8.9 and 8.11 of the REIT Code and a modification of the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to certain unit dealing transactions with the HSBC Group.

As a result of the waiver, any unit dealing transactions with any member of The Link REIT's Group (other than corporate finance transactions), where a member of the HSBC Group (excluding the Trustee, the subsidiaries of the Trustee and any unit of the HSBC Group carrying out the Trustee's functions, other than where the Trustee is trustee of another collective investment scheme and is acting in that capacity) acquires, purchases, subscribes, sells or disposes of units on terms which are substantially the same as available to the public or other Unitholders (including off-market dealings), will not be subject to the Unitholders' approval, announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code.

Such waiver has been granted subject to the specific continuing condition that the terms of sale or purchase or unit issuance are the same as those available and offered to the public or other institutions and (where relevant) to be subject to the application and allocation rules set out in the Listing Rules or in accordance with the agreements governing the relevant off-market transactions, (where applicable) and the general conditions under the sub-section headed "General Conditions Applicable to Waivers under Paragraphs 2, 3 and 4 above" below are complied with.

For the avoidance of doubt:

- (a) the conditions in this paragraph 3 will not apply to underwriting transactions which are covered under the waiver for corporate finance transactions and which are subject to the conditions under paragraph 4; and
- (b) any dealing by HSBC Group in Units on the Hong Kong Stock Exchange or off-market transaction would not be a connected party transaction.

4 Waivers from strict compliance with the Approval and Disclosure Requirements with respect to Corporate Finance Transactions with the HSBC Group

The Manager has also applied for, and the SFC has granted, a waiver from strict compliance with the Unitholders' approval requirements in Rules 8.9 and 8.11 of the REIT Code and a modification of the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code.

As a result of the waiver, the announcement, disclosure and reporting requirements under Chapter 8 of the REIT Code that would apply in respect of any corporate finance transactions between the HSBC Group and any member of The Link REIT's Group shall be modified as described in the conditions (a) to (k) below. For this purpose "corporate finance transactions" means:

- (i) underwriting, securitisation, issue of debt instruments or other securities, or other related arrangements where the HSBC Group is involved in an underwriting or arranging capacity or acts as listing agent and/or financial adviser and/or global co-ordinator to The Link REIT;
- (ii) lending and borrowing of funds or other related arrangements (including refinancings thereof) in connection with any facility agreement by which The Link REIT's Group will finance the acquisition of real estate (other than ordinary course banking services which relate generally to working capital financing); and
- (iii) "corporate advisory transactions", (being the provision of corporate finance advice to The Link REIT and excludes (i) and (ii) above).

For the avoidance of doubt, "corporate finance advice" means advice:

- 1. concerning compliance with or in respect of the Listing Rules, The Rules Governing the Listing of Securities on the Growth Enterprise Market of the Hong Kong Stock Exchange, The Hong Kong Code on Share Repurchases or The Hong Kong Code on Takeovers and Mergers; or
- 2. concerning: (i) any offer to dispose of securities to the public; (ii) any offer to acquire securities from the public; or (iii) acceptance of any offer referred to in (i) or (ii), but only in so far as the advice is given generally to holders of securities or a class or securities; or
- 3. concerning corporate restructuring in respect of securities (including the issue, cancellation or variation of any rights attaching to any securities).

Such waiver has been granted subject to the following specific continuing conditions and the general conditions under the sub-section headed "General Conditions Applicable to Waivers under Paragraphs 2, 3 and 4 above" below:

- (a) the waiver shall not to apply to the Trustee itself;
- (b) each transaction is carried out at arm's length on normal commercial terms;
- (c) the Trustee is not involved in the decision to enter into any such transaction (including the selection of the financial adviser or underwriter of the transaction), subject only to its duties of oversight under the REIT Code and the Trust Deed;
- (d) the offering document or any circular for The Link REIT will include clear disclosure regarding this waiver and, with respect to the transactions under (i) and (ii) of this waiver, full disclosure of the material terms of the relevant agreements;
- (e) the annual report of The Link REIT will disclose the following details:
 - (i) the aggregate fees paid to HSBC Group in respect of corporate finance transactions conducted by the HSBC Group for The Link REIT in the relevant financial year; and
 - (ii) in respect of corporate finance transactions conducted by the HSBC Group for The Link REIT in the relevant financial year whose individual fees exceed HK\$1 million:
 - (A) the nature of the transaction; (B) the parties to the transaction; and (C) the date of the transaction;

- (f) each of the Manager and the Trustee will confirm, in respect of transactions disclosed under (i), (ii) and (iii) above, in the annual report of The Link REIT that (b) and (c) above and the general conditions in the sub-section headed “General Conditions Applicable to Waivers under Paragraphs 2, 3 and 4 above” below have been complied with;
- (g) a statement will be made by the Audit Committee in the annual report of The Link REIT that it has reviewed the terms of any such connected party transactions and is satisfied that such transactions have been entered into in the ordinary and usual course of business at arm’s length on normal commercial terms are fair and reasonable and are in the interests of Unitholders;
- (h) underwriting or other related agreements are to be in respect of a particular transaction carried out at arm’s length on normal commercial terms, the primary objective of which is the offering or distribution of securities to parties outside of the HSBC Group;
- (i) aggregate fees of the HSBC Group generated from all “corporate advisory transactions” between the HSBC Group and The Link REIT conducted during the relevant financial year are to be capped at 0.5% of the latest published net asset value of The Link REIT (“NAV”), in order for the waiver to apply to “corporate advisory transactions”. For the financial year commencing on 1 April 2006, the cap amount will be 0.5% of the latest NAV as disclosed in the latest published audited accounts of The Link REIT and adjusted by any subsequent transactions published in an announcement and/or circular of The Link REIT. If the aggregate fees of the HSBC Group generated from all “corporate advisory transactions” between the HSBC Group and The Link REIT conducted during the financial year exceed the cap above, the normal connected party transaction requirements under Chapter 8 of the REIT Code (including obtaining Unitholders’ approval) will apply with respect to the relevant connected party transaction. The cap amount has been set as a percentage of the latest published NAV rather than a monetary amount as the cap will fluctuate with changes in the NAV. The cap is proposed in order that the Manager has the flexibility to appoint the HSBC Group on corporate advisory transactions. However, the Manager is not bound in any way to appoint the HSBC Group to be its advisor. Such decision will be made solely by the Manager and not the Trustee; and
- (j) where a transaction involving the HSBC Group is required to be announced pursuant to the provisions of the REIT Code and to which the waivers granted by the SFC in respect of connected party transactions involving connected persons of the Trustee (and any other waivers for announcements that may be granted by the SFC) do not apply, then disclosure of the role played by the HSBC Group and the relevant terms of engagement shall be made in the relevant announcement in accordance with normal market practice and the requirements of the REIT Code; and
- (k) the auditors of The Link REIT to report to the Manager confirming that:
 - (i) the transactions were duly approved by the board of Directors of the Manager in accordance with the internal procedures of the Manager;
 - (ii) the transactions were entered into in accordance with the terms of the agreements governing the transactions; and
 - (iii) the aggregate fees of the HSBC Group generated from all “corporate advisory transactions between the HSBC Group and The Link REIT conducted during the relevant financial year do not exceed the cap as described in paragraph 4(i) above.

Given the nature of corporate finance transactions, the Manager may need to take into account many factors when it appoints its advisor for a particular transaction, for example, the experience and knowledge of a particular bank, proposed fees, potential conflicts, relationship and the timing of the transaction. It may not be practicable to obtain competitive bid through open tender every time the Manager decides to carry out a corporate finance transaction. The decision to appoint its advisors for corporate finance transactions will be made solely by the Manager, and not the Trustee.

General Conditions Applicable to Waivers under Paragraphs 2, 3 and 4 above

The waivers in paragraphs 2, 3 and 4 above have been granted subject to the following pre-conditions and general conditions on an on going basis, in addition to the waiver-specific conditions stated above:

Pre-conditions to the granting of the waivers

- (i) clause 19.5 of the Trust Deed shall state that the Trustee shall be obliged to take actions including commencing legal proceedings on behalf of The Link REIT, including against any Trustee Connected Party, if so requested in writing by the Manager and if the Trustee considers that such act is in the best interests of Unitholders.
- (ii) counsel to the Trustee, Simmons and Simmons has provided a legal opinion on 3 November 2005 confirming that the provisions in the Trust Deed requiring the Trustee to take action or commence proceedings on behalf of The Link REIT as necessary against connected persons of the Trustee in relation to breach of any agreement entered into by the Trustee for and on behalf of The Link REIT with such persons are legally binding and enforceable.
- (iii) each of the Trustee and The Hongkong and Shanghai Banking Corporation Limited (on behalf of itself and its subsidiaries) has signed an undertaking on 4 November 2005 to the satisfaction of the Manager (and a copy of which has been filed with the SFC) that they will act independently of each other in their dealings with The Link REIT, provided that the connected party transaction waivers are limited to the activities of The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries. Such undertaking shall be described in the 'Material Contracts' section of this Offering Circular. In relation to this, the Manager requires from the Trustee and the Trustee has submitted a simplified corporate chart of The Hongkong and Shanghai Banking Corporation Limited with details of the types of activities conducted by the major operating subsidiaries/arms under the umbrella of The Hongkong and Shanghai Banking Corporation Limited.
- (iv) for waivers in relation to the HSBC Group, the Trustee has signed a letter on 4 November 2005, which has confirmed to the Manager that there are safeguards, internal control and compliance procedures (including Chinese Walls) in place to deal with connected party transactions which are satisfactory to the Manager and has undertaken to inform the Manager of any change that may affect in a material manner the adequacy or effectiveness of any of its internal controls and compliance procedures.

On going general conditions to the continuation of the waivers

- (a) the Manager having implemented internal control and compliance procedures to deal with connected party transactions (including connected party transactions set out under paragraphs 2 to 4 of this application) to ensure that connected party transactions are monitored and carried out on terms in compliance with the REIT Code. See "Internal Controls" above.
- (b) for waivers in relation to the HSBC Group, the Trustee having demonstrated to the Manager that there are safeguards, internal control and compliance procedures (including Chinese Walls) in place to deal with connected party transactions which are satisfactory to the Manager and having undertaken to the Manager to inform the Manager of any change that may affect, in a material manner, the adequacy or effectiveness of any of its internal controls and compliance procedures.
- (c) the connected party transaction waivers will not cover transactions conducted by the Trustee or by any of its "proprietary" subsidiaries. "Proprietary" subsidiaries refer to the subsidiaries of the Trustee but exclude those subsidiaries which are members of The Link REIT's Group.
- (d) the connected party transaction waivers in paragraphs 2 to 4 will be given on the basis that they only apply to connected party transactions which arise solely as a result of the Trustee

acting as the trustee of The Link REIT. If other connected party transactions arise as a result of other circumstances (for example, if a director of The Hongkong and Shanghai Banking Corporation Limited is appointed to the Board), these will be governed by Chapter 8 of the REIT Code in the normal way.

- (e) the connected party transactions are entered into at arm's length on normal commercial terms in the usual and ordinary course of business and in the interest of Unitholders.
- (f) For the avoidance of doubt, none of the waivers applied for above which are applicable to the HSBC Group applies to the Trustee, its subsidiaries, any unit of the HSBC Group carrying out the Trustee's functions and the senior management personnel of the Trustee.
- (g) the waivers do not need to be renewed on a regular basis, provided that: (i) the SFC reserves its right to review or revise the terms of the waivers or impose any conditions as it deems appropriate from time to time; and (ii) the full Board (including the independent non-executive Directors) considers that it is fair and reasonable and in the best interests of the Unitholders to continue with the waivers granted without Unitholders' approval and disclose such confirmation in the annual report of The Link REIT. In addition, the Audit Committee will make a statement in the annual report of The Link REIT that it has reviewed the terms of the connected party transaction waivers and is satisfied that (on the basis of the terms of the waivers and the internal controls and procedures in place) it is fair and reasonable that the waivers continue without Unitholders' approval.

The various categories of transactions which are the subject of the waivers set out above are supplementary to any and all applicable exemptions and permissions under the REIT Code and are independent of each other so that: (a) none is in any way limited by or by reference to any of the others; and (b) if more than one category is relevant in any particular circumstance or situation, any relevant category may apply.

Notwithstanding the foregoing, the SFC has the right to review, revise or impose any of the conditions relating to the above waivers as it deems appropriate from time to time. In the event of future amendments to the REIT Code imposing more stringent requirements than those applicable at the date of the above waivers which may be granted by the SFC on transactions of the kind to which the transactions belong (including, but not limited to, a requirement that such transaction be made conditional on approval by the independent Unitholders), the Manager will take immediate steps to ensure compliance with such requirements within a reasonable period.

Unitholders' Mandate

The Manager may at any time in the future seek a general annual mandate from the Unitholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations (including a general mandate in relation to tenancy agreements and/or licence agreements to be entered into with connected persons). Compliance with the Connected Party Rules for all such transactions conducted under such general mandate for the relevant financial year or other applicable period, and the requirements of the Connected Party Rules to obtain prior Unitholders' approval, will be dispensed with in respect of such transactions.

The Manager may also at any time in the future seek further general mandates from the Unitholders in relation to other waivers from, or confirmations in relation to, the Connected Party Rules for which the Manager may apply to the SFC. In order to apply to the SFC for that purpose, the general mandates must be made subject to any applicable requirements of the SFC or applicable provisions of the REIT Code (but such waivers or confirmations may or may not be granted by the SFC). Such mandates may include continuation or extensions of existing waivers (including those set out under the sub-section headed "Waivers from strict compliance with the requirements of the REIT Code in respect of Certain Transactions" above).

In seeking any such general mandate, the independent non-executive Directors will render an opinion as to whether the methods or procedures for determining the transaction prices or other relevant terms of the transactions contemplated under the general mandate are sufficient to ensure

that such transactions will be carried out on arm's length commercial terms and will not be prejudicial to the interests of The Link REIT and the Unitholders, and that the terms and conditions of such transactions will be fair and reasonable.

Role of the Audit Committee as regards Connected Party Transactions

The Audit Committee will periodically review (and the executive Director(s) or operating units in The Link REIT will periodically produce reports to the Audit Committee in respect of the review of) all connected party transactions to ensure compliance with the Manager's internal control system and the relevant provisions of the REIT Code. In addition, the Audit Committee will review annually the waivers granted pursuant to paragraphs 2 to 4 and consider whether it is fair and reasonable and in the best interests of the Unitholders (taking into account, among others, the internal controls and conditions attached thereto) to continue with such waivers without seeking Unitholders' approval. If the Audit Committee decides that the waivers should continue without seeking Unitholders' approval, the Audit Committee will make a statement in the annual report of The Link REIT confirming such a decision. The review will include an examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Announcements and Reporting

Connected party transactions within any of the categories referred to above will be reviewed by The Link REIT's auditors and (except in relation to: (i) ordinary course banking services provided by members of the Relevant Banking Group; (ii) excluded transactions and transactions with excluded persons under paragraph 1 above; and (iii) unit dealing transactions with the HSBC Group under paragraph 3 above) will be subject to disclosure in The Link REIT's annual report and accounts.

Confirmation from the Manager

The Manager (including all the independent non-executive Directors) confirms and will confirm in the annual report of The Link REIT that:

- (a) based on the information provided, and representations made, by the Trustee, it is satisfied with the internal controls and compliance procedures of the Trustee, which demonstrate that the Trustee's operations are run independently of other banking or financial functions or operations of the HSBC Group;
- (b) the basis of the cap amount in relation to the corporate advisory transactions set out in paragraph 4 above is fair and reasonable in light of The Link REIT's operations and unit holding structure, including the objectives and strategy of The Link REIT, the size, geographical and tenancy mix of its property portfolio and its management structure;
- (c) the scope and terms of the waivers applied for are fair and reasonable, and in the best interests of the Unitholders;
- (d) taking into account, among others, the internal controls and compliance procedures of the Trustee and the conditions attached to the waivers granted (which includes the review by the Audit Committee in accordance with paragraph (g) under the paragraph headed "On going general conditions to the continuation of the waivers" above), it is fair and reasonable and in the interest of the Unitholders to continue with the waivers granted without Unitholders' approval; and
- (e) the Manager is not bound to enter into corporate finance transactions with the HSBC Group despite of the waivers granted in paragraph 4 above.

The Audit Committee will also confirm in the annual report of The Link REIT whether all connected party transactions entered into under paragraph 1 to 4 above have been entered into at arm's length on normal commercial terms and in the ordinary and usual course of business of The Link REIT.

The Global Offering

A number of transactions have been, and will be, entered into in connection with the Global Offering with members of the HSBC Group, as disclosed in this Offering Circular. These include the Underwriting Agreements, the appointment and role of the Stabilising Manager (including any exercise of the Over-allotment Option and/or related arrangements), certain of the receiving banking arrangements and the ability of members of the HSBC Group to subscribe or apply for Units under the Global Offering. The Connected Party Rules will apply following Listing and do not apply to these arrangements.

None of the Directors is a director of any of the Underwriters. However, Mr. Patrick Sun and Mr. Stanley Ko are directors of SW Kingsway Capital Holdings Limited ("Kingsway"). A wholly-owned subsidiary of Kingsway is a co-manager and underwriter of the Hong Kong Public Offering. The Connected Party Rules only apply following the Listing Date and therefore do not apply to the underwriting arrangements.

Other Continuing Transactions

The Strategic Partner is considered to be an associate of the SP Directors and is therefore a connected person of The Link REIT. A number of transactions have been and will be entered into in connection with the Co-operation Agreement as disclosed in this Offering Circular (including the SP Services, the Strategic Partner's subscription obligation and involvement in the Manager and the fees and other amounts payable to the Strategic Partner). Details of such transactions are disclosed in the section headed "Material Contracts and Other Documents and Information — Co-operation Agreement" in this Offering Circular. Such transactions and any other future transactions with the Strategic Partner will be subject to the relevant Connected Party Rules following Listing (for example, the fee to be paid to the Strategic Partner will be subject to audit as a connected party transaction and will be disclosed accordingly). On the other hand, as the Connected Party Rules apply after the Listing Date, the entry into the Co-operation Agreement is not a connected party transaction, and hence no waiver is sought in that respect.

Save as disclosed above, there are no connected party transactions of which the Directors are aware which may continue after the completion of the Global Offering.