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# The Link Real Estate Investment Trust

(a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance  
(Chapter 571 of the Laws of Hong Kong))  
(stock code: 823)

## PROPOSED ISSUE OF HONG KONG DOLLAR DENOMINATED GUARANTEED NOTES

The Board wishes to announce that on 19 July 2006, the Issuer and the Guarantors have entered into:	
(i)	the Tranche A Subscription Agreement with HSBC, pursuant to which the Issuer has agreed to sell to HSBC, and HSBC has agreed to purchase, the Tranche A Notes in an aggregate principal amount of HK\$1,400,000,000 at an issue price of 100%; and
(ii)	the Tranche B and Tranche C Subscription Agreement with BNP Paribas and Standard Chartered Bank, pursuant to which the Issuer has agreed to sell to BNP Paribas and Standard Chartered Bank, and BNP Paribas and Standard Chartered Bank have agreed to jointly and severally purchase, the Tranche B Notes in an aggregate principal amount of HK\$1,400,000,000 at an issue price of 100% and the Tranche C Notes in an aggregate principal amount of HK\$800,000,000 at an issue price of 100%.
The Notes will be unconditionally and irrevocably guaranteed by the Guarantors.	
In connection with the issue of the Tranche A Notes, HSBC (a connected party of The Link REIT) and its subsidiaries may retain a proprietary interest in a portion of the Tranche A Notes. The terms and conditions of the Tranche A Notes that will be so acquired by HSBC and its subsidiaries will be identical to those that will be acquired by the other investors in the Tranche A Notes. The terms of engagement with HSBC under the Tranche A Subscription Agreement are on an arm’s length basis and on normal commercial terms.	
The Issuer will apply to the Hong Kong Stock Exchange for the listings of, and permission to deal in, the Notes by way of selectively marketed securities.	

### PROPOSED ISSUE OF HONG KONG DOLLAR DENOMINATED GUARANTEED NOTES

The Board wishes to announce that, on 19 July 2006, the Issuer and the Guarantors have entered into:

(i) the Tranche A Subscription Agreement with HSBC, pursuant to which the Issuer has agreed to sell to HSBC, and HSBC has agreed to purchase, the Tranche A Notes in an aggregate principal amount of HK\$1,400,000,000 at an issue price of 100%; and

(ii) the Tranche B and Tranche C Subscription Agreement with BNP Paribas and Standard Chartered Bank, pursuant to which the Issuer has agreed to sell to BNP Paribas and Standard Chartered Bank, and BNP Paribas and Standard Chartered Bank have agreed to jointly and severally purchase, the Tranche B Notes in an aggregate principal amount of HK\$1,400,000,000 at an issue price of 100% and the Tranche C Notes in an aggregate principal amount of HK\$800,000,000 at an issue price of 100%.

The Notes will be unconditionally and irrevocably guaranteed by the Guarantors. The Issuer and the Guarantors are wholly-owned subsidiaries of The Link REIT. Completion of the Subscription Agreements is subject to the satisfaction and/or waiver of the conditions precedent therein, including:

(a) a fiscal agency agreement having been executed by the relevant parties;

(b) the Hong Kong Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Underwriters and the Issuer, to list the Notes;

(c) there having been delivered to the Managers certain legal opinions and auditors’ comfort letters; and

(d) there having been no public announcement from an internationally recognised rating agency that such agency has revised downwards or withdrawn or placed on “creditwatch” (or any similar review) any existing credit rating assigned to the Notes or the long term debt of the Issuer.

In addition, each Subscription Agreement entitles the relevant Underwriter(s) to terminate it prior to payment being made to the Issuer in the following circumstances:

(i) if there shall have occurred any material breach of, or any event rendering untrue or incorrect, any of the warranties and representations contained therein or any material failure to perform any of the Issuer’s or the Guarantors’ undertakings or agreements therein;

(ii) if any of the conditions precedent specified therein has not been satisfied or waived; or

(iii) if there shall have been any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in their view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market.

In connection with the issue of the Tranche A Notes, HSBC (a connected party of The Link REIT) and its subsidiaries may retain a proprietary interest in a portion of the Tranche A Notes. The terms and conditions of the Tranche A Notes that will be so acquired by HSBC and its subsidiaries will be identical to those that will be acquired by the other investors in the Tranche A Notes. The terms of engagement with HSBC under the Tranche A Subscription Agreement are on an arm’s length basis and on normal commercial terms.

The Issuer will apply to the Hong Kong Stock Exchange for the listings of, and permission to deal in, the Notes by way of selectively marketed securities.

### PRINCIPAL TERMS OF THE NOTES

The principal terms of the Notes are summarised as follows:	
Issuer:	The Link Finance (Cayman) 2006 Limited.
Guarantors:	The Link Holdings Limited and The Link Properties Limited.
Guarantees:	Each of the Guarantors will, jointly and severally, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the coupons relating to them.
Issue:	Tranche A Notes — HK\$1,400,000,000 5.12% Guaranteed Notes due 2009. Tranche B Notes — HK\$1,400,000,000 5.00% Guaranteed Notes due 2008. Tranche C Notes — HK\$800,000,000 Guaranteed Floating Rate Notes due 2008.
Issue Price:	The Tranche A Notes will be issued at 100% of their principal amount, the Tranche B Notes will be issued at 100% of their principal amount and the Tranche C Notes will be issued at 100% of their principal amount.
Issue Date:	4 August 2006.
Maturity Date:	Unless previously purchased and cancelled, the Notes will be redeemed at their principal amount on the last interest payment date falling on, or nearest to, 4 August 2009 in the case of the Tranche A Notes, 4 August 2008 in the case of the Tranche B Notes, and 4 August 2008 in the case of the Tranche C Notes.
Status of the Notes and the Guarantees:	The Notes are unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes and of the Guarantors under the Guarantees shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all their respective other present and future unsecured and unsubordinated obligations.
Rate of Interest:	The Tranche A Notes will bear interest at the rate of 5.12% per annum, the Tranche B Notes will bear interest at the rate of 5.00% per annum and the Tranche C Notes will bear interest at the rate of 0.10% per annum above the Hong Kong interbank offered rate for three-month Hong Kong dollar deposits.

Interest:	Interest on the Notes will be payable quarterly in arrear on the interest payment date falling on, or nearest to, 4 February, 4 May, 4 August and 4 November in each year commencing 4 November 2006.
Governing Law:	Hong Kong law.
Ratings:	The Notes have been rated “A3” by Moody’s Investors Services, Inc. and “A” by Standard & Poor’s Rating Services, a division of the McGraw-Hill companies.
Listing:	The Issuer will apply to the Hong Kong Stock Exchange for the listings of, and permission to deal in, the Notes (by way of selectively marketed securities).

### USE OF PROCEEDS

The gross proceeds of the issue of the Notes will be HK\$3,600 million and the net proceeds of the issue of the Notes, after deducting the selling, management and underwriting commissions and other expenses in connection with the issue of the Notes, will be approximately HK\$3,588 million which is intended to be used in full to partially repay the Bridge Loan.

### DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:	
“BNP Paribas”	BNP Paribas, Hong Kong Branch.
“Board”	the board of the Manager.
“Bridge Loan”	an unsecured one-year bridge term and revolving loan facility of HK\$12.5 billion made available to The Link REIT pursuant to a facility agreement dated 4 November 2005.
“Director(s)”	the director(s) of the Manager.
“Guarantors”	The Link Holdings Limited and The Link Properties Limited.
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited.
“Issue Date”	4 August 2006 or such other date as shall be agreed between the Issuer, the Guarantors and the Underwriters.
“Issuer”	The Link Finance (Cayman) 2006 Limited, a company incorporated in the Cayman Islands on 4 July 2006 and which is a wholly-owned subsidiary of The Link REIT.
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.
“Manager”	The Link Management Limited, as manager of The Link REIT.
“Notes”	the Tranche A Notes, the Tranche B Notes and the Tranche C Notes.
“Standard Chartered Bank”	Standard Chartered Bank (Hong Kong) Limited.
“Subscription Agreements”	the Tranche A Subscription Agreement and the Tranche B and Tranche C Subscription Agreement.
“Tranche A Notes”	HK\$1,400,000,000 5.12% Guaranteed Notes due 2009.
“Tranche A Subscription Agreement”	a conditional subscription agreement entered into between, the Issuer, the Guarantors and HSBC on 19 July 2006 in connection with the issue by the Issuer of the Tranche A Notes.
“Tranche B Notes”	HK\$1,400,000,000 5.00% Guaranteed Notes due 2008.
“Tranche B and Tranche C Subscription Agreement”	a conditional subscription agreement entered into between the Issuer, the Guarantors, BNP Paribas and Standard Chartered Bank on 19 July 2006 in connection with the issue by the Issuer of the Tranche B Notes and the Tranche C Notes.
“Tranche C Notes”	HK\$800,000,000 Guaranteed Floating Rate Notes due 2008.
“The Link REIT”	The Link Real Estate Investment Trust, a Hong Kong unit trust authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
“Underwriters”	BNP Paribas, HSBC and Standard Chartered Bank.

By order of the board of directors of  
**The Link Management Limited**  
(as manager of The Link Real Estate Investment Trust)  
**Mr CHENG Ming Fun Paul**  
*Chairman of the Manager*

Hong Kong, 19 July 2006

As at the date of this announcement, the board of directors of the Manager is comprised as follows: The Chairman of the Manager (who is also an Independent Non-executive Director) is Mr CHENG Ming Fun Paul. The Executive Director is Mr SO Hing Woh Victor. The Non-executive Directors are Mr LIEW Mun Leong and Mr PUA Seck Guan. The Independent Non-executive Directors are Mr ARNOLD Michael Ian, Mr CHAO Tse Hou Leslie, Mr CHOW Wing Kin Anthony, Dr FUNG Yuk Bun Patrick, Mr KO Kam Chuen Stanley, Dr LEE Nai Shee Harry, Mr SUN Patrick and Dr ZEMAN Allan.