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The 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)

**(1) PROPOSED EXPANSION OF THE GEOGRAPHICAL SCOPE OF THE LINK REIT'S
INVESTMENT STRATEGY,**

(2) OTHER PROPOSED AMENDMENTS TO THE TRUST DEED,

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

The Board wishes to announce that the Manager is proposing to (a) expand the geographical scope of The Link REIT's investment strategy; (b) make certain consequential amendments to the Trust Deed relating to the proposed expansion of The Link REIT's geographical investment scope; and (c) make other amendments to the Trust Deed which do not relate to the proposed expansion of The Link REIT's geographical investment scope.

Such matters are more particularly set out below and in the Circular which, together with the EGM Notice, is expected to be despatched to Unitholders on or around 17 January 2014.

This announcement is being made pursuant to paragraph 10.3 of the REIT Code.

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Such matters are more particularly set out below and in the Circular which, together with the EGM Notice, is expected to be despatched to Unitholders on or around 17 January 2014. The Circular will be available on the websites of The Link REIT and Hong Kong Exchanges and Clearing Limited from the date of its despatch.

I. PROPOSED EXPANSION OF THE GEOGRAPHICAL SCOPE OF THE LINK REIT'S INVESTMENT STRATEGY

Background

At the time of the initial authorisation of The Link REIT under section 104 of the SFO, The Link REIT's property portfolio only comprised properties situated in Hong Kong. Accordingly, the objective and the scope of The Link REIT's investment strategy had been initially limited to sustainable-income producing properties in Hong Kong which were substantially used for retail and car-park purposes.

In its effort to expand the investment strategy of The Link REIT for long-term growth, the Manager sought and obtained approval of the Unitholders at the annual general meeting of The Link REIT held on 25 July 2012, for the expansion of the investment strategy of The Link REIT to encompass investments in all classes of sustainable-income producing non-residential properties, including but not limited to, stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong, but in all cases excluding hotels and serviced apartments. In line with such investment strategy, The Link REIT's property portfolio is entirely situated in Hong Kong.

The Expanded Geographical Investment Scope

The Manager considers that an over-concentration of property investment in a market within a single city is not conducive to the long-term development and sustainable growth of The Link REIT. As the Hong Kong real estate market is limited in scale and dominated by a number of major developers and established landlords, expansion outside Hong Kong (like many other REITs in Asia that invest in more than one city) is important for The Link REIT's long-term and sustainable growth.

Accordingly, the Manager proposes to expand the geographical scope of The Link REIT's investment strategy beyond Hong Kong so that The Link REIT shall have the flexibility to invest in all classes of sustainable-income producing non-residential properties (including but not limited to stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong and other overseas jurisdictions, but in all cases excluding hotels and serviced apartments). The Manager is of the view that the Expanded Geographical Investment Scope is fair and reasonable and in the interests of the Unitholders as a whole.

The Manager considers that a geographically diverse investment strategy will provide The Link REIT with more investment opportunities which could bring attractive yields and/or greater capital appreciation potential than in Hong Kong. The ability to capture investment opportunities in fast-growing economies, such as the PRC, will also provide The Link REIT with long-term growth potential. Further details (including detailed reasons) of the Expanded Geographical Investment Scope will be set out in the Circular.

In light of the above, the Board considers that the Expanded Geographical Investment Scope is in the interests of The Link REIT and the Unitholders as a whole. The Trustee has no objection to the Manager taking the Expanded Geographical Investment Scope for Unitholders' approval.

Compliance with Laws and Regulations

In considering any investment opportunities, the Manager will have regard to, and comply with, all applicable legal and regulatory requirements, including but not limited to the requirements prescribed under the REIT Code. With regard to investment opportunities in the PRC and other overseas jurisdictions, the Manager will further have regard to, and comply with, the Practice Note on Overseas Investments by SFC-authorized REITs contained in the REIT Code.

Approvals Required

The Manager notes that in a circular to management companies of SFC-authorized REITs dated 12 October 2007, the SFC has, among other things, clarified that in acquiring overseas or new types of properties, REIT managers do not have to seek re-approval of their licences or re-authorization of the relevant REIT by the SFC before proceeding to make such acquisitions. Nevertheless, in making acquisition decisions, it is the Manager's obligation to satisfy itself that it has sufficient and appropriate skills and processes to manage the new properties, and more generally, to have regard to its fiduciary duties to the Unitholders.

Pursuant to Clause 20.2.7 of the Trust Deed, the Manager shall ensure that Unitholders are given sufficient prior notice, and where applicable, right to vote, with respect to any material change to The Link REIT, including, without limitation, changes in its investment objectives. Also, pursuant to paragraph 10.7 of the REIT Code, a circular shall be issued by the Manager where there is a change in the general character or nature of The Link REIT, such as its investment objective and/or policy.

Accordingly, the Manager proposes to seek Unitholders' approval by way of a Special Resolution for the Expanded Geographical Investment Scope.

The Initial Focus of the Expanded Geographical Investment Scope

Hong Kong is considered part of the Greater China Region by asset allocators in the global investment communities. Given the geographic proximity, close economic co-operation, linguistic and cultural affinity between Hong Kong and the PRC, the Manager considers an expansion into the PRC to be a logical extension of the business of The Link REIT.

Initially, the Manager intends to focus on appropriate investment opportunities in the province of Guangdong and the Pearl River Delta, particularly in the urban mid-market retail sector given the growth of the middle class consumers in the area. Such strategy will

be reviewed from time to time by the Manager and may be adjusted depending on market conditions, in which case the Manager shall publish a further announcement in compliance with the REIT Code, as appropriate. While expanding the geographical scope of its investment strategy, the Manager intends to invest in all classes of sustainable-income producing non-residential properties, including but not limited to, stand-alone assets, and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong, but in all cases excluding hotels and serviced apartments (which were also stated in the circular dated 25 June 2012 issued by The Link REIT to the Unitholders in relation to, among other things, the proposed expansion of the asset class of The Link REIT's investment strategy).

The Manager will ensure that it has the resources and experienced personnel to oversee and monitor the asset investment and asset management strategies for its plan to expand into the PRC.

Investment into the PRC may involve certain risks in relation to financial aspects and operational matters. For example, if The Link REIT invests in the PRC property market, the revenue generated from those investments would likely be in Renminbi, which is subject to foreign exchange controls and is currently not freely convertible into foreign currencies. Further details of this risk and others relating to PRC investments will be set out in the Circular.

II. PROPOSED INVESTMENT SCOPE TRUST DEED AMENDMENTS

To facilitate the acquisition and holding of properties by The Link REIT outside Hong Kong, in accordance with and subject to Unitholders' approval of the Expanded Geographical Investment Scope, the Manager proposes the following consequential amendments to the Trust Deed:

- (a) **Investment Policy.** The Manager proposes to amend Clause 12.2.2 of the Trust Deed to specify that the investment policy of the Manager shall include investing in real estate for the long term, focusing on sustainable-income producing properties with the potential for long-term income and capital growth and maintaining a large and diversified portfolio of non-residential real estate including but not limited to, stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong and other overseas jurisdictions, but in all cases excluding hotels and serviced apartments.
- (b) **Definition of "Manager Subsidiaries" and Consequential Amendments.** The Manager proposes to insert a new definition of "Manager Subsidiaries" in Clause 1.1 into the Trust Deed to refer to the subsidiaries that are allowed to be established or acquired by the Manager under Clause 20.8.1A of the Trust Deed. Such subsidiaries may be set up or acquired by the Manager in the future to manage The Link REIT's investments in the PRC and/or other overseas jurisdictions. As it is the Manager's duty to properly monitor and ensure proper performance by the Manager Subsidiaries, the Manager shall be responsible for appointing and removing the directors of the Manager

Subsidiaries subject to the oversight of the Trustee. Consequential amendments are also proposed to be made throughout the Trust Deed, including but not limited to amendments which ensure certain provisions also apply to Manager Subsidiaries where applicable, including without limitation, the Manager's responsibility to monitor the actions of the directors of any Manager Subsidiary, and its power to remove the directors of such Manager Subsidiary subject to the oversight of the Trustee.

- (c) **Cash held outside Hong Kong.** The Manager proposes that Clause 19.1 of the Trust Deed be amended to allow Cash (as defined in the Trust Deed) constituting the Deposited Property (as defined in the Trust Deed), where necessary, or where such Cash is derived directly or indirectly from real estate outside Hong Kong, to be held in an account in the name of a Special Purpose Vehicle outside Hong Kong and operated by the Trustee or the Manager (or Manager Subsidiary) provided that the Trustee shall exercise due powers of oversight with regard to the same.
- (d) **Records and Accounts.** The Manager proposes to amend Clause 10.1 of the Trust Deed to clarify that records and accounts for Special Purpose Vehicles and Manager Subsidiaries incorporated or registered in jurisdictions outside Hong Kong may be maintained in currencies other than Hong Kong Dollars.
- (e) **Transactions in Currencies.** The Manager proposes to amend Clause 10.2 of the Trust Deed to clarify that the Manager may accept payments for Units and payments made out of The Link REIT (including distributions of income) in a currency other than Hong Kong Dollars.
- (f) **Profits of Special Purpose Vehicle.** The Manager proposes to insert a new Clause 13.7A into the Trust Deed to clarify that the amount of profits of a Special Purpose Vehicle which is available for distribution will be governed by applicable laws and regulations in the jurisdiction in which such Special Purpose Vehicle is incorporated or registered.
- (g) **Definition of Tax.** The Manager proposes to amend the definition of "Tax" in Clause 1.1 of the Trust Deed to clarify that the term encompasses Tax (as defined in the Trust Deed) imposed in any jurisdiction.
- (h) **Additional Adjustment to the Calculation of Total Distributable Income.** Clause 13.5 of the Trust Deed currently provides that the Total Distributable Income (as defined in the Trust Deed) of The Link REIT for a financial year is the amount calculated by the Manager as representing the consolidated audited profit after tax attributable to Unitholders of The Link REIT and its subsidiaries for that financial year, as adjusted for accounting purposes to eliminate the effects of Adjustments (as having the meaning ascribed to it under Clause 13.6 of the Trust Deed) which have been recorded in the profit and loss account for that financial year.

The Manager proposes to amend Clause 13.6 of the Trust Deed to expand the meaning of Adjustments to include any adjustments in accordance with the generally accepted accounting principles in Hong Kong which increase the amount recorded under the generally accepted accounting principles in the jurisdiction of the Special Purpose Vehicle, on which the cash available for distribution is based. Based on and in sole reliance upon the information and assurances provided by the Manager and the auditor of The Link REIT, and having regard to the minimum distribution entitlement expressed in paragraph 7.12 of the REIT Code, the Trustee's duties under the REIT Code and the Trustee's fiduciary duties, the Trustee has no objection to the proposed amended definition of Adjustments.

- (i) **Remuneration of the Trustee.** Clause 16.2 of the Trust Deed currently provides that the remuneration of the Trustee shall be such amount as shall be agreed by the Manager and the Trustee and, for real estate situated in Hong Kong, shall not be less than such amount as shall be equal to 0.008 per cent. per annum, and shall not be more than such amount as shall be equal to 0.02 per cent. per annum, of the value of all the real estate of The Link REIT directly or indirectly held by the Trustee, as determined in the latest annual valuation report produced by the Approved Valuer (as defined in the Trust Deed).

As requested by the Trustee, the Manager proposes to amend the remuneration threshold stated in Clause 16.2 of the Trust Deed in respect of real estate situated outside Hong Kong, so that the amount of remuneration payable to the Trustee in the case of real estate situated outside Hong Kong shall be such amount as shall be agreed by the Manager and the Trustee, being not less than 0.03 per cent. per annum, and not more than 0.06 per cent. per annum, of the value of such real estate of The Link REIT, as determined in the latest annual valuation report produced by the Approved Valuer. In addition, as requested by the Trustee, the Manager proposes that Clause 16.2 of the Trust Deed be amended to the effect that where the Trustee is required by the Manager to undertake duties of an exceptional nature or otherwise outside the scope of the Trustee's normal duties in the ordinary and normal course of business of The Link REIT, the remuneration of the Trustee shall include such additional amount as shall be agreed by the Manager and the Trustee (the "**Trustee's Additional Fees**"), provided that, unless otherwise approved by the Unitholders by way of an ordinary resolution: (i) the aggregate amount of the Trustee's Additional Fees that may be charged by the Trustee in relation to each transaction to be entered into by The Link REIT shall not exceed 0.05 per cent. of (a) the acquisition price (in the case of an acquisition of any real estate whether directly or indirectly held by The Link REIT) or (b) the sale price (in the case of a sale or disposal of any real estate whether directly or indirectly held by The Link REIT); and (ii) the aggregate amount of the Trustee's Additional Fees that is not related to any specific transaction referred to in (i) above that may be charged by the Trustee for each Financial Year (as defined in the Trust Deed) shall not exceed an amount equal to 20 per cent. of the Trustee's remuneration for that Financial Year calculated by reference to the latest annual valuation report produced by the Approved Valuer.

The Manager is of the view that the Investment Scope Trust Deed Amendments are fair and reasonable, will provide greater procedural and administrative clarity to administer the Expanded Geographical Investment Scope and, other than amendments in relation to “Manager Subsidiaries” (which is a concept unique to The Link REIT given its internalised management structure) and the investment scope of The Link REIT, are in line with the practice of other SFC-authorized REITs. In relation to the remuneration of the Trustee, the Manager is of the view that the higher fee range in respect of real estate outside Hong Kong is reasonable and reflects the additional administrative work which is required to be undertaken with respect to real estate outside Hong Kong and is also in line with other SFC-authorized REITs which invest in real estate outside Hong Kong.

In light of the above, the Board considers that the Investment Scope Trust Deed Amendments are in the interests of The Link REIT and the Unitholders as a whole. The Trustee has no objection to the Manager taking the Investment Scope Trust Deed Amendments for Unitholders’ approval.

Approvals Required

Clause 25.1 of the Trust Deed provides that, save for certain limited exceptions as certified by the Trustee in writing, the Manager and the Trustee are only entitled to modify, alter or add to the provisions of the Trust Deed by a supplemental deed with the approval of the Unitholders by way of a Special Resolution and, if so required, the prior approval of the SFC.

Accordingly, the Manager proposes to seek Unitholders’ approval by way of a Special Resolution for the Investment Scope Trust Deed Amendments.

III. OTHER PROPOSED AMENDMENTS TO THE TRUST DEED

In order to update the Trust Deed so that it reflects the latest developments in the Hong Kong REIT market, or in other cases, to mirror updates to the Listing Rules so that such updates will apply to The Link REIT, the Manager also proposes the following amendments to the Trust Deed:

Voting by Show of Hands

Paragraph 8 of the First Schedule to the Trust Deed currently provides that a resolution put to a meeting of Unitholders shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.

To provide the chairman of a meeting of Unitholders with flexibility to cater for any exceptional circumstances that may arise during a meeting of Unitholders, the Manager proposes to amend paragraph 8 of the First Schedule to the Trust Deed such that the chairman of a meeting of Unitholders may, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be decided by way of a show of

hands. For such purposes, “procedural or administrative matters” are those that: (i) are not on the agenda of the meeting or in any supplementary circular to Unitholders; and (ii) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Unitholders a reasonable opportunity to express their views. This is in line with the provisions of the Listing Rules in relation to voting by a show of hands by listed companies in Hong Kong.

The Manager has applied to the SFC for a waiver from strict compliance with paragraphs 2.16, 2.23 and 9.9(h) of the REIT Code so as to allow, where the chairman of a meeting of Unitholders can, when he considers it to be in good faith, decide to allow a resolution which relates purely to the above-mentioned procedural or administrative matters to be decided by a show of hands. Such waiver is expected to be conditional upon: (a) due approval by Unitholders of Special Resolution No. 6 (as set out in the EGM Notice) at the EGM; and (b) the resolutions to be determined by a show of hands are only in respect of the “procedural or administrative matters” referred to in (i) and (ii) in the preceding paragraph.

Authorised Investments

As set out in the Trust Deed, The Link REIT is only allowed to invest in Authorised Investments (as defined in the Trust Deed) which includes, without limitation, shares in the issued share capital of any Special Purpose Vehicle.

In line with market practice, the Manager proposes to amend and expand the definition of “Authorised Investments” to include: (i) real estate related assets; (ii) loans to any Special Purpose Vehicle and any goodwill and other intangible assets acquired in relation to the acquisition of a Special Purpose Vehicle; (iii) any other assets or investments as permitted by the REIT Code from time to time; and (iv) investments in relation to arrangements for the purposes of enhancing the return on, or reducing the risks associated with, the Authorised Investments (or in respect of The Link REIT generally), including investments in the form of derivative instruments for hedging purposes. A new definition of “Real Estate Related Assets” is also proposed to be introduced into Clause 1.1 of the Trust Deed in connection with the above proposed amendments.

Further, pursuant to the REIT Code, a REIT may acquire uncompleted units in a building which is unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment, provided that the aggregate contract value of such real estate shall not exceed 10% of the total net asset value of the REIT at the time of acquisition. Accordingly, the Manager proposes to: (i) insert a new Clause 12.2.2A into the Trust Deed to clarify that The Link REIT may undertake such activities, subject to the same limitations stated in the REIT Code, or any such waiver from compliance with the REIT Code and/or such other approval as may from time to time be granted by

the SFC; and (ii) expand the definition of “Authorised Investments” to additionally include any improvement or extension of or addition to or reconstruction or renovation or other development of any real estate.

In light of the amendments to the definition of “Authorised Investments”, consequential changes have also been made to Clause 9.1 of the Trust Deed to specify how the additional categories of Authorised Investments are to be valued.

Issue of Units and/or Convertible Instruments to Connected Person and Other Matters Relating to Issue of Units

(a) Amendments to facilitate Placing and Top-up Subscription Transactions

In line with market practice, the Manager proposes to amend Clause 8.1.4B of the Trust Deed to introduce additional circumstances where Units and/or Convertible Instruments (as defined in the Trust Deed) can be issued, granted or offered to a Connected Person, without requiring the Manager to obtain Unitholders’ approval. Such circumstances arise when: (i) Units and/or Convertible Instruments are issued to a Connected Person within 14 days after such Connected Person has executed an agreement to reduce its holding in the same class of Units and/or Convertible Instruments by placing such Units and/or Convertible Instruments to or with any person(s) who is/are not such Connected Person’s associate(s) (other than any Excluded Associate); (ii) the new Units and/or Convertible Instruments are issued at a price not less than the placing price (which may be adjusted for the expenses of the placing); and (iii) the number of Units and/or Convertible Instruments issued to the Connected Person must not exceed the number of Units and/or Convertible Instruments placed by it, provided that: (a) an announcement is issued in accordance with paragraphs 10.3 and 10.4(k) of the REIT Code containing details of the placing and top-up subscription of Units and/or Convertible Instruments by the Connected Person; and (b) issuance of such Units and/or Convertible Instruments is sufficiently covered under the general mandate permitted under Clause 8.1.4A of the Trust Deed and no specific Unitholders’ approval would otherwise have to be sought.

The Manager is of the view that such a provision is in line with the corresponding practice in relation to placing and top-up subscription transactions adopted by listed companies in Hong Kong under the Listing Rules; and the limited scope under which it may operate affords sufficient protection to the Unitholders. As a result of the proposed amendment to Clause 8.1.4B of the Trust Deed, the Manager also proposes to include the new definition of “Excluded Associate” in Clause 1.1 of the Trust Deed.

The Manager has applied to the SFC for a waiver from strict compliance with paragraph 6.2, Chapter 8, paragraph 10.7(b)(iv) and paragraph 12.2 of the REIT Code so as to allow the Manager to issue, grant or offer new Units and/or Convertible Instruments to a Connected Person, without the need for compliance with any reporting, announcement, disclosure or unitholders’ approval requirements under

Chapter 8, paragraph 10.7(b)(iv) and/or paragraph 12.2 of the REIT Code, or any valuation requirement under paragraph 6.2 of the REIT Code, in the circumstances where the issuance complies with the terms of the proposed revisions to Clause 8.1.4B of the Trust Deed above. The Manager shall, notwithstanding such waiver, issue announcement(s) at the relevant time(s) in relation to a placing and top-up subscription transaction pursuant to paragraph 10.4 of the REIT Code.

(b) Pricing of New Units

Currently, the Issue Price (as defined in the Trust Deed) of new Units issued by the Manager is determined in accordance with Clause 8.2 of the Trust Deed. Clause 8.2.2 of the Trust Deed sets the pricing basis of new Units by reference to the “Market Price”, as determined in accordance with Clause 8.2.2A of the Trust Deed. Although Unitholders may approve an issue of new Units at a discount greater than 20% to the Market Price, there is no discretion for Unitholders to approve an issuance of new Units on a different pricing basis.

In line with the practice of other SFC-authorized REITs, the Manager proposes to amend Clause 8.2.2 of the Trust Deed so as to allow the Manager to issue, or agree to be issued, new Units at a discount of 20 per cent. or more to the Market Price, subject to an ordinary resolution duly approved by Unitholders, and in accordance with the pricing basis as authorized in such ordinary resolution. Such amendment will give the Manager greater flexibility in determining the pricing of such new Units to accommodate commercial needs.

(c) Offer of Units pursuant to Rights Issue

In line with market practice, the Manager proposes to insert a new Clause 8.2.4 into the Trust Deed so as to provide the Manager with the discretion not to extend an offer of Units pursuant to a rights issue to those Unitholders with a registered address outside Hong Kong provided that the directors of the Manager consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In such event, the rights or entitlement to the Units of such Unitholders with a registered address outside Hong Kong will be offered for sale by the Manager as the nominee and authorized agent of each such relevant Unitholder and at such price as the Manager may determine, and the Manager will comply with all relevant provisions of the Listing Rules (as if applicable to The Link REIT), to the extent not inconsistent with all applicable rules and guidance issued by the SFC. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with such sale. The net proceeds of any such sale, if successful, after payment of the costs of sale, will be paid to the relevant Unitholders.

In line with market practice, the Manager also proposes to insert a new Clause 8.1.4C into the Trust Deed to clarify that an offer of Units and/or Convertible Instruments shall be considered and deemed to be made on a pro rata basis notwithstanding certain situations, including but not limited to: (a) where the Manager exercises its discretion pursuant to Clause 8.2.4 of the Trust Deed above and/or (b) where and to the extent that Unitholders do not accept any offer of Units and/or Convertible Instruments within the applicable period for acceptance (as determined by the Manager), such Units and/or Convertible Instruments may be offered or made available to, and taken up by, other persons as determined by the Manager, subject to compliance with all applicable laws and the Listing Rules. In respect of (b), in accordance with the Listing Rules (as if applicable to The Link REIT), the Manager must make arrangements to: (i) dispose of the Units and/or Convertible Instruments not subscribed by allottees under provisional letters of allotment or their renounces by means of excess application forms, in which case such Units and/or Convertible Instruments must be available for subscription by all Unitholders and allocated on a fair basis; or (ii) dispose of Units and/or Convertible Instruments not subscribed by allottees under provisional letters of allotment in the market, if possible, for the benefit of the persons to whom they were offered by way of rights issue.

Further, in line with market practice, the Manager proposes to amend the Trust Deed so as to: (i) ensure that Clause 8.1.4 of the Trust Deed applies to Convertible Instruments as well as Units; and (ii) clarify that the threshold in terms of number of Units that may be issued, other than on a pro rata basis to all existing Unitholders, without the approval of the Unitholders, shall be proportionally adjusted in the event of a consolidation, sub-division or re-designation of Units.

Manager May Request Trustee to and the Manager itself May Borrow or Raise Money

In line with market practice, the Manager proposes to amend Clauses 12.10.1 and 12.10.2 of the Trust Deed so as to: (i) allow borrowings when the Manager considers it beneficial to The Link REIT including for the purposes of paying distributions to Unitholders (under the current provisions, such borrowings are only allowed where they are considered necessary); (ii) clarify that such borrowings may be effected through a borrowing by a Special Purpose Vehicle; (iii) clarify that the Trustee may guarantee such borrowings if instructed; (iv) whenever the Manager considers it necessary or beneficial to The Link REIT and subject to compliance with all applicable laws and regulations including the REIT Code, allow the Manager to secure the repayment of such moneys and interest costs and other charges and expenses and accord such priority, subordination in such a manner and upon such terms and conditions in all respects as it may think fit and in particular by charging or mortgaging all or any of the Investments (as defined in the Trust Deed) provided that such security interests granted by the Trustee shall not contain any restriction on the payment of distributions prior to any default under the borrowing in respect of the obligations secured by the security; and (v) make consistent the Trustee's borrowing and Manager's borrowing provisions.

The Manager also proposes to make an amendment to Clause 12.10.4 of the Trust Deed so as to clarify that the Manager may also invest in any Authorised Investments for efficient portfolio management purposes subject to compliance with the requirements under the REIT Code in order to enhance the performance of The Link REIT.

Other Miscellaneous Amendments

(a) Liability in respect of Distribution of Entitlement

The Manager proposes to amend Clause 13.11.2 of the Trust Deed so as to clarify that the Manager shall deduct from each Unitholder's Distribution Entitlement (as defined in the Trust Deed) all amounts which, amongst others, are required to be deducted by law or by the Trust Deed, provided that neither the Manager nor the Trustee shall be liable to account to any Unitholder for any such payment made or suffered by the Manager or the Trustee (as the case may be) in good faith and in the absence of fraud, negligence, wilful default, a breach of the Trust Deed or a breach of trust (in the case of the Trustee) notwithstanding that any such payments ought not to be, or need not have been, made or suffered.

(b) Timing of Despatch of Circular

As set out in the Trust Deed, the Manager is required to serve on the Unitholders a circular convening an extraordinary general meeting within 21 Business Days of the announcement in relation to the termination or the merger of The Link REIT. The Manager proposes to amend Clauses 23.2 and 24.2 of the Trust Deed so that the circular will be served within 21 days (instead of 21 Business Days) of the announcement. The Manager also proposes to amend Clause 31.5 of the Trust Deed to clarify that Unitholders are informed of the voting results of any general meeting by way of an announcement. Also, in view of the current practice of the unit registrar of The Link REIT, the Manager proposes to amend paragraph 4 of the First Schedule to the Trust Deed such that the Unitholders on which notice of an extraordinary general meeting is served are Unitholders on such latest practicable date before the notice is sent as reasonably and practicably determined by the unit registrar of The Link REIT.

(c) Maximum Number of Proxies

Currently, the Trust Deed does not set out the maximum number of proxies which may be appointed by a Unitholder. For meeting administrative reasons, the Manager proposes to insert a new paragraph 11A into the First Schedule to the Trust Deed such that an Unitholder may have the right to appoint separate proxies to represent respectively such number of the Units held by him as may be specified in his instrument(s) of proxy, provided that the number of proxies so appointed to attend on the same occasion shall not exceed two. For the avoidance of doubt, the new paragraph 11A further clarifies that where a Unitholder is a recognised clearing house

within the meaning of the SFO, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any meeting of Unitholders provided that, if more than one person is so authorised, the authorisation must specify the number of Units each such person is so authorised.

(d) REIT Code and Listing Rules

To enhance the clarity of the Trust Deed and to be in line with the practice of other SFC-authorized REITs, the Manager proposes to amend Clause 27 of the Trust Deed such that the Manager and the Trustee shall (in the performance of their respective duties under the Trust Deed) at all times comply with applicable provisions of the REIT Code, subject to compliance with any applicable waivers or exemptions given by the SFC in respect of the REIT Code. The amended Clause 27 shall also state that in the event of any conflict or inconsistency between the provisions of the REIT Code and any such waivers or exemptions, and the provisions of the Trust Deed, then to the extent of such conflict or inconsistency, the provisions of the REIT Code and any such waivers or exemptions shall prevail.

(e) Other Minor Drafting Amendments

To enhance the clarity and consistency of the Trust Deed, the Manager proposes to: (i) amend the definition of “Holder” in Clause 1.1 of the Trust Deed; (ii) insert a customary definition of “Law” into Clause 1.1 into the Trust Deed; and (iii) amend Clause 31.3.6 of the Trust Deed so as to clarify that a circular in respect of changing of the level of fees and charges of The Link REIT is only required if such alteration requires the approval of Unitholders or is otherwise required under paragraph 10.6 of the REIT Code.

In light of the above, the Board considers that each of the above categories of the Other Trust Deed Amendments as described in this section III is in the interests of The Link REIT and Unitholders as a whole. The Trustee has no objection to the Other Trust Deed Amendments proposed by the Manager, and subject to Unitholders’ and the SFC’s prior approval, a supplemental deed will be entered into between the Manager and the Trustee to effect the Other Trust Deed Amendments.

Approvals Required

Reference is made to section II above for the approval requirements for amendments to the Trust Deed. Accordingly, the Manager proposes to seek Unitholders’ approval by Special Resolution for each of the above categories of the Other Trust Deed Amendments.

IV. EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

The EGM will be held at Salon 5 and 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 18 February 2014 at 10:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the Special Resolutions set out in the EGM Notice which, together with the Circular, is expected to be despatched on or around 17 January 2014. The substantive text of the EGM Notice is set out in the Appendix to this announcement.

For the purpose of ascertaining Unitholders' right to attend the EGM, the register of Unitholders will be closed from Thursday, 13 February 2014 to Tuesday, 18 February 2014, both days inclusive, during which period no transfer of Units will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant unit certificates must be lodged with the unit registrar of The Link REIT, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 February 2014.

With respect to each of the Special Resolutions to be proposed at the EGM, any Unitholder who has a material interest in such resolution and that interest is different from that of all other Unitholders, shall abstain from voting in respect of such resolution. As at the date of this announcement, to the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, the Manager takes the view that no Unitholder is required to abstain from voting on any of the Special Resolutions to be proposed at the EGM.

The voting on all the proposed Special Resolutions at the EGM will be taken by poll.

V. RESPONSIBILITY STATEMENT

The Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this announcement and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this announcement misleading.

VI. MISCELLANEOUS

The Circular (together with the EGM Notice) is expected to be despatched on or around 17 January 2014. The Circular will be available on the websites of The Link REIT and Hong Kong Exchanges and Clearing Limited from the date of its despatch.

A copy of the Trust Deed is available for inspection at the registered office of the Manager at all times from 9:00 a.m. to 5:00 p.m. on Business Days in accordance with the provisions of the Trust Deed. A copy of the proposed draft form of the supplemental deed to effect the Investment Scope Trust Deed Amendments and the Other Trust Deed Amendments will be available for inspection at the registered office of the Manager from 9:00 a.m. to 5:00 p.m. on Business Days from the date of the Circular up to and including the date of the EGM.

VII. DEFINITIONS

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

“Board”	board of Directors
“Business Day”	has the meaning ascribed to it under the Trust Deed
“Circular”	the circular to Unitholders to be dated and despatched on 17 January 2014 which, among other things, provides the EGM Notice and further information of the Expanded Geographical Investment Scope, Investment Scope Trust Deed Amendments and the Other Trust Deed Amendments
“Connected Person”	has the meaning ascribed to it under the REIT Code
“Directors”	directors of the Manager
“EGM”	the extraordinary general meeting of Unitholders convened to be held at Salon 5 and 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 18 February 2014 at 10:00 a.m.
“EGM Notice”	the notice convening the EGM which will accompany the Circular, the substantive text of which is set out in the Appendix to this announcement
“Excluded Associate”	means any person or entity who/which is an associate of the relevant Connected Person solely by virtue of the operation of paragraphs (b), (c), and/or (k) (in the case of paragraph (k), other than a related corporation covered under paragraph (a) of the definition of “related corporation” in Schedule 1 to the SFO) of the definition of “associate” in Schedule 1 to the SFO

“Expanded Geographical Investment Scope”	the proposed expansion of the geographical scope of The Link REIT's investment strategy beyond Hong Kong (so that The Link REIT shall have the flexibility to invest in all classes of sustainable-income producing non-residential properties, including but not limited to stand-alone assets and comprehensive mixed-use (predominantly retail-based) developments in Hong Kong and other overseas jurisdictions, but in all cases excluding hotels and serviced apartments) which is to be considered, and if thought fit, approved by Unitholders by the proposed Special Resolution No. 1 set out in the EGM Notice
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Investment Scope Trust Deed Amendments”	the proposed amendments to the Trust Deed in connection with the Expanded Geographical Investment Scope, the details of which will be set out in the Circular, which are to be considered, and if thought fit, approved by Unitholders by the proposed Special Resolution No. 2 set out in the EGM Notice
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	The Link Management Limited, a company incorporated under the laws of Hong Kong, which is the manager of The Link REIT
“Other Trust Deed Amendments”	other proposed amendments to the Trust Deed, the details of which will be set out in the Circular, which are to be considered, and if thought fit, approved by Unitholders by the proposed Special Resolutions Nos. 3, 4, 5, 6 and 7 set out in the EGM Notice
“Pearl River Delta”	the Pearl River Delta, a region in the PRC which comprises major cities including Guangzhou, Shenzhen, Dongguan, Foshan, Zhongshan, Zhuhai, Jiangmen, Huizhou and Zhaoqing

“PRC”	the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
“REIT(s)”	real estate investment trust(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
“Special Purpose Vehicle”	a special purpose vehicle that is owned and controlled by The Link REIT in accordance with the REIT Code, which is defined in Clause 1.1 of the Trust Deed
“Special Resolution”	a resolution of Unitholders passed by a majority consisting of 75% or more of the votes of those present and entitled to vote, whether in person or by proxy, at a general meeting of Unitholders, where the votes shall be taken by way of poll but with a quorum of two or more Unitholders holding not less than 25% of the Units in issue
“The Link REIT”	The Link Real Estate Investment Trust, a collective investment scheme authorised under section 104 of the SFO, whose Units are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 823), and where the context requires, includes companies and/or Special Purpose Vehicles owned and/or controlled by it
“Trust Deed”	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting The Link REIT, as amended and supplemented by nine supplemental deeds dated 4 November 2005, 8 November 2005, 16 January 2006, 21 November 2006, 13 July 2007, 23 July 2007, 5 October 2009, 23 July 2010 and 25 July 2012, respectively
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of The Link REIT, or any successor thereof as the trustee of The Link REIT, as the context requires

“Unit(s)”	unit(s) of The Link REIT
“Unitholder(s)”	holder(s) of Unit(s)
“%” or “per cent.”	per centum or percentage

Yours faithfully,
By order of the board of directors of
The Link Management Limited
(as manager of The Link Real Estate Investment Trust)
Ricky CHAN Ming Tak
Company Secretary

Hong Kong, 10 January 2014

As at the date of this announcement, the Board comprises:

Chairman (also an Independent Non-Executive Director)

Nicholas Robert SALLNOW-SMITH

Executive Directors

George Kwok Lung HONGCHOY (*Chief Executive Officer*)

Andy CHEUNG Lee Ming (*Chief Financial Officer*)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

William CHAN Chak Cheung

Anthony CHOW Wing Kin

Patrick FUNG Yuk Bun

Stanley KO Kam Chuen

May Siew Boi TAN

David Charles WATT

Richard WONG Yue Chim

Elaine Carole YOUNG

APPENDIX – TEXT OF EGM NOTICE

“NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the unitholders (the **“Unitholders”**) of The Link Real Estate Investment Trust (**“The Link REIT”**) will be held at Salon 5 and 6, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 18 February 2014 at 10:00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, each of the following resolutions as a Special Resolution:

Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the circular dated 17 January 2014 of The Link REIT (the **“Circular”**).

SPECIAL RESOLUTIONS

1. **“THAT:**

- (A) pursuant to Clause 20.2.7 of the trust deed constituting The Link REIT (the **“Trust Deed”**) and subject to the passing of Special Resolution no. 2 as set out in this notice, approval be and is hereby given for the Expanded Geographical Investment Scope as set out in the Circular, a copy of which marked A and signed by the chairman of meeting for identification purposes is presented to the meeting; and
- (B) The Link Management Limited (as manager of The Link REIT) (the **“Manager”**), any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 1.”

2. **“THAT:**

- (A) subject to the passing of Special Resolution no. 1 as set out in this notice and pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Investment Scope Trust Deed Amendments, as specifically set out in Part A of Appendix I to the Circular; and
- (B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the

interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 2.”

3. **“THAT:**

(A) pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to The Link REIT’s authorised investments and related activities, as specifically set out in Part B of Appendix I to the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including with limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 3.”

4. **“THAT:**

(A) pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to The Link REIT’s issuance of units and/or convertible instruments to a connected person (as defined in the REIT Code), and other matters relating to issue of Units as specifically set out in Part C of Appendix I to the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including with limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 4.”

5. **“THAT:**

(A) pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to the Manager’s and the Trustee’s ability to borrow or raise money for The Link REIT, as specifically set out in Part D of Appendix I to the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including with limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the

interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 5.”

6. **“THAT:**

(A) pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to voting by a show of hands, as specifically set out in Part E of Appendix I to the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including with limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 6.”

7. **“THAT:**

(A) pursuant to Clause 25.1 of the Trust Deed, approval be and is hereby given for the Trust Deed amendments relating to other miscellaneous amendments, as specifically set out in Part F of Appendix I to the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including with limitation executing such supplemental deed to the Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of The Link REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 7.”

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

Hong Kong, 17 January 2014

Notes:

(a) For the purpose of ascertaining Unitholders’ right to attend the above extraordinary general meeting (“**EGM**”), the register of Unitholders will be closed from Thursday, 13 February 2014 to Tuesday, 18 February 2014, both days inclusive, during which period no transfer of units of The Link REIT (the “**Units**”) will be registered. In order to be eligible to attend and

vote at the EGM, all transfer documents accompanied by the relevant unit certificates must be lodged with the unit registrar of The Link REIT, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 February 2014.

- (b) Any Unitholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on poll in his/her stead. A proxy need not be a Unitholder. If more than one proxy is appointed, the relevant proxy form(s) must specify the number of Units in respect of which each such proxy is appointed.
- (c) In the case of joint Unitholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Unitholders and for this purpose, seniority shall be determined by the order in which the names of the joint Unitholders stand in the register of Unitholders in respect of the relevant Unit.
- (d) In order to be valid, the instrument appointing a proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or other authority, if any, must be lodged with the unit registrar of The Link REIT, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof.
- (e) With regard to the proposed Special Resolutions nos. 2 to 7, please note that the Trust Deed is available in English only and the Chinese translation of any provisions of the Trust Deed provided in the Chinese versions of this notice and Appendix I to the Circular are for reference only. In case of any discrepancy, the English version shall prevail.
- (f) The voting of all the proposed resolutions at the EGM will be taken by poll.
- (g) As at the date of this notice, the board of directors of the Manager comprises Mr. Nicholas Robert SALLNOW-SMITH as the Chairman and also an Independent Non-Executive Director; Mr. George Kwok Lung HONGCHOY (Chief Executive Officer) and Mr. Andy CHEUNG Lee Ming (Chief Financial Officer) as Executive Directors; Mr. Ian Keith GRIFFITHS as Non-Executive Director; and Mr. William CHAN Chak Cheung, Mr. Anthony CHOW Wing Kin, Dr. Patrick FUNG Yuk Bun, Mr. Stanley KO Kam Chuen, Ms. May Siew Boi TAN, Mr. David Charles WATT, Professor Richard WONG Yue Chim and Ms. Elaine Carole YOUNG as Independent Non-Executive Directors.”