

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT: You must read the following before continuing.** The following applies to the offering circular following this page (the “**Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States.

This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to each of the Issuer, the REIT Manager, the Guarantors, the Joint Lead Managers (each as defined in this Offering Circular) that (1) you and any customers you represent and that the electronic mail address that you provided and to which the e-mail has been delivered is not located in the United States and (2) that you consent to delivery of this Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached.

**Actions that you may not take:** If you receive this document by e-mail, you should not reply by e-mail to this document, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the relevant Joint Lead Manager or any affiliate of the Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer, the REIT Manager and the Guarantors in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the REIT Manager, the Guarantors, the Joint Lead Managers, nor any person who controls the Issuer, the REIT Manager, the Guarantors, the Joint Lead Managers, nor any director, officer, employee, representative or agent of the Issuer, the REIT Manager, the Guarantors, the Joint Lead Managers, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any Joint Lead Manager.

**PRIIPS Regulation/Prohibition of Sales to EEA Retail Investors** – The Bonds, the Guarantee and the Units are not intended to be offered sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPS Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

In each EEA member state (“**Member State**”), this Offering Circular may only be distributed and Bonds may only be offered or placed to the extent that this Offering Circular may otherwise be lawfully distributed and the Bonds may lawfully be offered or placed in compliance with that Member State’s implementation of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 as transposed into national law (the “**AIFM Directive**”) and any other applicable laws or regulations.

**You are responsible for protecting against viruses and other destructive items.** Your use of the e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



## Link 2019 CB Limited

(incorporated in the British Virgin Islands with limited liability) (as Issuer)

**HK\$4,000,000,000 1.60 per cent. Guaranteed Green Convertible Bonds due 2024 convertible into Units of Link Real Estate Investment Trust**  
**Issue Price: 100 per cent.**

Guaranteed by

### The Link Holdings Limited

(incorporated in the Cayman Islands with limited liability)

and

### Link Properties Limited

(incorporated in the Cayman Islands with limited liability)

and

### HSBC Institutional Trust Services (Asia) Limited

(incorporated in Hong Kong with limited liability)

in its capacity as trustee, and with recourse limited to the assets, of

### 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)

Managed by

### Link Asset Management Limited

(incorporated in Hong Kong with limited liability)

(in its capacity as manager of Link Real Estate Investment Trust)

The 1.60 per cent. Guaranteed Green Convertible Bonds due 2024 in the aggregate principal amount of HK\$4,000,000,000 (the "Bonds") will be issued by Link 2019 CB Limited (the "Issuer") and jointly and severally, unconditionally and irrevocably guaranteed by The Link Holdings Limited ("HoldCo"), Link Properties Limited ("PropCo"), Link Institutional Trust Services (Asia) Limited (in its capacity as trustee, and with recourse limited to the assets, of Link Real Estate Investment Trust ("Link")) (the "REIT Trustee", and together with HoldCo and PropCo, the "Guarantors" and each, a "Guarantor"). The issue price will be 100 per cent. of the aggregate principal amount of the Bonds.

The Bonds will, upon issue, constitute direct, unsubordinated, unconditional and (subject to Condition 4 (Negative Pledge) of the Terms and Conditions of the Bonds (the "Terms and Conditions") or the "Conditions") 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 Bonds and of each Guarantor under the Guarantee (as defined below) shall, except as provided below and save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Terms and Conditions, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer or, as the case may be, each Guarantor, respectively, present and future; provided that the REIT Trustee's obligations under the Guarantee will rank equally with all other unsecured obligations and monetary obligations of the REIT Trustee incurred in its capacity as trustee of Link and recourse to the REIT Trustee shall always be limited to the assets comprising the Deposited Property (as defined in the Terms and Conditions), subject to any prior ranking claims over those assets.

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 Trust Deed (as defined in the Terms and Conditions) and the Bonds. Each Guarantor's obligations in that respect (collectively, the "Guarantee") will be contained in the Trust Deed. The Guarantee will constitute direct, unconditional and unsubordinated obligations of each of the Guarantors and shall at all times rank *pari passu* and without any preference among themselves.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after the date which is 41 days after 3 April 2019 (the "Issue Date") up to 3:00 pm (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling ten days prior to 3 April 2024 (the "Maturity Date") into units of Link ("Units") at an initial conversion price of HK\$109.39 per Unit. The conversion price is subject to adjustment in the circumstances described under "Terms and Conditions of the Bonds - Conversion". The Closing Price (as defined in the Terms and Conditions) of the Units on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange" or "SEHK") on 7 March 2019 was HK\$89.30 per Unit.

The Bonds bear interest from (and including) 3 April 2019 at the rate of 1.60 per cent. per annum of the principal amount of the Bonds. Interest is payable semi-annually in arrear on 3 April and 3 October in each year (each an "Interest Payment Date"), commencing with the first payment of interest on 3 October 2019 in respect of the period from (and including) 3 April 2019 to (but excluding) 3 October 2019. The last payment of interest will be made on the Maturity Date in respect of the period from (and including) 3 October 2023 to (but excluding) the Maturity Date.

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon, on the Maturity Date. On or at any time after 3 April 2022 but not less than seven business days prior to the Maturity Date, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Conditions, redeem the Bonds in whole, but not in part at their principal amount together with interest accrued up to the date fixed for redemption but unpaid, provided that no such redemption may be made unless the Closing Price of the Units for any 20 Trading Days (as defined in the Terms and Conditions) out of 30 consecutive Trading Days immediately prior to the date upon which the notice is given, was at least 130 per cent. of the applicable Conversion Price then in effect. On giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Conditions (which notice shall be irrevocable), the Issuer shall redeem the Bonds, in whole but not in part, on the date specified in the notice at their principal amount, together with interest accrued up to the date fixed for redemption but unpaid if, at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (which shall for this purpose include any further bonds issued in accordance with Condition 16 (Further Issues) of the Terms and Conditions and consolidated and forming a single series therewith). At any time, having given not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with the Conditions (which notice shall be irrevocable), the Issuer may redeem all, and not some only, of the Bonds at their principal amount together with interest accrued up to the date fixed for redemption but unpaid, in the event of certain changes relating to British Virgin Islands taxation, Cayman Islands taxation or Hong Kong taxation as further described in the Terms and Conditions, subject to the non-redemption option of each holder after the exercise by the Issuer of its tax redemption option as described in the Terms and Conditions. See "Terms and Conditions of the Bonds - Redemption, Purchase and Cancellation" of this Offering Circular.

Following the occurrence of a Change of Control (as defined in the Terms and Conditions), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds at their principal amount together with any interest accrued up to the date fixed for redemption but unpaid following the delivery of a Change of Control Put Exercise Notice (as defined in the Terms and Conditions). In the event of a Delisting (as defined in the Terms and Conditions) or Suspension (as defined in the Terms and Conditions), each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all or some only of such Bondholder's Bonds at their principal amount together with interest accrued up to the Delisting or Suspension Put Date (as defined in the Terms and Conditions) but unpaid. The holder of each Bond will also have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on 3 April 2022 at their principal amount together with interest accrued up to the date fixed for redemption but unpaid. See "Terms and Conditions of the Bonds - Redemption, Purchase and Cancellation" of this Offering Circular.

Link has been rated "A2 (Stable)" by Moody's Investors Service, Inc. ("Moody's"), "A (Stable)" by Fitch (Hong Kong) Limited ("Fitch") and "A (Stable)" by Standard & Poor's Ratings Services, a division of the McGraw-Hill companies ("S&P"). The Bonds are rated "A" by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong ("SFO")) (together, "Professional Investors") only. This document is for distribution to Professional Investors only. Investors should not purchase the Bonds in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Bonds are only suitable for Professional Investors.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the Guarantors, or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

This Offering Circular includes particulars given in compliance with the Listing Rules and the REIT Code for the purposes of giving information with regard to the Issuer, the Guarantors, the REIT Manager, Link and the Group. Each of the Issuer, the REIT Manager, HoldCo and PropCo accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Investing in the Bonds and the units issued upon conversion of the Bonds (the "New Units") involves certain risks. See "Risk Factors" beginning on page 44 of this Offering Circular for a discussion of certain factors to be considered in connection with the investment in the Bonds and the New Units.

The Bonds, the Guarantee and the New Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold in an offering outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the New Units and the distribution of this Offering Circular, see "Subscription and Sale" of this Offering Circular.

The Bonds will be represented by beneficial interests in a global certificate (the "Global Certificate") in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Maturity Date with, a common depository for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

The Bonds are not intended to be initially placed and may not be initially placed to "connected persons" of Link as defined in the Code on Real Estate Investment Trusts (the "REIT Code") issued by the Hong Kong Securities and Futures Commission ("Connected Persons"), save for any Bonds which may be taken up by HSBC pursuant to its underwriting obligations under the Subscription Agreement. Each holder of the Bonds (and the beneficial owners of the Bonds, if applicable) will be deemed to have represented to the Issuer, the REIT Manager, the Guarantors, The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and J.P. Morgan Securities plc as joint global coordinators, joint bookrunners and joint lead managers (each, a "Joint Lead Manager" and collectively, the "Joint Lead Managers") that it is independent of and not a Connected Person of Link, and will not after completion of the subscription of the Bonds be a Connected Person of Link. Each prospective investor will be deemed to have agreed with the Issuer, the REIT Manager, the Guarantors and the Joint Lead Managers that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the Hong Kong Securities and Futures Commission (the "SFC"), disclose information about such potential investor (including but not limited to its name, company registration number and the number of Bonds allotted to it) to certain parties.

**Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers**  
**HSBC J.P. Morgan**

**Green Finance Framework Advisor**  
**HSBC**

Dated 29 March 2019

## NOTICE TO INVESTORS

Each of the Issuer, REIT Manager, HoldCo and PropCo, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantors, the REIT Manager, Link and its subsidiaries (collectively, the “**Group**”), the Bonds, the Units and the Guarantee which is material in the context of the issue and offering of the Bonds (the “**Offering**”) and the giving of the Guarantee, (ii) the statements of fact contained in it are true and accurate in all material respects and not misleading, (iii) all statements of opinion, intention or expectation contained in this Offering Circular are truly and honestly held, and have been made after due and careful consideration of all relevant circumstances and are based on reasonable assumptions, (iv) no other fact or matter has been omitted from this Offering Circular which in the context of the issue and offering of the Bonds and the giving of the Guarantee, (a) is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses of the Issuer, the Guarantors, the REIT Manager, Link and any member of the Group and of the rights attaching to the Bonds, the Units and the Guarantee or (b) the omission of which will make any statement in this Offering Circular misleading in any material respect, and (v) all reasonable enquiries have been made by the Issuer, the Guarantors, the REIT Manager and each member of the Group to ascertain such facts and to verify the accuracy of all such information and statements.

The REIT Trustee, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the REIT Trustee that is material in the context of the issue and offering of the Bonds and the giving of the Guarantee, (ii) the statements contained in it relating to the REIT Trustee are true and accurate in all material respects and not misleading, (iii) the statements of opinion, intention or expectation, if any, contained in this Offering Circular with regard to the REIT Trustee are truly and honestly held, and have been made after due and careful consideration of all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts or matters in relation to the REIT Trustee, the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the REIT Trustee to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been or is authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Bonds and the giving of the Guarantee and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of any of the Issuer, the Guarantors, the REIT Manager, Link, any of the Joint Lead Managers, The Bank of New York Mellon, London Branch as the trustee of the Bonds (the “**Trustee**”) or the Agents (as defined in the Terms and Conditions) or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication or constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantors, the REIT Manager and Link since the date hereof or that there has been no adverse change in the financial position of the Issuer, the Guarantors, the REIT Manager and Link since the date hereof.

**The distribution of this Offering Circular and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantors, the REIT Manager and the Joint Lead Managers to inform themselves about and to observe any such restriction. The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Bonds may not be offered or sold within the United States. The Bonds and Guarantee are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on offers and transfers of Bonds and on the distribution of this Offering Circular, see “*Subscription and Sale*” of this Offering Circular.**

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, the REIT Manager, Link, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates to subscribe for, or purchase, any Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Offering Circular is not intended to invite offers to subscribe for or purchase Units.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the REIT Code for the purposes of giving information with regard to the Issuer, the Guarantors, the REIT Manager, Link and the Group. Each of the Issuer, the REIT Manager, HoldCo and PropCo accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The REIT Trustee takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular except that the REIT Trustee accepts full responsibility for the accuracy of the information in relation to the REIT Trustee contained in this Offering Circular.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” of this Offering Circular). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

No promise, undertaking, representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds, the Guarantee or the Units. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by a Joint Lead Manager, the Trustee, the Agents or their or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or on its behalf in connection with the Issuer, the Guarantors, the REIT Manager, Link, any other member of the Group or the Bonds, the Guarantee or the Units. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective directors, officers, employees, agents, advisers, representatives and affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which each of them might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates has independently verified any of the information contained in this Offering Circular, and none of them can give any assurance that such information is accurate, truthful or complete.

Neither this Offering Circular nor any other information provided in connection with the Offering is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantors, the REIT Manager, Link, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates that any recipient of this Offering Circular, or of any such information, should purchase the Bonds. Each potential purchaser of Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantors, the REIT Manager, Link and the Group. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers, the Trustee or the Agent or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates undertakes to review the financial condition or affairs of the Issuer, the Guarantors, the REIT Manager, Link or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers, the Trustee or the Agent or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates.

***Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04 – N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

## CURRENCIES

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “China”, “Mainland China” and the “PRC” are to The People’s Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, the Macau Special Administrative Region of the PRC and the Hong Kong Special Administrative Region of the PRC, references to “Hong Kong” and “HKSAR” are to the Hong Kong Special Administrative Region of the PRC, to “HK\$” are to Hong Kong dollars, to “U.S.\$” are to U.S. dollars and to “Renminbi” and “RMB” are to the currency of the PRC.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- Link's future expenditure (including its capital expenditure and repair and maintenance plans);
- Link's financial condition and results of operations;
- the anticipated availability of bank and other forms of financing;
- Link's business and investment strategy;
- the industry outlook generally; and
- certain government regulations, policies and other factors.

The words "anticipate", "believe", "estimate", "expect", "intend", "seek", "plan", "may", "will", "would", "could" and similar expressions, as they relate to Link, are intended to identify a number of these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond Link's control. In addition, these forward-looking statements reflect the current views of the REIT Manager with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including, among others:

- various business opportunities that Link may pursue;
- changes or volatility in interest rates;
- changes in the availability of banks or other forms of financing;
- the effect of adverse conditions on Hong Kong's economy and the real estate market;
- competition;
- potential legislative, accounting and regulatory changes in Hong Kong that may affect Link's performance; and
- the risk factors discussed in this Offering Circular as well as other factors beyond Link's or the REIT Manager's control.

Subject to compliance with applicable regulatory requirements, the REIT Manager does not intend to update or otherwise revise the forward-looking statements in this Offering Circular, whether as a result of new information, future events or otherwise. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Offering Circular might not occur in the way the REIT Manager expects, or at all. Investors should not place undue reliance on any forward-looking information.

## DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated financial information of Link (including the notes thereto) as at and for the years ended 31 March 2017 and 31 March 2018, which is contained in pages 77 to 130 of the annual report of Link for the year ended 31 March 2018, and the unaudited condensed consolidated interim financial information of Link (including the notes thereto) as at and for the periods ended 30 September 2017 and 30 September 2018, which is contained in pages 43 to 68 of the interim report of Link for the six months ended 30 September 2018, are incorporated by reference in this Offering Circular. Copies of the financial statements are available and may be (i) obtained free of charge at the registered office of the REIT Manager at 33/F, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong or at the specified office of the Paying Agent (being at the date of this Offering Circular at One Canada Square, London E14 5AL, United Kingdom); or (ii) downloaded free of charge from the website of the Hong Kong Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk).

Neither the Joint Lead Managers nor any of their respective directors, officers, employees, agents, advisers, representatives or affiliates make any representation or warranty, express or implied, regarding the sufficiency of any unaudited figures in this Offering Circular. Potential investors must exercise caution when using such unaudited figures to evaluate the financial condition and results of operations of Link and its subsidiaries.

As at the date of this Offering Circular, other than the financial statements of Link, the Issuer and the Guarantors have not published and do not propose to publish any financial statements.

In addition, this Offering Circular also incorporates by reference the Green Finance Framework of Link. For a description of such Green Finance Framework, see “*Green Finance Framework*” of this Offering Circular. Copies of the Green Finance Framework are available and may be (i) obtained free of charge at the registered office of the REIT Manager at 33/F, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong or at the specified office of the Paying Agent (being at the date of this Offering Circular at One Canada Square, London E14 5AL, United Kingdom); or (ii) downloaded free of charge from the website of Link at <https://www.linkreit.com/en/sustainability/genericPage/greenfinanceV2/>.

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## THE OFFERING

*The following is a general summary of the terms of the Offering. This summary is partly derived from and should be read in conjunction with, the full text of the Terms and Conditions (see “Terms and Conditions of the Bonds” of this Offering Circular), the Trust Deed and the Agency Agreement relating to the Bonds. The Conditions, the Trust Deed and the Agency Agreement will prevail to the extent of any inconsistency with the terms set out in this summary. Defined terms used in this summary that are not defined herein shall have the meanings accorded to them in the Conditions.*

<b>Issuer</b>	Link 2019 CB Limited.
<b>Guarantors</b>	The Link Holdings Limited.  Link Properties Limited.  HSBC Institutional Trust Services (Asia) Limited (in its capacity as trustee, and with recourse limited to the assets, of Link).
<b>REIT Manager</b>	Link Asset Management Limited (in its capacity as manager of Link).
<b>Issue</b>	HK\$4,000,000,000 1.60 per cent. Guaranteed Green Convertible Bonds due 2024, convertible at the option of the Bondholder thereof into fully paid Units in Link.
<b>Guarantee</b>	Each of the Guarantors has, jointly and severally, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds.
<b>Issue Price</b>	100.00 per cent. of the principal amount of the Bonds.
<b>Form and Denomination of the Bonds</b>	The Bonds will be issued in registered form in the denomination of HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof. Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.
<b>Interest</b>	The Bonds bear interest from (and including) 3 April 2019 at the rate of 1.60 per cent. per annum of the principal amount of the Bonds. Interest is payable semi-annually in arrear on 3 April and 3 October in each year (each an “ <b>Interest Payment Date</b> ”), commencing with the first payment of interest on 3 October 2019 in respect of the period from (and including) 3 April 2019 to (but excluding) 3 October 2019. See “ <i>Terms and Conditions of the Bonds – Interest</i> ” of this Offering Circular.
<b>Issue Date</b>	3 April 2019.
<b>Maturity Date</b>	3 April 2024.



**Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any of the Guarantors will (and each of the Issuer, HoldCo and PropCo will ensure that none of the other members of the Group (excluding the REIT Trustee) will) create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) other than a Permitted Security Interest (as defined in the Terms and Conditions) upon the whole or any part of the assets, properties or revenues of Link (“**Assets**”) present or future to secure any Relevant Debt (as defined in the Terms and Conditions), or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds, or, as the case may be, the relevant Guarantor’s obligations under the Guarantee (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders. See “*Terms and Conditions of the Bonds – Negative Pledge*” of this Offering Circular.

**Status of the Bonds**

The Bonds shall constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions) unsecured obligations of the Issuer and shall rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantors under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and/or, as the case may be, the Guarantors respectively, present and future; provided that the REIT Trustee’s obligations under the Guarantee will rank equally with all other unsecured obligations and monetary obligations of the REIT Trustee incurred in its capacity as trustee of Link and recourse to the REIT Trustee shall always be limited to the assets comprising the Deposited Property, subject to any prior ranking claims over those assets. See “*Terms and Conditions of the Bonds – Status and Guarantee*” of this Offering Circular.

**Status of the Guarantee**

The Guarantee constitutes direct, unconditional and unsubordinated obligations of each of the Guarantors and shall at all times rank *pari passu* and without any preference among themselves. See “*Terms and Conditions of the Bonds – Status and Guarantee*” of this Offering Circular.

**Voting Rights**

Unless and until Bondholders acquire the New Units upon conversion of the Bonds, the Bondholders will have no rights with respect to the Units, including any voting rights or rights to receive any distributions with respect to the Units.

## **Taxation**

All payments of principal and interest made by or on behalf of the Issuer or the Guarantors under or in respect of the Trust Deed, the Guarantee, the Agency Agreement or the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, the Cayman Islands or Hong Kong or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts (“**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such deduction or withholding been required, except in circumstances specified in Condition 9 (*Taxation*) of the Terms and Conditions. See “*Terms and Conditions of the Bonds – Taxation*” of this Offering Circular.

## **Conversion Right and Period**

Subject as provided in the Terms and Conditions, each Bond shall entitle the holder to convert such Bond into Units at any time during the Conversion Period referred to below (the “**Conversion Right**”). Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after 14 May 2019 up to 3:00 p.m. (at the place where the Certificate evidencing such Bond is deposited for conversion) on 24 March 2024 (but, except as provided in the Terms and Conditions, in no event thereafter) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to 3:00 p.m. (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8.5, 8.6 or 8.7 then up to 3:00 p.m. (at the place aforesaid) on the business day prior to the giving of such notice (the “**Conversion Period**”). See “*Terms and Conditions of the Bonds – Conversion – Conversion Right*” of this Offering Circular.

## **Conversion Price and Adjustments**

The price at which Units will be issued upon conversion, as adjusted from time to time (the “**Conversion Price**”) will initially be HK\$109.39 per Unit, which will be subject to adjustments for, among other things, consolidation, subdivision, redesignation, reclassification, capitalisation of profits or reserves, extraordinary distributions, rights issues of Units or options over Units at less than 95% of the current market price, rights issues of other securities, issues of Units at less than 95% of the current market price and modification of rights of conversion into Units at less than 95% of the current market price. The adjustments are determined in accordance with the specified formulas set out in the Terms and Conditions. See “*Terms and Conditions of the Bonds – Conversion – Adjustments to Conversion Price*” of this Offering Circular. Notwithstanding any of the adjustment events, no adjustment to the Conversion Price shall be made for any issuance of new Units pursuant to any employees’ Unit scheme or plan (including without limitation, the 2007 Long Term Incentive Plan approved by the Unitholders of Link on 23 July 2007, which had expired on 22 July 2017 (the “**2007 LTI Plan**”)).

## **Ranking of New Units**

The New Units issued upon conversion of the Bonds will be fully paid and in all respects rank *pari passu* with the Units in issue on the relevant Registration Date (as defined in the Terms and Conditions).

**Redemption at Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount together with accrued and unpaid interest thereon on the Maturity Date. See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Maturity*” of this Offering Circular.

**Redemption at the Option of the Issuer on Increased Unit Price**

On or at any time after 3 April 2022 but not less than seven business days prior to the Maturity Date, the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions (the “**Optional Redemption Notice**”), redeem the Bonds in whole but not in part, at their principal amount together with interest accrued up to the date fixed for redemption but unpaid, provided that no such redemption may be made unless the Closing Price of the Units for any 20 Trading Days out of 30 consecutive Trading Days, immediately prior to the date upon which the Optional Redemption Notice is given, was at least 130 per cent. of the applicable Conversion Price then in effect. See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Issuer on Increased Unit Price*” of this Offering Circular.

**Redemption at the Option of the Issuer on Minimum Outstanding Amounts**

On giving not less than 30 nor more than 60 days’ notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions (the “**Optional Redemption Notice**”), the Issuer shall redeem the Bonds, in whole but not in part, on the date specified in the Optional Redemption Notice at their principal amount together with interest accrued up to the date fixed for redemption but unpaid if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 16 (*Further Issues*) of the Terms and Conditions). See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Issuer on Minimum Outstanding Amounts*” of this Offering Circular.

**Redemption for Taxation Reasons**

On giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions (which notice shall be irrevocable), the Issuer may redeem all, and not some only, of the Bonds at their principal amount together with interest accrued up to the date fixed for redemption but unpaid if the Issuer or the REIT Manager satisfies the Trustee immediately prior to the giving of such Tax Redemption Notice that (i) the Issuer (or if the Guarantee was called, any Guarantor) has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of a payment by the Issuer) or the Cayman Islands or Hong Kong (in the case of a payment by the Guarantors) or, in any such case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 March 2019, and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor (as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

If the Issuer gives a Tax Redemption Notice, each Bondholder shall have the right to elect that its Bonds shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, any payments due after the relevant date of redemption shall be made subject to any deduction or withholding of any taxation required to be deducted or withheld by the government of the British Virgin Islands, the Cayman Islands or Hong Kong or any authority thereof or therein having power to tax. See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Taxation Reasons*” of this Offering Circular.

#### **Redemption for Change of Control**

Following the occurrence of a Change of Control, the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorised Denomination (as defined in the Terms and Conditions)) of such holder’s Bonds on the Change of Control Put Date (as defined in the Terms and Conditions) at their principal amount together with any interest accrued up to the date fixed for redemption but unpaid. See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Change of Control*” of this Offering Circular.

A “**Change of Control**” occurs when:

- (i) Link Asset Management Limited ceases to be a subsidiary of the REIT Trustee whilst it is the REIT Manager;
- (ii) Link Asset Management Limited (the REIT Manager as at the Closing Date) is replaced by a new manager which is not a subsidiary of the REIT Trustee; or
- (iii) any Person, or Persons acting in concert (within the meaning of the Hong Kong Code on Takeovers and Mergers, as if it applies to Link), acquire(s) Control of Link if such Person or Persons does not or do not have, and would not be deemed to have, Control of Link on 7 March 2019.

“**Control**” means the acquisition or control of more than 50 per cent. of the voting rights of the issued Units of Link or the right to appoint and/or remove all or the majority of the members of the board of directors of the REIT Manager, whether obtained directly or indirectly, and whether obtained by ownership of capital, the possession of voting rights, contract or otherwise.

#### **Delisting or Suspension Put Right**

In the event the Units cease to be listed or admitted to trading on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”) or trading is suspended for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Suspension**”) each Bondholder shall have the right, at such Bondholder’s option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorised Denomination) of such Bondholder’s Bonds on the 20th business day after notice has been given to Bondholders regarding the Delisting or Suspension or, if such notice is not given, the 20th business day after the Delisting or Suspension (the “**Delisting or Suspension Put Date**”) at their principal amount together with interest accrued up to the Delisting or Suspension Put Date but unpaid. See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Delisting or Suspension Put Right*” of this Offering Circular.

**Early Redemption at the Option of the Bondholders**

The holder of each Bond will have the right to require the Issuer to redeem all or some only of such holder's Bonds on 3 April 2022 (the "**Optional Put Date**") (subject to the principal amount of such holder's Bonds redeemed and the principal amount of the balance of such holder's Bonds not redeemed being an Authorised Denomination) at their principal amount together with interest accrued up to the date fixed for redemption but unpaid. See "*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Early Redemption at the option of the Bondholders*" of this Offering Circular.

**Issuer, HoldCo, PropCo and REIT Manager Lock-up**

Each of the Issuer, HoldCo, PropCo and the REIT Manager has agreed in the Subscription Agreement that it will, and will procure that neither Link nor any of its Subsidiaries nor any person acting on its behalf will, for a period from the date of the Subscription Agreement up to 90 days after the Closing Date, without the prior written consent of the Joint Lead Managers, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) any Units or securities convertible or exchangeable into or exercisable for Units or warrants or other rights to purchase Units or any security or financial product whose value is determined directly or indirectly by reference to the price of the Units, including equity swaps, forward sales and options representing the right to receive any Units (whether or not such contract is to be settled by delivery of Units or such other securities, in cash or otherwise) save for (i) Units issued pursuant to the conversion provisions of the Bonds, (ii) Units issued pursuant to any distribution reinvestment scheme approved from time to time by the board of directors of the REIT Manager in accordance with the REIT Trust Deed, pursuant to which Unitholders may be entitled to receive a scrip distribution of new Units on account of all or a portion of the distributions payable to them (the "**DRP**"), or any successor or additional distribution reinvestment plan provided that such successor or additional plan is fully underwritten or (iii) Units issued or agreed to be issued pursuant to the 2007 LTI Plan.

**Cross Default**

The Bonds may be accelerated in the event of, *inter alia*, (i) any other present or future indebtedness of the Issuer, any Guarantor, Link or any Principal Subsidiary (as defined in the Terms and Conditions) for or in respect of Borrowed Moneys (as defined in the Terms and Conditions) becomes due and payable prior to its stated maturity by way of acceleration following a default by the Issuer, any Guarantor, Link or any Principal Subsidiary, or (ii) when the Issuer, any Guarantor, Link or any Principal Subsidiary defaults in respect of any of its Borrowed Money beyond any grace period provided in respect thereof, or (iii) the Issuer, any Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Borrowed Moneys, provided that the aggregate amount of the relevant Borrowed Moneys, or any guarantees and indemnities in respect thereof, equals or exceeds U.S.\$30,000,000 or its equivalent. For a description of certain other events that will permit acceleration of repayment of the principal amount together with accrued interest (if any) of the Bonds, see "*Terms and Conditions of the Bonds – Events of Default*" of this Offering Circular.

<b>Further Issues</b>	The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. See “ <i>Terms and Conditions of the Bonds – Further Issues</i> ” of this Offering Circular.
<b>Clearing</b>	The Bonds will be cleared through Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book entry transfer between their respective account holders.
<b>Governing Law</b>	The Bonds and any non-contractual obligations arising out of or in connection with them will be governed by and will be construed in accordance with English law.
<b>Legal Entity Identifier</b>	2549000YKZX6JKWL1X31.
<b>ISIN/Common Code</b>	XS1961891147/196189114.
<b>Listing and Trading of the Bonds</b>	Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds to Professional Investors only and formal permission is expected to become effective on 4 April 2019.
<b>Listing of Units</b>	The Units are listed on the Hong Kong Stock Exchange. Application has been made to the Hong Kong Stock Exchange for the listing of the New Units. Conditional approval for the listing of the New Units has been granted by the Hong Kong Stock Exchange.
<b>Trustee</b>	The Bank of New York Mellon, London Branch.
<b>Registrar and Transfer Agent</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch.
<b>Principal Paying Agent, Paying Agent and Conversion Agent</b>	The Bank of New York Mellon, London Branch.
<b>Rating of Link and the Bonds</b>	Link has been rated “A2 (Stable)” by Moody’s, “A (Stable)” by Fitch and “A (Stable)” by S&P. The Bonds are rated “A” by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
<b>Selling Restrictions</b>	There are restrictions on the offer, sale and transfer of the Bonds in, among others, the United States, the European Economic Area, Hong Kong, Singapore, Japan, Cayman Islands, British Virgin Islands and Switzerland. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “ <i>Subscription and Sale</i> ” of this Offering Circular.

**Global Certificate**

For as long as the Bonds are represented by the Global Certificate and the Global Certificate is deposited with a common depository for Euroclear and Clearstream, payments of principal in respect of the Bonds represented by the Global Certificate will be made without presentation and, if no further payment falls to be made in respect of the Bonds, against surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to Bondholders for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.

**Use of Proceeds**

See “*Use of Proceeds*” of this Offering Circular.

**Risk Factors**

For a discussion of certain factors that should be considered in evaluating an investment in the Bonds and the New Units, see “*Risk Factors*” of this Offering Circular.

## TERMS AND CONDITIONS OF THE BONDS

*The following other than the words in italics is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

The issue of HK\$4,000,000,000 in aggregate principal amount of 1.60 per cent. Guaranteed Green Convertible Bonds of Link 2019 CB Limited (the “**Issuer**”) due 2024 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) was authorised by resolutions of the board of directors of the Issuer on 6 March 2019; the Guarantee (as defined in Condition 1.2) of the Bonds was authorised by resolutions of the board of directors of The Link Holdings Limited (“**HoldCo**”) passed on 6 March 2019, the board of directors of Link Properties Limited (“**PropCo**”) passed on 6 March 2019 and has been authorised by HSBC Institutional Trust Services (Asia) Limited in its capacity as trustee, and with recourse limited to the assets, of Link Real Estate Investment Trust (“**Link REIT**”) (the “**REIT Trustee**”, together with the HoldCo and the PropCo, the “**Guarantors**” and each, a “**Guarantor**”), respectively; and the right of conversion into Units (as defined in Condition 6.1.5) of Link REIT was authorised by resolutions of the board of directors of Link Asset Management Limited in its capacity as manager of Link REIT (the “**REIT Manager**”) passed on 25 February 2019. The Bonds are constituted by a trust deed (as amended or supplemented from time to time) (the “**Trust Deed**”) dated on or around 3 April 2019 (the “**Closing Date**”) between the Issuer, the Guarantors, the REIT Manager and The Bank of New York Mellon, London Branch as trustee for the holders (as defined below) of the Bonds (the “**Trustee**”, which term shall, where the context so permits, include all persons for the time being acting as trustee or trustees under the Trust Deed). The Issuer, the REIT Manager and the Guarantors have entered into a paying, conversion and transfer agency agreement (as amended or supplemented from time to time, the “**Agency Agreement**”) dated on or around 3 April 2019 with the Trustee, The Bank of New York Mellon, London Branch as principal agent, paying agent and conversion agent (the “**Principal Agent**”, the “**Paying Agent**” and the “**Conversion Agent**”), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent (the “**Registrar**” and the “**Transfer Agent**”, and together with the Principal Agent, the Paying Agent and the Conversion Agent, the “**Agents**” and each an “**Agent**”) and the other paying, conversion and transfer agents appointed therein relating to the Bonds. The statements in these terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m. on a business day) at the principal office for the time being of the Trustee (being at the Closing Date at One Canada Square, London E14 5AL, United Kingdom) and at the specified office for the time being of the Principal Agent, following prior written request and proof of holding to the satisfaction of the Trustee or, as the case may be, the Principal Agent. The Bondholders are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Trust Deed and the provisions of the Agency Agreement applicable to them.

### 1 STATUS AND GUARANTEE

#### 1.1 Status

The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4.1) 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 Bonds and of each Guarantor under the Guarantee shall, except as provided below and save for such exceptions as may be provided by applicable legislation and subject to Condition 4.1, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer or, as the case may be, each Guarantor, respectively, present and future; provided that the REIT Trustee’s obligations under the Guarantee will rank equally with all other unsecured obligations and monetary obligations of the REIT Trustee incurred in its capacity as trustee of Link REIT and recourse to the REIT Trustee shall always be limited to the assets comprising the Deposited Property, subject to any prior ranking claims over those assets.

“**Deposited Property**” has the meaning given in the trust deed between the REIT Trustee and the REIT Manager (a company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to conduct the regulated activity of asset management, as the manager of Link REIT) constituting Link REIT dated 6 September 2005, as amended and supplemented from time to time.



## 1.2 Guarantee

Each of the Guarantors has, jointly and severally, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. Each Guarantor's obligations in that respect (collectively, the "**Guarantee**") are contained in the Trust Deed. The Guarantee constitutes direct, unconditional and unsubordinated obligations of each of the Guarantors and shall at all times rank *pari passu* and without any preference among themselves; provided that the REIT Trustee's obligations under the Guarantee will rank equally with all other unsecured obligations and monetary obligations of the REIT Trustee incurred in its capacity as trustee of Link REIT and recourse to the REIT Trustee shall always be limited to the assets comprising the Deposited Property, subject to any prior ranking claims over those assets.

## 2 FORM, DENOMINATION AND TITLE

### 2.1 Form and denomination

The Bonds are issued in registered form in the denomination of HK\$2,000,000 and integral multiples of HK\$1,000,000 in excess thereof (each, an "**Authorised Denomination**"). A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (the "**Euroclear**") and Clearstream Banking S.A. (the "**Clearstream**") The Conditions are modified by certain provisions contained in the Global Certificate. See "Description of the Global Certificate").*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

### 2.2 Title

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on (other than the endorsed form of transfer), or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

## 3 TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

### 3.1 Register

The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

## 3.2 Transfers

Subject to Conditions 3.5 and 3.6 and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents and with any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer, *provided, however*, that a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of title to a Bond will be valid or effective unless and until entered on the Register.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

## 3.3 Delivery of new Certificates

**3.3.1** Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and provision of any other evidence required by the Registrar or the relevant Transfer Agent as contemplated in Condition 3.2, and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Principal Agent.

**3.3.2** Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate and provision of any other evidence required by the Registrar or the relevant Transfer Agent as contemplated in Condition 3.2 to the Registrar or, as the case may be, any Transfer Agent, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register.

**3.3.3** For the purposes of these Conditions (except for Conditions 7, 8 and 17), “**business day**” shall mean a day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in Hong Kong and in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Transfer Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

## 3.4 Formalities free of charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, subject to (i) the person making such application for transfer paying or procuring the payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer or any of the Agents may require) in respect of any taxes, duties or other governmental charges in connection therewith; and (ii) the Registrar or the relevant Transfer Agent, as the case may be, being satisfied in its absolute discretion with the documents of title and/or identity of the person making the application and that the regulations concerning transfer and registration of Bonds have been complied with.

### 3.5 Closed periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the dates for payment of any principal pursuant to the Conditions (including any date for redemption pursuant to Conditions 8.2, 8.3 and 8.4); (ii) after a Conversion Notice (as defined in Condition 6.2) has been delivered with respect to a Bond; (iii) after the Bonds have been put for redemption pursuant to Conditions 8.5, 8.6 and 8.7; or (v) during the period of 15 days ending on (and including) any Interest Record Date (as defined in Condition 7.1), each such period being a “**Closed Period**”. The Issuer will inform or will procure that the REIT Manager informs the Trustee of the dates on which any Closed Period begins and ends immediately on being informed or becoming aware of a Closed Period.

### 3.6 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed free of charge (at the Issuer’s expense) by the Registrar to any Bondholder upon request and with proof of holding to the satisfaction of the Registrar.

## 4 NEGATIVE PLEDGE AND COVENANTS

### 4.1 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any of the Guarantors will (and each of the Issuer, HoldCo and PropCo will ensure that none of the other members of the Group (excluding the REIT Trustee) will) create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) other than a Permitted Security Interest upon the whole or any part of the assets, properties or revenues of Link REIT (“**Assets**”) present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds, or, as the case may be, the relevant Guarantor’s obligations under the Guarantee (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

“**Group**” means the Issuer, Holdco, Propco, the REIT Trustee (in its capacity as trustee of Link REIT), Link REIT and their respective Subsidiaries for the time being;

“**Permitted Security Interest**” means:

(A) any Security which is:

- (i) created or outstanding upon any part of the Assets of any member of the Group of any description (including, but not limited to, cash, securities, beneficial rights, existing and/or future revenues, existing or future surplus (howsoever defined), accounts receivables, premium receivables, claw back rights, rights against a third party and other payments due to any member of the Group and rights in respect of bank or securities accounts); and
- (ii) arises in relation to any securitisation or other structured finance transaction where:
  - (x) the primary source of payment of any obligations of any member of the Group or any other relevant obligor is linked to identified property or assets (including all rights in relation thereto and profits, receivables and proceeds of any kind arising therefrom) (the “**Financing Assets**”) or where payment of such obligations is otherwise supported or secured by such property or assets, and

- (y) recourse to any member of the Group or any other relevant obligor in respect of such obligations is limited to or conditional on, amounts realised in respect of such Financing Assets or other identified property or assets, and
- (iii) provided that not more than 30% of the aggregate value of the real properties owned by Link REIT (determined by reference to the latest available independent valuation report on such properties) shall be secured with respect to such obligations pursuant to this Condition 4.1; or
- (B) any Security over any assets or properties (or related documents of title) purchased by any member of the Group as security for all or part of the purchase price of such assets or properties and any substitute security created on those assets or properties in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets or properties provided that (i) any such Security shall be confined to the property or assets acquired, leased or developed; (ii) the principal amount of the debt encumbered by such Security shall not exceed the cost of the acquisition or development of such property or assets or any improvements thereto or thereon and (iii) any such Security shall be created concurrently with or within one year following the acquisition, lease or development of such property or assets; or
- (C) any Security over any assets or properties (or related documents of title) purchased by any member of the Group subject to such Security and any substitute security created on those assets or properties in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets or properties, provided that such debt is not secured by any additional property or assets and there is no increase in principal amount secured by such Security.

**“Relevant Debt”** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are issued with the intention on the part of the issuer thereof that they should be, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, having an original maturity of more than one year from its date of issue.

**“Subsidiary”** of a person means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

## 4.2 Financial Covenants

So long as any Bond remains outstanding, the Issuer and the Guarantors shall not (and each of the Issuer, HoldCo and PropCo shall ensure that no other member of the Group (excluding the REIT Trustee) will) incur any Financial Indebtedness if Borrowings would exceed 45 per cent. of Total Consolidated Assets (or any such higher percentage which the REIT Code may permit) as a result of such incurrence.

**“Borrowings”** means as at any particular time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of the Financial Indebtedness of members of the Group (other than any indebtedness referred to in paragraph (vii) of the definition of Financial Indebtedness and any guarantee or indemnity in respect of that indebtedness);

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;

- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) required by GAAP to be shown as a borrowing in the audited consolidated statement of financial position of the Group;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (viii) shares which are expressed to be redeemable;
- (ix) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above,

but excluding indebtedness owing by a member of the Group to another member of the Group and, for the avoidance of doubt, excluding net assets attributable to Unitholders of Link REIT;

“**GAAP**” means generally accepted accounting principles, standards and practices in Hong Kong;

“**REIT Code**” means the Code on Real Estate Investment Trusts issued, and as amended or supplemented from time to time, by the Securities and Futures Commission of Hong Kong;

“**Total Consolidated Assets**” means, at any particular time, the value of all assets of the Group, including any investments it is authorised to hold in accordance with the REIT Code together with any moneys held by it.

## 5 INTEREST

The Bonds bear interest from (and including) 3 April 2019 at the rate of 1.60 per cent. per annum of the principal amount of the Bonds. Interest is payable semi-annually in arrear on 3 April and 3 October in each year (each an “**Interest Payment Date**”), commencing with the first payment of interest on 3 October 2019 in respect of the period from (and including) 3 April 2019 to (but excluding) 3 October 2019. The last payment of interest will be made on the Maturity Date (as defined in Condition 8.1) in respect of the period from (and including) 3 October 2023 to (but excluding) the Maturity Date.

Each Bond will cease to bear interest (a) (subject to Condition 6.2.4) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below) (or if such Conversion Date falls on or before the first Interest Payment Date, the Closing Date) subject to conversion of the relevant Bond in accordance with the provisions of Condition 6.2, or (b) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue on amounts due in respect of each Bond at the rate aforesaid (after as well as before any judgment) until whichever is the earlier of (x) the day on which all sums due in respect of the relevant Bond up to that day are received by or on behalf of the relevant holder and (y) the day seven days after the Trustee or the Principal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest in respect of any Bond shall be calculated per HK\$1,000,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for each Interest Period (and any period less than a complete Interest Period) shall be equal to the product of 1.60 per cent., the Calculation Amount and the actual number of days in the Interest Period (or such other period) divided by 365, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The period beginning on and including the Closing Date to but excluding the first Interest Payment Date and each successive period beginning on an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Save as provided in Condition 6.2.4, no payment or adjustment will be made on conversion for any interest accrued on converted Bonds since the Interest Payment Date last preceding the relevant Conversion Date, or, if the Bonds are converted on or before the first Interest Payment Date, since 3 April 2019.

## 6 **CONVERSION**

### 6.1 **Conversion Right**

**6.1.1 Conversion Period:** Subject as hereinafter provided and subject to Condition 6.1.2, Bondholders have the right to convert their Bonds into Units at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Units is called the “**Conversion Right**”. Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 14 May 2019 up to 3:00 p.m. (at the place where the Certificate evidencing such Bond is deposited for conversion) on 24 March 2024 (but, except as provided in Condition 6.1.4, in no event thereafter) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to 3:00 p.m. (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8.5, 8.6 or 8.7 then up to 3:00 p.m. (at the place aforesaid) on the business day prior to the giving of such notice (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of unitholders of Link REIT is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Units (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

The number of Units to be issued on exercise of a Conversion Right will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Units to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

**6.1.2 Fractions of Units:** Fractions of Units will not be issued on exercise of Conversion Rights and no cash payment or other adjustments will be made in respect thereof. However, if a Conversion Right in respect of more than one Bond is exercised at any one time such that Units to be issued on conversion are to be registered in the same name, the number of such Units to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Units. Notwithstanding the

foregoing, in the event of a consolidation or re-classification of Units by operation of law or otherwise occurring after 7 March 2019 which reduces the number of issued Units, the Issuer will upon conversion of Bonds pay in cash (in Hong Kong dollars) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6.1.1, as corresponds to any fraction of a Unit not issued as a result of such consolidation or re-classification aforesaid, provided that such sum exceeds HK\$100. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6.2) after the relevant Conversion Date by a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

**6.1.3 Conversion Price:** The price at which Units will be issued upon conversion, as adjusted from time to time (the “**Conversion Price**”) will initially be HK\$109.39 per Unit but will be subject to adjustment in the manner provided in Condition 6.3 or under the circumstances provided in Condition 6.7.

**6.1.4 Revival and/or survival after Default:** Notwithstanding the provisions of Condition 6.1.1, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events referred to in Condition 10 or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, 3:00 p.m. (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the monies payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders in accordance with Condition 17 and, notwithstanding the provisions of Condition 6.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6.2.1(ii)) notwithstanding that the full amount of the monies payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

**6.1.5 Meaning of “Units”:** As used in these Conditions, the expression “**Units**” means units representing undivided interests in Link REIT or units of any class or classes resulting from any subdivision, consolidation or re-classification of those units, which as between themselves have no preference in respect of distributions or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution or termination of Link REIT.

## **6.2 Conversion procedure**

### **6.2.1 Conversion notice:**

- (i) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense between 9.00 a.m. and 3.00 p.m. on any business day at the specified office of any Conversion Agent a notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from any Conversion Agent, together with the relevant Certificate and certification by the Bondholder, in the form obtainable from any Conversion Agent, that any amounts required to be paid by the Bondholder under Condition 6.2 have been or (where permitted by law) will be so paid, or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8.5, 8.6 or 8.7, then up to 3:00 p.m. (at the place aforesaid) on the business day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such delivery is made after 3.00 p.m. on any business day or on a day which is not a business day in the place of the specified office of the relevant Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Conversion Agents and the relevant Bondholder.

Conversion Rights may only be exercised in respect of an Authorised Denomination.

- (ii) The conversion date in respect of a Bond (the “**Conversion Date**”) must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6.1.4) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the later of the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice (if they are not surrendered and delivered on the same day) and, if applicable, the date of making or giving any payment to be made or indemnity to be given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. “**Stock Exchange Business Day**” means any day on which The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or the Alternative Stock Exchange (as defined in Condition 6.4), as the case may be, is open for securities trading.

**6.2.2 Stamp Duty etc.:** A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any taxes and/or capital, stamp, issue and registration and transfer taxes and duties arising on conversion (the “**Taxes**”) (other than any taxes or capital or stamp duties payable in the British Virgin Islands, the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer, the Guarantors and/or the REIT Manager (as the case may be) in respect of the allotment and issue of Units and listing of the Units on the Hong Kong Stock Exchange or an Alternative Stock Exchange on conversion, being the “**Issuer Duties**”) and such Bondholder must pay all, if any, Taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The relevant Bondholder shall provide a confirmation as to payment of such Taxes in the Conversion Notice. The REIT Manager will cause to be paid all other expenses arising on the issue of Units on conversion of Bonds.

Neither the Trustee nor the Agents are under any obligation to determine whether a Bondholder is liable to pay or has paid any Taxes, including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6.2.2 and the Trustee and the Agents shall not be responsible or liable for any failure by any Bondholder to pay or cause to be paid such Taxes and/or the REIT Manager and/or Link REIT to pay or cause to be paid such Issuer Duties in connection with this Condition 6.2.2. None of the Issuer, the Guarantors, the REIT Trustee, Link REIT, the REIT Manager, the Trustee or the Agents shall be responsible or liable in any way to anyone for any failure or omission by any Bondholder to pay the Taxes.

If the Issuer, the Guarantors and/or the REIT Manager (as the case may be) fails to pay any Issuer Duties, the relevant holder shall be entitled to tender and pay the same and the Issuer, the Guarantors and/or the REIT Manager (as the case may be) as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

### **6.2.3 Registration:**

- (i) As soon as practicable, and in any event not later than 7 business days after the Conversion Date (or such longer period as may be required to comply with any applicable fiscal or other laws and regulations), the REIT Manager will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate deposited and amounts payable by the relevant Bondholder paid as required by Conditions 6.2.1 and 6.2.2, procure that the relevant number of Units are allotted to and register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Units in Link REIT’s unit register



and will, if the Bondholder has also requested in the Conversion Notice, and to the extent permitted under the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the “CCASS”) effective from time to time, take all necessary actions to procure that Units are delivered through the CCASS for so long as the Units are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at the office of Link REIT’s unit registrar in Hong Kong (currently Computershare Hong Kong Investor Services Limited) notified to Bondholders in accordance with Condition 17 or, if so requested in the relevant Conversion Notice, cause its unit registrar to despatch by mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof. A single unit certificate will be issued in respect of all Units issued on conversion of the Bonds subject to the same Conversion Notice and which are to be registered in the same name.

- (ii) If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to an adjustment of the Conversion Price pursuant to Condition 6.3, but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the REIT Manager shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), of such additional number of Units as, together with the Units issued or to be issued on conversion of the relevant Bond, is equal to the number of Units which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately after the relevant record date.
- (iii) The person or persons designated in the Conversion Notice will become the holder of record of the number of Units issuable upon conversion with effect from the date he is or they are registered as such in Link REIT’s register of Unitholders (the “**Registration Date**”). The Units issued upon conversion of the Bonds will in all respects rank *pari passu* with the Units in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Units issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (iv) If the record date for the payment of any distribution in respect of the Units is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this Condition 6.2.3 prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Bondholder or his designee, an amount in Hong Kong dollars (the “**Equivalent Amount**”) equal to the Fair Market Value (as defined below) of such distribution to which he would have been entitled had he on that record date been such a Unitholder of record and will make the payment at the same time as payment of such distribution is made to the holders of Units generally, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong and sent to the address specified in the relevant Conversion Notice.

**6.2.4 Interest Accrual:** If any notice requiring the redemption of any Bonds is given pursuant to Condition 8.2, 8.3 or 8.4 during the period beginning on the 15th day prior to the record date in respect of any distribution payable in respect of the Units and ending on the Interest Payment Date next following such record date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Interest Payment Date, interest shall (subject as hereinafter provided) accrue on the Bonds as follows: where Certificates have been delivered for conversion and in respect of which the Conversion Date falls after such record

date and on or prior to the Interest Payment Date next following such record date in each such case, interest shall accrue on the Bonds from, and including, the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from, and including, 3 April 2019) to, but excluding, the relevant Conversion Date; provided that no such interest shall accrue on any Bond in the event that the Units issued on conversion thereof shall carry an entitlement to receive such distribution or in the event the Bond carries an entitlement to receive an Equivalent Amount. Any such interest shall be paid by the Issuer not later than 14 days after the relevant Conversion Date by Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

### 6.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment as follows:

**6.3.1 Consolidation, Subdivision, Redesignation or Reclassification:** If and whenever there shall be an alteration to the number of the Units as a result of consolidation, subdivision, redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A = the aggregate number of issued Units immediately before such alteration; and

B = the aggregate number of issued Units immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

#### 6.3.2 Capitalisation of profits or reserves:

(a) If and whenever any Units are issued, credited as fully paid to the holders of the Units (the “**Unitholders**”) by way of capitalisation of profits or reserves including Units paid up out of distributable profits or reserves, save where Units are issued in lieu of the whole or any part of a specifically declared cash distribution (the “**Relevant Cash Distribution**”), being a distribution which the Unitholders concerned would or could otherwise have received (a “**Scrip Distribution**”) and which would not have constituted an Extraordinary Distribution (as defined in Condition 6.4), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A = the aggregate number of issued Units immediately before such issue; and

B = the aggregate number of issued Units immediately after such issue.

- (b) In the case of an issue of Units by way of a Scrip Distribution where the Current Market Price (as defined in Condition 6.4) on the last Trading Day preceding the date on which the Scrip Distribution is publicly announced of such Units exceeds the Relevant Cash Distribution or the relevant part thereof and which would not have constituted an Extraordinary Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Units by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the aggregate number of issued Units immediately before such issue;

B = the aggregate number of Units issued by way of such Scrip Distribution multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Distribution and (ii) the denominator is the Current Market Price on the last Trading Day preceding the date on which the Scrip Distribution is publicly announced, issued by way of Scrip Distribution in respect of each existing Unit in lieu of the whole, or the relevant part, of the Relevant Cash Distribution; and

C = the aggregate number of Units issued by way of such Scrip Distribution;

or by making such other adjustment as an independent investment or commercial bank of international repute selected by the REIT Manager (an “**Independent Financial Institution**”) (acting as an expert), shall certify to the Trustee is fair and reasonable.

Such adjustment as set out in (a) and (b) shall become effective on the date of issue of such Units or if a record date is fixed therefor, the day immediately after such record date.

**6.3.3 Extraordinary Distribution:** If and whenever any Extraordinary Distribution (as defined in Condition 6.4) is paid or made to the Unitholders (except where the Conversion Price falls to be adjusted under Condition 6.3.2 above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Extraordinary Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the Current Market Price of one Unit on the last Trading Day preceding the date on which the Extraordinary Distribution is publicly announced; and

B = the Fair Market Value on the date of such announcement of the portion of the Extraordinary Distribution (excluding any Extraordinary Distribution in respect of the same financial year which has previously resulted in an adjustment under this Condition 6.3.3) attributable to one Unit.

Such adjustment shall become effective on the date on which such Extraordinary Distribution is actually made or if a record date is fixed therefore, immediately after such record date.

For the avoidance of doubt, only such portion of the distribution which exceeds the threshold referred to in proviso (a) of the definition of Extraordinary Distribution in Condition 6.4.4 (the “**excess portion**”) shall be regarded as Extraordinary Distribution and only the excess portion shall be taken into account in determining the Fair Market Value of the portion of the Extraordinary Distribution attributable to one Unit.

In making any calculation pursuant to Condition 6.3.3, such adjustments (if any) shall be made as an Independent Financial Institution may consider appropriate to reflect (i) any consolidation or subdivision of the Units, (ii) issues of Units by way of capitalisation of profits or reserves, or any like or similar event, (iii) the modification of any rights to distributions of Units or (iv) any change in the financial year of Link REIT.

**6.3.4 Rights Issues of Units or Options over Units:** If and whenever Units are issued to all or substantially all Unitholders as a class by way of rights, or issue or are granted to all or substantially all Unitholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any Units, in each case at less than 95 per cent. of the Current Market Price per Unit on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A = the number of Units in issue immediately before such announcement;

B = the number of Units which the aggregate amount (if any) payable for the Units issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Units comprised therein would purchase at such Current Market Price per Unit; and

C = the aggregate number of Units issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Units or issue or grant of such options, warrants or other rights (as the case may be or where a record date is set, the first date on which the Units are traded ex-rights, ex-options or ex-warrants as the case may be).

**6.3.5 Rights Issues of Other Securities:** If and whenever any securities (other than Units or options, warrants or other rights to subscribe for or purchase Units) are issued to all or substantially all Unitholders as a class, by way of rights, or are granted to all or substantially all Unitholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase, any securities (other than Units or options, warrants or other rights to subscribe or purchase Units), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the Current Market Price of one Unit on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B = the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Unit.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be or where a record date is set, the first date on which such securities are traded ex-rights, ex-options or ex-warrants as the case may be).

**6.3.6 Issues at less than Current Market Price:** If and whenever (otherwise than as mentioned in Condition 6.3.4) any Units (other than Units issued on the exercise of Conversion Rights, or on the exercise of any other rights of conversion into, or exchange or subscription for, Units) are issued or (otherwise as mentioned in Condition 6.3.4) options, warrants or other rights are issued or granted to subscribe for or purchase Units in each case at a price per Unit which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A = the number of Units in issue immediately before the issue of such additional Units or the grant of such options, warrants or other rights to subscribe for or purchase any Units;

B = the number of Units which the aggregate consideration receivable for the issue of such additional Units would purchase at such Current Market Price per Unit; and

C = the number of Units in issue immediately after the issue of such additional Units.

References to additional Units in the above formula shall, in the case of an issue of options, warrants or other rights to subscribe or purchase Units, mean such Units to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Units or, as the case may be, the grant of such options, warrants or other rights.

**6.3.7 Other Issues at less than Current Market Price:** Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Condition 6.3.7, the issue of securities (other than the Bonds, excluding for this purpose any further bonds issued pursuant to Condition 16) by Link REIT, or by any Subsidiary of Link REIT (otherwise than as mentioned in Condition 6.3.4, 6.3.5 or 6.3.6 above) or (at the direction or request of or pursuant to any arrangements with the REIT Trustee, the REIT Manager or any Subsidiary of Link REIT) any other company, person or entity of any securities (other than the Bonds) in Link REIT which by their terms of issue carry rights of conversion into, or exchange or subscription for, Units to be issued upon conversion, exchange or subscription at a consideration per Unit which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Units in issue immediately before such issue;

B = the number of Units which the aggregate consideration receivable by or on behalf of Link REIT for the Units to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Unit; and

C = the maximum number of Units to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

**6.3.8 Modification of Rights of Conversion etc:** Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6.3.7 (other than in accordance with the terms applicable to such securities) so that the consideration per Unit (for the number of Units available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Units in issue immediately before such modification;

B = the number of Units which the aggregate consideration (if any) receivable by or on behalf of Link REIT for the Units to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Unit on the last Trading Day preceding the date of the announcement for the proposals for such modification or, if lower, the existing conversion, exchange or subscription price of such securities; and

C = the maximum number of Units to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Institution (acting as an expert), considers appropriate (if at all) for any previous adjustment under this Condition 6.3.8 or Condition 6.3.7.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

**6.3.9 Other Offers to Unitholders:** The issue, sale or distribution by or on behalf of Link REIT or any Subsidiary of the REIT Trustee or (at the direction or request of or pursuant to any arrangements with the REIT Trustee, the REIT Manager or any Subsidiary of the REIT Trustee) any other company, person or entity of any securities in connection with an offer by or on behalf of Link REIT or any Subsidiary of the REIT Trustee or such other company, person or entity pursuant to which offer the Unitholders generally (meaning for these purposes the holders of at least 60 per cent. of the Units outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6.3.4, 6.3.5, 6.3.6 or 6.3.7).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the Current Market Price of one Unit on the last Trading Day preceding the date on which such issue is publicly announced; and

B = the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Financial Institution (acting as an expert), of the portion of the rights attributable to one Unit.

Such adjustment shall become effective on the date of issue of the securities.

**6.3.10 Other Events:** If the REIT Manager determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6.3, the REIT Manager shall at its own expense request an Independent Financial Institution (acting as an expert), to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Institution such adjustment shall be made and shall take effect in accordance with such determination PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to this Condition 6.3 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6.3 as may be advised by an Independent Financial Institution (acting as an expert), to be in its opinion appropriate to give the intended result.

**6.4** For the purposes of these Conditions:

**6.4.1 “Alternative Stock Exchange”** means at any time, in the case of the Units, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Units are then listed or quoted or dealt in.

**6.4.2 “Closing Price”** for the Units for any Trading Day shall be the closing market price quoted by the Hong Kong Stock Exchange or, as the case may be, the Alternative Stock Exchange for such Trading Day.

**6.4.3 “Current Market Price”** means, in respect of a Unit at a particular time on a particular date, the average of the Closing Prices quoted by the Hong Kong Stock Exchange or, as the case may be, by the Alternative Stock Exchange for one Unit (being a Unit carrying full entitlement to distribution) for the 5 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 5 Trading Day period the Units shall have been quoted ex-distribution and during some other part of that period the Units shall have been quoted cum-distribution then:

- (i) if the Units to be issued in such circumstances do not rank for the distribution in question, the quotations on the dates on which the Units shall have been quoted cum-distribution shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that distribution per Unit; or
- (ii) if the Units to be issued in such circumstances rank for the distribution in question, the quotations on the dates on which the Units shall have been quoted ex-distribution shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;
- (iii) and provided further that if the Units on each of the said 5 Trading Days have been quoted cum-distribution in respect of a distribution which has been declared or announced but the Units to be issued do not rank for that distribution, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that distribution per Unit,

and provided further that:

- (a) if such Closing Prices are not available on each of the 5 Trading Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two such Closing Prices); and
- (b) if only one or no such Closing Prices is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Financial Institution (acting as an expert).

**6.4.4 “Extraordinary Distribution” means any of:**

- (a) is the amount by which the Relevant Distribution made or paid in respect of a relevant financial year stated in the table below (when taken together with any Relevant Distribution previously made or paid in respect of the same financial year) exceeds on a per Unit basis the amount (as stated in the table below) in respect of the relevant financial year:

<b>Financial year</b>	<b>Distributions</b>
Financial year ending 31 March 2019	HK\$2.71 per Unit
Financial year ending 31 March 2020	HK\$2.90 per Unit
Financial year ending 31 March 2021	HK\$3.10 per Unit
Financial year ending 31 March 2022	HK\$3.32 per Unit
Financial year ending 31 March 2023	HK\$3.55 per Unit
Financial year ending 31 March 2024	HK\$3.80 per Unit

- (b) a purchase or redemption of Units by or on behalf of Link REIT (or a purchase of Units by or on behalf of a Subsidiary of Link REIT) where the weighted average price (before expenses) on any one day in respect of such purchases exceeds by more than 5 per cent., either (1) the average Closing Price for the 5 Trading Days on which transactions in the Units were recorded preceding the day of the purchase, or (2) where an announcement has been made of the intention to purchase Units at some future date at a specified price, the Closing Price on the Trading Day immediately preceding the date of such announcement and, if the relevant day is not a Trading Day, the immediately preceding Trading Day.

**6.4.5 “Fair Market Value”** means, (i) with respect to any cash distribution paid or to be paid per Unit, the amount of such cash distribution per Unit determined by the REIT Manager as at the date of announcement of such distribution; and (ii) with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Institution (acting as an expert); provided that where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Financial Institution) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded.

**6.4.6 “REIT Trust Deed”** means the trust deed between the REIT Trustee and the REIT Manager constituting Link dated 6 September 2005, as amended and supplemented by twelve 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, 25 July 2012, 18 February 2014, 15 January 2015 and 25 July 2018.



**6.4.7 “Relevant Distribution” means:**

- (i) any distribution of assets in specie by or on behalf of Link REIT for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Units or other securities credited as fully or partly paid (other than Units credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6.3.2(a)) by way of capitalisation of reserves); or
- (ii) any cash distribution or distribution of any kind by or on behalf of Link REIT for any financial period (whenever paid and however described).

**6.4.8 “Trading Day”** means a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no Closing Price is reported in respect of the relevant Units on the Hong Kong Stock Exchange or, as the case may be, the Alternative Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

**6.4.9 “Volume Weighted Average Price”** means, in respect of a Unit on any Trading Day, the order book volume-weighted average price of a Unit as reported by Bloomberg (or any successor service) using the VAP function and keying in <823 HK Equity VAP> or such other source as shall be determined to be appropriate by an Independent Financial Institution on such Trading Day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Unit in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

**6.5 Undertakings**

**6.5.1** The REIT Manager hereby undertakes that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders:

- (i) it will use its best endeavours (a) to maintain a listing for all the issued Units on the Hong Kong Stock Exchange, (b) to obtain and maintain a listing for all the Units issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange and (c) if the REIT Manager is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Units issued on the exercise of the Conversion Rights on an Alternative Stock Exchange as the REIT Manager may from time to time determine and will forthwith give notice to the Bondholders and the Trustee in accordance with Condition 17 of the listing or delisting of the Units (as a class) by any of such stock exchanges;
- (ii) it will pay or cause to be paid the expenses of the issue of, and all expenses of obtaining and maintaining listing for, Units arising on conversion of the Bonds (except for expenses stated specifically to be payable by the Bondholders pursuant to the Conditions);
- (iii) the Issuer shall remain a direct or indirect wholly-owned Subsidiary of HoldCo;
- (iv) it will not take any corporate or other action that would cause the Conversion Price to be adjusted to a price which would render conversion of the Bonds into Units at such adjusted Conversion Price to be in contravention of applicable law or regulations; and
- (v) it will use best endeavours to maintain the listing of the Bonds on the Hong Kong Stock Exchange.

**6.5.2** In the Trust Deed, the REIT Manager has undertaken to the Trustee that so long as any Bond remains outstanding it will on conversion of the Bonds ensure that all Units will be duly and validly issued as fully paid.

**6.5.3** The REIT Manager has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

## **6.6 Provisions Relating to Changes in Conversion Price**

**6.6.1 Minor adjustments:** On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the REIT Manager to Bondholders in accordance with Condition 17 and to the Trustee and the Conversion Agent promptly after the determination thereof.

**6.6.2 Minimum Conversion Price:** The REIT Manager undertakes that the Conversion Price may not be reduced so that, on conversion of Bonds, Units would fall to be issued in any circumstances not permitted by applicable law or regulations.

**6.6.3 Multiple Events:** Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Financial Institution (acting as an expert), the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by an Independent Financial Institution (acting as an expert), to be in their opinion appropriate in order to give such intended result.

**6.6.4 No Adjustment:** No adjustments shall be made to the Conversion Price where Units or other securities (including rights, warrants or options), are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive office) of the REIT Manager or any of the Subsidiaries of the REIT Manager or any of the Subsidiaries of Link REIT pursuant to any employees' Unit scheme or plan (including, without limitation, the 2007 Long Term Incentive Plan approved by the Unitholders of Link REIT on 23 July 2007).

**6.6.5 Upward Adjustment:** No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Units as referred to in Condition 6.3.1 or to correct an error.

**6.6.6 Decision of an Independent Financial Institution:** If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 6.3 should be made, and following consultation between the REIT Manager and an Independent Financial Institution, a written opinion of such Independent Financial Institution in respect thereof shall be conclusive and binding on the REIT Manager, Link REIT, the Bondholders and the Trustee, save in the case of manifest error.

If the REIT Manager fails to select a leading investment bank or Independent Financial Institution when required for the purposes of Condition 6.3, the Trustee may select such a bank. The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

**6.6.7 Notice of change in Conversion Price:** The Issuer shall give notice to the Hong Kong Stock Exchange, the Trustee, the Agents and the Bondholders in accordance with Condition 17 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

## 6.7 Adjustment upon Change of Control

If a Change of Control (defined in Condition 8.5 below) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 17 within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted by dividing the Conversion Price in force immediately prior to such modification by the following:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times \text{c}/\text{t}))$$

Where:

**NCP** = the new Conversion Price

**OCP** = the Conversion Price in effect on the relevant Conversion Date

**CP** = the conversion premium of 22.50 per cent. expressed as a fraction

**c** = the number of days from and including the first day of the Change of Control Conversion Period to but excluding 3 April 2024

**t** = the number of days from an including 3 April 2019 to but excluding 3 April 2024

Provided that the Conversion Price shall not be reduced pursuant to this Condition 6.7 below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the 15th day following the last day of a Closed Period.

## 7 PAYMENTS

### 7.1 Principal and interest

**7.1.1** Payment of principal and interest and any other amounts due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

**7.1.2** Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the 15th business day (as defined in Condition 7.6) before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

*So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, such payments will be made to the holder of appearing in the register of holders of the Bonds maintained by the Registrar at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date.*

## **7.2 Registered accounts**

For the purposes of this Condition, a Bondholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

## **7.3 Payments subject to Fiscal laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 any law implementing an intergovernmental approach thereto) (any such withholding or deduction, a "**FATCA Withholding**"). For avoidance of doubt, neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

## **7.4 Payment initiation**

Payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

## **7.5 Default interest and delay in payment**

If the Issuer or the Guarantors fail to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 4 per cent. per annum calculated on a semi-annual basis from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

## **7.6 Business day**

In this Condition 7, "**business day**" means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

# **8 REDEMPTION, PURCHASE AND CANCELLATION**

## **8.1 Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at its principal amount on 3 April 2024 (the "**Maturity Date**"), together with accrued and unpaid interest thereon, if any, calculated in accordance with Condition 5. The Issuer may not redeem the Bonds at its option prior to that date except as provided in Conditions 8.2, 8.3 and 8.4 below (but without prejudice to Condition 10).

## **8.2 Redemption at the Option of the Issuer on Increased Unit Price**

- 8.2.1** On or at any time after 3 April 2022 but not less than seven business days prior to the Maturity Date, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (for the purposes of this Condition 8.2, the "**Optional Redemption Notice**"), redeem the Bonds in whole but not in part, at their principal amount together with interest accrued up to the date fixed for redemption but unpaid, provided that no such redemption may be made unless the Closing Price of the Units for any 20 Trading Days out of 30 consecutive Trading Days immediately prior to the date upon which the Optional Redemption Notice is given, was at least 130 per cent. of the applicable Conversion Price then in effect.
- 8.2.2** If there shall occur an event giving rise to a change in the Conversion Price during any such 30 Trading Day period as mentioned in Condition 8.2.1, appropriate adjustments (as stated in a certificate signed by no fewer than two directors of the REIT Manager) for the relevant days shall be made for the purpose of calculating the Closing Price for such days.
- 8.2.3** The Optional Redemption Notice shall specify (i) the date for redemption, which shall be a business day and (ii) the last day on which Conversion Rights may be exercised by a holder, and once delivered, shall be irrevocable.

## **8.3 Redemption at the Option of the Issuer on Minimum Outstanding Amounts**

On giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable) (for the purposes of this Condition 8.3, the "**Optional Redemption Notice**"), the Issuer shall redeem the Bonds, in whole but not in part, on the date specified in the Option Redemption Notice at their principal amount, together with interest accrued up to the date fixed for redemption but unpaid if, at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 16).

## **8.4 Redemption for Taxation Reasons**

- 8.4.1** At any time the Issuer may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at their principal amount, together with interest accrued up to the date fixed for redemption but unpaid, if the Issuer or the REIT Manager satisfies the Trustee immediately prior to the giving of such Tax Redemption Notice that (i) the Issuer (or if the Guarantee was called, any Guarantor) has or will become obliged to pay Additional Tax Amounts as referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands (in the case of a payment by the Issuer) or the Cayman Islands or Hong Kong (in the case of a payment by the Guarantors) or, in any such case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 March 2019, and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, by the relevant Guarantor taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor (as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors who are also Authorised Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer or the relevant Guarantor (as the case may be) taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment referred to in (i) above has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to rely on and accept such certificate and opinion (without further investigation or enquiry) as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

- 8.4.2** Upon the expiry of any such Tax Redemption Notice, the Issuer will be bound to redeem the Bonds at a redemption price equal to their principal amount together with interest accrued up to the date fixed for redemption but unpaid, as specified in such notice (the “**Tax Redemption Date**”).
- 8.4.3** If the Issuer gives a Tax Redemption Notice pursuant to this Condition 8.4, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest or principal to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of the British Virgin Islands, the Cayman Islands or Hong Kong or any authority thereof or therein having power to tax. For the avoidance of doubt, any Additional Tax Amounts which had been payable in respect of the Bonds as a result of the laws or regulations of the government of the British Virgin Islands, the Cayman Islands or Hong Kong or any authority thereof or therein having power to tax prior to 7 March 2019 will continue to be payable to such Bondholders. To exercise a right pursuant to this Condition 8.4.3, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent (as defined in the Trust Deed) (with a copy being sent to the Trustee) a duly completed and signed notice of election, in the form for the time being currently obtainable from the specified office of any Paying Agent together with the Certificate evidencing the Bonds to be redeemed on or before the day falling 10 business days prior to the Tax Redemption Date.

## **8.5 Redemption for Change of Control**

- 8.5.1** Following the occurrence of a Change of Control (as defined in Condition 8.5.5 below), the holder of each Bond will have the right (the “**Change of Control Put Right**”) at such holder’s option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorised Denomination) of such holder’s Bonds on the Change of Control Put Date at their principal amount together with any interest accrued up to the date fixed for redemption but unpaid. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (“**Change of Control Put Exercise Notice**”) together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17. The “**Change of Control Put Date**” shall be the 14th day after the expiry of such period of 30 days as referred to above.
- 8.5.2** A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.
- 8.5.3** The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred.
- 8.5.4** Not later than seven days after becoming aware of a Change of Control, the Issuer shall procure that notice regarding the Change of Control shall be delivered to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 and the Hong Kong Stock Exchange stating:
- (a) the Change of Control Put Date;
  - (b) the date of such Change of Control and, briefly, the events causing such Change of Control;
  - (c) the date by which the Change of Control Put Exercise Notice must be given;
  - (d) the redemption amount and the method by which such amount will be paid;

- (e) the names and addresses of all Paying Agents;
- (f) briefly, the Conversion Right and the then current Conversion Price;
- (g) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Change of Control Put Right or Conversion Right; and
- (h) that a Change of Control Put Exercise Notice, once validly given, may not be withdrawn.

**8.5.5** For the purposes of this Condition 8.5:

- (a) a “**Change of Control**” occurs when:
  - (I) Link Asset Management Limited ceases to be a Subsidiary of the REIT Trustee whilst it is the REIT Manager;
  - (II) Link Asset Management Limited (the REIT Manager as at the Closing Date) is replaced by a new manager which is not a Subsidiary of the REIT Trustee; or
  - (III) any Person, or Persons acting in concert (within the meaning of The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as if it applies to Link REIT), acquire(s) Control of Link REIT if such Person or Persons does not or do not have, and would not be deemed to have, Control of Link REIT on 7 March 2019;
- (b) “**Control**” means the acquisition or control of more than 50 per cent. of the voting rights of the issued Units of Link REIT or the right to appoint and/or remove all or the majority of the members of the board of directors of the REIT Manager, whether obtained directly or indirectly, and whether obtained by ownership of capital, the possession of voting rights, contract or otherwise; and
- (c) a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include Link REIT’s governing body and does not include Link REIT’s wholly-owned direct or indirect Subsidiaries.

**8.6 Delisting or Suspension Put Right**

**8.6.1** In the event the Units cease to be listed or admitted to trading on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”) or trading is suspended for a period equal to or exceeding 30 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Suspension**”) each Bondholder shall have the right (the “**Delisting or Suspension Put Right**”), at such Bondholder’s option, to require the Issuer to redeem all or some only (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorised Denomination) of such Bondholder’s Bonds on the 20th business day after notice has been given to Bondholders regarding the Delisting or Suspension referred to under Condition 8.6.2 below or, if such notice is not given, the 20th business day after the Delisting or Suspension (the “**Delisting or Suspension Put Date**”) at their principal amount together with interest accrued up to the Delisting or Suspension Put Date but unpaid (the “**Delisting or Suspension Put Price**”).

**8.6.2** Promptly after becoming aware of a Delisting or Suspension, the Issuer shall procure that notice regarding the Delisting or Suspension Put Right shall be given to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 17 and the Hong Kong Stock Exchange stating:

- (a) the Delisting or Suspension Put Date;
- (b) the date of such Delisting or Suspension and, briefly, the events causing such Delisting or Suspension;

- (c) the date by which the Purchase Notice (as defined below) must be given;
- (d) the Delisting or Suspension Put Price and the method by which such amount will be paid;
- (e) the names and addresses of all Paying Agents;
- (f) briefly, the Conversion Right and the then current Conversion Price;
- (g) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting or Suspension Put Right or Conversion Right; and
- (h) that a Purchase Notice, once validly given, may not be withdrawn.

**8.6.3** To exercise its rights to require the Issuer to purchase its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a “**Purchase Notice**”), in the then current form obtainable from the specified office of any Agent, to any Paying Agent on any business day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 business days prior to the Delisting or Suspension Put Date.

**8.6.4** A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Purchase Notices delivered as aforesaid on the Delisting or Suspension Put Date.

**8.6.5** The Trustee shall not be required to take any steps to ascertain whether a Delisting or Suspension or any event which could lead to the occurrence of a Delisting or Suspension has occurred.

**8.6.6** For the purposes of this Condition 8 and Condition 17, “**business day**” shall mean a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in London and Hong Kong.

## **8.7 Early Redemption at the option of the Bondholders**

The holder of each Bond will have the right to require the Issuer to redeem all or some only of such holder’s Bonds on 3 April 2022 (the “**Optional Put Date**”) (subject to the principal amount of such holder’s Bonds redeemed and the principal amount of the balance of such holder’s Bonds not redeemed being an Authorised Denomination) at their principal amount together with interest accrued up to the date fixed for redemption but unpaid. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (“**Bondholder Put Exercise Notice**”) together with the Certificate evidencing the Bonds, not more than 60 nor less than 30 days prior to the Optional Put Date. Any Bondholder Put Exercise Notice once delivered shall be irrevocable and the Issuer shall redeem the Bonds the subject of the Bondholder Put Exercise Notice on the Optional Put Date.

## **8.8 Redemption following exercise of a put option**

Upon the exercise of any put option specified in Condition 8.5, 8.6 or 8.7, payment of the applicable redemption amount shall be conditional upon delivery of the Bondholder’s Certificate (together with any necessary endorsements) to any Paying Agent on any business day together with the delivery of any other document(s) required by these Conditions, and will be made promptly following the later of the date set for redemption and the time of delivery of such Certificate. If the Paying Agent holds on the Put Date (as defined below) money sufficient to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions hereof upon exercise of such right, then, whether or not such Certificate is delivered to the Paying Agent, on and after such Put Date, (i) such Bond will cease to be outstanding; (ii) such Bond will be deemed repaid and redeemed; and (iii) all other rights of the Bondholder shall terminate (other than the right to receive the applicable redemption monies). “**Put Date**” shall mean the Change of Control Put Date, the Delisting or Suspension Put Date or the Optional Put Date, as applicable.



## 8.9 Purchases

The REIT Manager, the REIT Trustee, Link REIT or any Subsidiary of Link REIT may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Bonds so acquired, while held on behalf of the REIT Manager, the REIT Trustee, Link REIT or any Subsidiary of Link REIT, shall not entitle the holders thereof to convert the Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Bonds.

## 8.10 Cancellation

All Bonds which are redeemed or converted, or purchased by the Issuer, the REIT Trustee, the REIT Manager, Link REIT or any of the Subsidiaries of Link REIT, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

## 8.11 Redemption notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 will be copied to the Trustee and the Principal Agent and given in accordance with Condition 17, and specify the Conversion Price as at the date of the relevant notice, the last day on which Conversion Rights may be exercised, the Closing Price of the Units (as quoted on the Hong Kong Stock Exchange) as at the latest practicable date prior to the publication of the notice, the applicable redemption amount and accrued interest payable (if any), the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice. If more than one notice of redemption (which shall include any notice given by the Issuer pursuant to Condition 8.2, 8.3 or 8.4 or any notice given by a Bondholder pursuant to Condition 8.5, 8.6 or 8.7, respectively) is received, the first of such notices to be given shall prevail. No redemption notice at the option of the Issuer or for taxation reasons shall be effective if it specifies a redemption date falling during a Closed Period.

## 9 TAXATION

9.1 All payments made by or on behalf of the Issuer or the Guarantors under or in respect of the Trust Deed, the Guarantee, the Agency Agreement or the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, the Cayman Islands or Hong Kong or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts (“**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such deduction or withholding been required except that no such Additional Tax Amounts shall be payable in respect of any Bond:

9.1.1 to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the British Virgin Islands (in the case of a payment by the Issuer), or, in the case of payments by the Guarantors, Hong Kong or the Cayman Islands, as the case may be, otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond;

9.1.2 (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days

9.2 For the purposes of this Condition 9 and Condition 12, “**relevant date**” means the date on which such payment first becomes due except that if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques despatched or payment made.

9.3 References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 10 EVENTS OF DEFAULT

10.1 The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and the REIT Manager that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus accrued interest (without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if any of the following events has occurred:

10.1.1 **Non-Payment:** a default is made in the payment of any principal of or any interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest;

10.1.2 **Failure to Deliver:** failure by the REIT Manager to deliver or procure delivery of the Units as and when such Units are required to be delivered following conversion of a Bond;

10.1.3 **Breach of Other Obligations:** the Issuer, any Guarantor or the REIT Manager does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed, which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after written notice of such default shall have been given to the Issuer, the Guarantors or the REIT Manager (as appropriate) by the Trustee;

10.1.4 **Cross-Default:** (i) any other present or future indebtedness of the Issuer, any Guarantor, Link REIT or any Principal Subsidiary for or in respect of Borrowed Moneys becomes due and payable prior to its stated maturity by way of acceleration following a default by the Issuer, any Guarantor, Link REIT or any Principal Subsidiary, or (ii) when the Issuer, any Guarantor, Link REIT or any Principal Subsidiary defaults in respect of any of its Borrowed Money beyond any grace period provided in respect thereof, or (iii) the Issuer, any Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Borrowed Moneys, provided that the aggregate amount of the relevant Borrowed Moneys, or any guarantees and indemnities in respect thereof, in relation to which one or more of the events mentioned above in this Condition 10.1.4 have occurred, equals or exceeds U.S.\$30,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 10.1.4 operates);

10.1.5 **Enforcement Proceedings:** an encumbrancer takes possession or a receiver, manager or similar officer is appointed of the whole or any material part of the undertaking, assets or revenues of the Issuer, any Guarantor, Link REIT or any Principal Subsidiary and such possession or appointment is not discharged or stayed within 60 days;

10.1.6 **Insolvency:** the Issuer, any Guarantor or any Principal Subsidiary is adjudicated or found bankrupt or insolvent, stops or suspends payment of all or the majority of its debts or is unable to or admits an inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally;

10.1.7 **Winding-Up:** Link REIT is terminated or a final order is made by any competent court or an effective resolution is passed for the winding-up or dissolution of the Issuer, any Guarantor or any Principal Subsidiary, or for the appointment of a liquidator or trustee of the whole or the majority of the Issuer's, such Guarantor's or such Principal Subsidiary's Assets and is not discharged or stayed within 60 days, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, voluntary liquidation or consolidation on terms previously approved by

the Trustee or by an Extraordinary Resolution of the Bondholders (save that approval by the Trustee or an Extraordinary Resolution of Bondholders shall not be required where the Assets of such entity are transferred to or otherwise vested in the Issuer, a Guarantor and/or a Subsidiary of Link REIT);

- 10.1.8 Cessation of Business:** the Issuer, any Guarantor or the REIT Manager ceases to carry on its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, voluntary liquidation or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution of the Bondholders (save that approval by the Trustee or an Extraordinary Resolution of Bondholders shall not be required where the Assets of such entity are transferred to or otherwise vested in the Issuer, a Guarantor and/or a Subsidiary of Link REIT);
- 10.1.9 Ownership:** any of the Issuer and/or PropCo ceases to be a Subsidiary of HoldCo and/or any of the REIT Manager and/or HoldCo ceases to be a Subsidiary of the REIT Trustee;
- 10.1.10 Guarantee:** the Guarantee is not (or is claimed by any of the Guarantors not to be) in full force and effect;
- 10.1.11 Illegality:** it is or will become unlawful for the Issuer, the Guarantors or the REIT Manager to perform or comply with any one or more of their respective obligations under any of the Bonds or the Trust Deed;
- 10.1.12 Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10.

“**Borrowed Money**” means indebtedness for borrowed money, acceptances and the principal amount of any notes (including, for the avoidance of doubt, Bonds of any other series) debentures, notes, bills of exchange, promissory notes or similar instruments drawn, made, accepted, issued, endorsed or guaranteed for the purpose of raising money but shall exclude bills of exchange drawn under or in respect of letters of credit or contracts for the provision of goods or services for the purpose of effecting payment and not in connection with the raising of money; for the avoidance of doubt, no liability with respect to the same indebtedness shall be included in the calculation of “**Borrowed Money**” more than once.

“**Principal Subsidiary**” means any Subsidiary of Link REIT:

- (a) whose profit before taxation and transactions with Unitholders (“**net profit**”) or (in the case of a Subsidiary which itself has subsidiaries) consolidated net profit, as shown by its latest audited income statement are at least 5 per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of Link REIT and its Subsidiaries including, for the avoidance of doubt, Link REIT and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (b) whose aggregate current assets and non-current assets (“**total assets**”) or (in the case of a Subsidiary which itself has subsidiaries) consolidated total assets, as shown by its latest audited statement of financial position are at least 10 per cent. of the amount which equals the amount included in the consolidated total assets of Link REIT and its Subsidiaries as shown by the latest published audited consolidated statement of financial position of Link REIT and its Subsidiaries including, for the avoidance of doubt, the investment of Link REIT in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of Link REIT and in jointly controlled entities and after adjustment for minority interest;

provided that, in relation to paragraphs (a) and (b) above:

- (i) if at any relevant time in relation to Link REIT or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, total assets of Link REIT and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the REIT Manager and reviewed by the Auditors (as defined in the Trust Deed) for the purposes of preparing a certificate thereon to the Trustee;
  - (ii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the REIT Manager and reviewed by the Auditors for the purposes of preparing a certificate thereon to the Trustee; and
  - (iii) if the accounts of any Subsidiary are not consolidated with those of Link REIT, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of Link REIT; or
- (c) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to become a Principal Subsidiary as at the date on which the first published audited accounts (consolidated, if appropriate) of Link REIT prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of (a) above.

## 11 CONSOLIDATION, AMALGAMATION OR MERGER

Neither the Issuer nor the Guarantor will consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a “**Merger**”), unless:

- (a) the corporation or person formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental Trust Deed, all obligations of the Issuer or the Guarantor, as the case may be, under the Trust Deed and the performance of every covenant and agreement applicable to it contained therein;
- (b) immediately after giving effect to any such Merger, no Event of Default shall have occurred or be continuing or would result therefrom; and
- (c) the corporation or person formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and interest on the Bonds.

## 12 PRESCRIPTION

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal and premium) and five years (in the case of interest) from the relevant date (as defined in Condition 9) in respect thereof.

## **13 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

### **13.1 Meetings**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed or the Agency Agreement. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal or premium or default interest or the Equivalent Amount or the rate of interest payable in respect of the Bonds (including the redemption amount), (iii) to change the currency of payment of the Bonds, (iv) to modify or cancel the Conversion Rights or the put options specified in Condition 8, (v) to cancel or modify the Guarantee or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that (i) a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding or (ii) consents given by way of electronic consent through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds outstanding, shall, in each case, be as valid and effective as a duly passed Extraordinary Resolution.

### **13.2 Modification and waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed or the Agency Agreement which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

In connection with such modification, waiver or authorisation the Trustee may require a certificate from the Issuer certifying and/or an opinion from a legal advisor of recognised international standard advising the Trustee that the modification waiver or authorisation is of a formal minor or technical nature or to correct a manifest error or to comply with mandatory provision of law.

### **13.3 Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution, subject to the Bonds being unconditionally and irrevocably guaranteed by the Guarantors and remaining convertible into Units as provided in these Conditions and the Trust Deed, of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds. In such event, the Issuer shall give notice to Bondholders in accordance with Condition 17.

#### **13.4 Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantors, the REIT Manager or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

#### **13.5 Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer, the Guarantors or the REIT Manager in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

#### **14 REPLACEMENT OF CERTIFICATES**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **15 ENFORCEMENT**

The Trustee may, at any time, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer, the Guarantors and/or the REIT Manager as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement and the Bonds, but it needs not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or shall have been so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder may proceed directly against the Issuer, the Guarantors or the REIT Manager unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

#### **16 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition 16 and forming a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

#### **17 NOTICES**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register of Bondholders maintained by the Registrar or published by the Issuer in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal) and, so long as the Bonds are listed on the Hong Kong Stock Exchange and the rules of the Hong Kong Stock Exchange so require, published in a leading newspaper having general circulation in Hong Kong (which

is expected to be the South China Morning Post) any such notices shall be deemed to have been given on the later of the date of such publications and the seventh day after being so mailed, as the case may be. The REIT Trustee or the REIT Manager shall, not later than one month before the Maturity Date, announce the Maturity Date on the website of the Hong Kong Stock Exchange and take reasonable steps to notify the Bondholders in writing of the Maturity Date and such notice shall be delivered by post to the addresses of the Bondholders as set out in the records of the Registrar. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next business day (as defined in Condition 8.6.6) after posting.

*So long as the Bonds are evidenced by the Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Bondholders shall be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for mailing and publication required by the Conditions.*

## **18 AGENTS**

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (i) a Principal Agent, (ii) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom and (iii) an Agent having a specified office in a major financial centre in Europe. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders in accordance with Condition 17 and in any event not less than 45 days' notice will be given.

Subject to the terms of the Agency Agreement, in acting hereunder and in connection with the Bonds, the Agents shall act solely as agents of the Issuer and will not thereby assume any obligations towards or relationship of agency or trust for, any of the Bondholders.

## **19 INDEMNIFICATION**

The Trust Deed contains provisions for the indemnification, on an after-tax basis, of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any actions and/or steps and/or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor, the REIT Manager and any entity relating to the Issuer, any Guarantor or the REIT Manager and to act as trustee, agent, depositary and/or custodian for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, any Guarantor, the REIT Manager and any entity relating to the Issuer, any Guarantor or the REIT Manager, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely without liability to Bondholders, the Issuer, the Guarantors or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary

cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Guarantors, the REIT Manager and the Bondholders.

The Trustee shall have no obligation to monitor whether an Event of Default or a Potential Event of Default has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantors, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 except to the extent expressly provided for.

## **21 GOVERNING LAW**

### **21.1 Governing Law**

The Trust Deed, the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### **21.2 Jurisdiction**

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Bonds or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Bonds or the Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer, the Guarantors and the REIT Manager has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

### **21.3 Service of Process**

Each of the Issuer, the Guarantors and the REIT Manager has irrevocably appointed Maples and Calder of 11th floor, 200 Aldersgate, London EC1A 4HD as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer, the Guarantors or the REIT Manager). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer, the Guarantors and the REIT Manager irrevocably agrees to appoint a substitute process agent and shall immediately notify Bondholders of such appointment. Nothing shall affect the right to serve process in any manner permitted by law.



## DESCRIPTION OF THE GLOBAL CERTIFICATE

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

### MEETINGS

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each HK\$2,000,000 in principal amount of Bonds for which the Global Certificate is issued.

### CANCELLATION

Cancellation of any Bond following its redemption, conversion or purchase by the Issuer will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

### TRUSTEE'S POWERS

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

### CONVERSION

Subject to the requirements of Euroclear and Clearstream (or any alternative clearing system), the Conversion Right attaching to a Bond in respect of which the Global Certificate is issued may be exercised by the presentation thereof to or to the order of the Principal Agent of one or more conversion notices duly completed by or on behalf of a holder of a book-entry interest in such Bond. Deposit of the Global Certificate with the Principal Agent together with the relevant conversion notice(s) shall not be required. The exercise of the Conversion Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

### PAYMENT

Payments of principal and premium (if any) in respect of Bonds represented by the Global Certificate will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. So long as the Bonds are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Bonds in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payments, where "Clearing System Business Day" means Monday to Friday, inclusive except 25 December and 1 January.

### CALCULATION OF INTEREST

So long as the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate.

## **NOTICES**

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any alternative clearing system, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or such alternative clearing system, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions.

## **BONDHOLDER'S REDEMPTION**

The Bondholder's redemption option in Condition 8.5 (*Redemption for Change of Control*), Condition 8.6 (*Delisting or Suspension Put Right*) and Condition 8.7 (*Early Redemption at the option of the Bondholders*) of the Terms and Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions of the Bonds.

## **REDEMPTION AT THE OPTION OF THE ISSUER**

The option of the Issuer provided for in Condition 8.2 (*Redemption at the Option of the Issuer on Increased Unit Price*), Condition 8.3 (*Redemption at the Option of the Issuer on Minimum Outstanding Amounts*) and Condition 8.4 (*Redemption for Taxation Reasons*) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions.

## **EXCHANGE OF BONDS REPRESENTED BY THE GLOBAL CERTIFICATE**

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

## **TRANSFERS**

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any alternative clearing system) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any alternative clearing system) and their respective direct and indirect participants.

## RISK FACTORS

*In addition to other information in this Offering Circular, investors should carefully consider the following risk factors, together with all other information contained in this Offering Circular, before purchasing the Bonds. The risks and uncertainties described below may not be the only ones that Link faces. Additional risks and uncertainties that Link is not aware of or that it currently believes are immaterial may also adversely affect its business, financial condition or results of operations. If any of the possible events described below occur, Link's business, financial condition or results of operations could be materially and adversely affected. In such case, the Issuer and/or the Guarantors and/or Link may not be able to satisfy their obligations under the Bonds and/or the Guarantee (as applicable), and investors could lose all or part of their investment.*

### RISKS RELATING TO LINK'S ORGANISATION AND OPERATIONS

#### **There are/have been risks and uncertainties for a private sector operator succeeding a public sector operator of real estate**

As at the date of this Offering Circular, PropCo is the registered owner of 123 Properties which were assigned to Link in 2005 by HKHA (collectively, the "**HA Properties**"). HKHA is a public sector operator. The REIT Manager, as a private sector operator, has been implementing initiatives and strategies to enhance the performance of, and generate greater revenue from, the HA Properties. However, there has been and may still be political pressure for the management of the HA Properties to factor in public and socio-economic considerations excessively, which may result in difficulty for the REIT Manager to implement certain strategies on the HA Properties.

#### **The REIT Manager may not be able to implement its strategy**

The REIT Manager's key objective for Link is to provide Unitholders with stable distributions per Unit with the potential for sustainable long-term growth of such distributions. Whilst the REIT Manager has established clear business plans and specific strategies to accomplish this objective, there can be no assurance that it will be able to implement such business plans and strategies successfully or that it will be able to do so in a timely and cost-effective manner. Some of the cost efficiencies and revenue enhancements that the REIT Manager aims to achieve may therefore not be realisable within the expected timeframe or some may have to be adjusted due to change in circumstances. In terms of expenditure that the REIT Manager plans to make to enhance the shopper traffic, rental income and sales at the Properties, there is no assurance that such expenditure will generate the targeted returns or business. Such expenditure is expected to be funded from further debt or equity funding. In relation to the REIT Manager's aim of achieving an optimal capital structure for Link, its ability to achieve this goal will depend upon, among other things, whether Link will be subject to limitations on effecting further desired borrowings, whether Link will be able to raise any additional equity funding, and whether such fund raising exercises can be effected on favourable terms.

Furthermore, Link's structure, strategies and investment policies are constrained by the REIT Code which, for instance, limits Link's borrowings to no more than 45% of its total gross asset value and requires Link to distribute to Unitholders as dividends an amount no less than 90% of its audited net income after tax for each financial year. Such limitations may restrict Link's ability to leverage itself, hence, affecting the operations of Link and restricting its ability to achieve its strategies in a timely manner or at all. If the REIT Manager is unsuccessful in implementing its strategies, Link's business, financial condition and results of operations could be materially and adversely affected.

#### **There are limitations on Link's ability to leverage**

Link expects to use external financing in connection with its investments. As at 31 March 2018 and 30 September 2018, the borrowings to total assets ratio of Link was 11.9% and 10.3% respectively. As at 31 March 2018 and 30 September 2018, the borrowing level of Link was HK\$25,785 million and HK\$22,122 million respectively. Borrowings by Link are limited by the REIT Code to no more than 45% of its total gross asset value. However, if a downward revaluation of the Properties occurs, Link may exceed the 45% borrowing limit even without incurring any additional borrowing. Therefore, there can be no assurance that Link's borrowings will remain at all times below 45% of its total gross asset value, following any revaluation of assets or otherwise. From time to time, Link may need to draw down on its banking facilities and use overdrafts, but may be unable to do so

due to: (i) the 45% borrowing limit prescribed by the REIT Code; (ii) covenants contained in certain facility agreements for bank loans requiring FinanceCo (or, if applicable, other group members of Link) to prepay the relevant loans mandatorily in an amount sufficient to restore the LTV to 40% or less if the LTV exceeds 45%, provided that such prepayment may not be paid if FinanceCo (or, if applicable, other group members of Link) is of the reasonable opinion that Link would not have sufficient available funds to pay any accrued or declared distribution (in relation to any financial year ending prior to the date of such prepayment notice) to Unitholders in accordance with the REIT Code following such prepayment in which case FinanceCo (or, if applicable, other group members of Link) shall then be required to make such prepayment as soon as possible (subject to the payment of the distribution as aforesaid) and in any event before the maturity date of the relevant loans; and (iii) the covenant contained in certain facility agreements for bank loans restricting the security provided by Link in respect of any secured borrowings to an aggregate value of not exceeding 30% of the aggregate value of the Properties. Link may also face difficulties in securing timely and commercially favourable financing in asset-backed lending transactions secured by real estate or in unsecured lending.

In addition, the use of leverage may increase the exposure of Link to adverse economic factors such as rising interest rates and economic downturns. Link is subject to general risks associated with debt financing, including the risks of: (i) there being insufficient cash flow to meet payment of principal and repayment of capital requirements; and (ii) not being able to maintain debts at optimum levels in the future due to a lack of capacity in the lending market and/or an unfavourable interest rate environment.

#### **Link has recorded net current liabilities in the past**

Link has recorded net current liabilities in the amount of HK\$2,781 million and HK\$2,873 million as at 31 March 2017 and 30 September 2018, respectively, primarily due to certain unsecured loans falling due within 1 year, which could not be or were not prepaid early as at each of the reporting dates. Link considers its financial position as a whole is healthy and has committed undrawn facilities of HK\$10,045 million, HK\$11,000 million and HK\$10,065 million, respectively, as at 31 March 2017, 31 March 2018 and 30 September 2018. However, there is no assurance that Link will not experience periods of net current liabilities in the future. A net current liabilities position would expose Link to liquidity risks if it was unable to refinance certain loans when they come due. There can be no assurance that Link will always be able to obtain the necessary funding to refinance short-term borrowings upon maturity and finance capital commitments. If Link was unable to refinance such borrowings when due, and Link was not otherwise able to repay such amounts at maturity, Link may be in default of such loans, which may result in cross-defaults. In such circumstances, Link's business, financial condition and results of operations could be materially and adversely affected. However, the REIT Manager continues to closely monitor the liquidity position of Link to ensure the liquidity risk is manageable.

### **RISKS RELATING TO INVESTMENTS IN REAL ESTATE AND RELEVANT INVESTMENTS**

#### **There are general risks attached to investments in real estate**

Investments in real estate are subject to various risks, including: (i) adverse changes in global, national, local, macro or micro-economic conditions; (ii) adverse local market conditions and investment sentiment; (iii) the financial conditions of tenants, buyers and sellers of properties; (iv) changes in availability of debt financing; (v) changes in interest rates and other operating expenses; (vi) changes in environmental laws and regulations, zoning laws, tax and fiscal laws, and other governmental rules and policies; (vii) environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems, which are located on contaminated properties or as to which inadequate reserves had been established; (viii) changes in energy prices; (ix) changes in the relative popularity of property types and locations leading to an over-supply of space or a reduction in tenant demand for a particular type of property in a given market; (x) competition among property owners for tenants; (xi) insufficiency of insurance coverage; (xii) inability of the portfolio manager to provide or procure the provision of adequate maintenance and other services; (xiii) illiquidity of real estate investments; (xiv) considerable dependence on cash flow for the maintenance of, and improvements to, the portfolio properties; (xv) risks and operating problems arising out of the presence of certain construction materials; and (xvi) acts of God, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rent schedules or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Link's Properties may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Hong Kong (where, as at the date of this Offering Circular, most of the Properties are situated) or in the PRC.

Link's overseas investments will be subject to additional risk factors generally applicable to investing outside Hong Kong and specific to the relevant overseas jurisdiction. Link has recently completed the acquisition of two PRC properties known as 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) and 新怡景商业中心 (CENTRALWALK) through the acquisition of the entire issued share capital or equity interest of the target companies on 23 January 2019 and 14 March 2019, respectively. For details of the acquisitions, please refer to the announcements published by the REIT Manager on the Hong Kong Stock Exchange on 26 November 2018, 23 January 2019, 20 February 2019 and 14 March 2019 and the section headed "*Link – Recent Developments*" of this Offering Circular.

Link's property development activities are subject to those risks relevant to property developments including but not limited to (a) construction risk; (b) risk of default of construction project counterparties; (c) risk of failure or delay in obtaining governmental approvals for a development project, cost over-run and claim by tenant for late handover due to construction delay; (d) financing costs for property development; and (e) risk of disputes with a joint venture partner in the case of undertaking property development activities via joint venture, and failure to lease out all or any part of the property after completion of the development, or failure to obtain favourable lease terms, due to oversupply or change in market conditions.

#### **There are general risks involved in expanding Link's investment strategy to Relevant Investments**

In 2018, Link obtained approval from Unitholders to expand its investment strategy to cover investments in financial instruments permissible from time to time under the REIT Code, including without limitation (i) securities listed on the Hong Kong Stock Exchange or other internationally recognised stock exchanges; (ii) unlisted debt securities; (iii) government and other public securities; and (iv) local or overseas property funds (collectively, the "**Relevant Investments**"). The Relevant Investments shall constitute no more than 10% of Link's gross asset value at any one time. For details of the expansion of the investment scope, please refer to the announcement by the REIT Manager published on the Hong Kong Stock Exchange on 21 June 2018 and the circular published on the same date (the "**Circular**").

As with any investment activities, investing in any Relevant Investments may involve certain financial risks, including without limitation (a) market risk whereby the value of the Relevant Investment fluctuates in response to general market and economic conditions, including changes in commodity prices, foreign exchange rates and interest rates; (b) default/credit risk whereby the Issuer or a counterparty to a Relevant Investment defaults in payment or experiences a decline in its payment capacity; (c) price volatility risk whereby substantial fluctuations in the price of a financial instrument will affect the investment negatively; (d) liquidity risk whereby Link may not sell a sufficient amount of the Relevant Investments at a desired time and at a satisfactory price because demand for the Relevant Investments may become low during certain periods of time, notwithstanding the Relevant Investments being generally liquid in normal market conditions and transparently priced as required by the REIT Code; (e) management and policy risk whereby Link may invest in companies that are improperly managed or make business decisions that are detrimental to Link's interests as an investor; and (f) risks in relation to property funds whereby investments in local or overseas property funds may involve other additional risks and there is no assurance that a property fund will achieve its investment objective and strategy. The aforementioned risks may adversely affect the value of the Relevant Investments and have an adverse impact on the level of distributions to Unitholders. Further details of the risks relating to Relevant Investments are set out in the Circular.

**Income from, and expenditure in relation to, the Properties may not be as expected, which may adversely affect the financial condition of Link**

Income from the Properties may be adversely affected by the general economic climate and local conditions such as over-supply of properties or reduction in demand for properties in the market in which Link operates, the attractiveness of Link's Properties to tenants, management style, competition from other mall/retail and/or car parking facilities nearby or from e-commerce/e-retail, untimely collection of rent, changes in laws and increased operating costs (including real estate taxes) and expenses. In addition, income from the Properties may be affected by such factors as the increase in cost of regulatory compliance, interest rate levels and the availability of financing. Link's income would be adversely affected if a significant number of tenants were unable to pay rent or the Properties could not be rented out on favourable terms.

If the Properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditure, Link's ability to service its debt obligations and make distributions will be adversely affected. In terms of expenditure, any significant and unpredictable capital expenditure and other expenses for repairs and maintenance will, depending on the amount and timing, have an impact on the cash flow of Link and if such significant expenditure is not reduced even increases, it may then cause a reduction in income from the Properties and have an adverse effect on the financial condition and results of operations of Link.

**Link is dependent on the performance of its tenants, and its ability to service its debt may be adversely affected by the loss of its tenants or a downturn in the business of its tenants**

Link's financial condition and results of operations may be adversely affected by the insolvency or downturn in the business of the tenants, including the decision by tenants not to renew the Leases or to terminate the Leases before expiry (in cases where tenants have termination right exercisable by written notice). If the business of the tenants were to decline significantly, those tenants may be unable to pay their minimum rents or expense recovery charges. In such circumstances, Link is likely to experience delays and incur costs in enforcing its right as lessor against those tenants concerned. Also, if the key tenants reduce their leased space, there could be a material adverse effect on the financial condition and results of operations of Link.

**There may be uninsured or under-insured losses**

Link has arranged insurance on its Properties in accordance with the REIT Code, including property damage insurance and public liability insurance, and has also put in place employee compensation and third-party motor vehicle liability insurance, which are statutory insurance requirements. These classes of insurance include protection for risks associated with fire and loss of rent. However, there is no assurance that insurance against some or all of these risks will in the future continue to be available, or be available in amounts that are equal to the full market value or replacement cost of the insured assets. In addition, there can be no assurance that the particular risks which are currently insured will continue to be insurable on an economically feasible basis or at all.

**The occurrence of a contagious disease in Hong Kong could affect Link's business, financial condition and results of operations**

There can be no assurance that there will not be a serious outbreak of a contagious disease in Hong Kong (where, currently, most of the Properties are located). If such an outbreak were to occur, it may have a material adverse impact on the operations of the Properties which are located in Hong Kong. In such an event, tenants in those Properties may be adversely affected and consequently, Link's results of operations may suffer. In addition, the occurrence of an outbreak of a contagious disease may have an impact on the economy of Hong Kong (where, currently, most of the Properties are located) generally, hence, having an adverse effect on Link's financial condition and results of operations.

### **Link may be adversely affected by the illiquidity of real estate investments**

Real estate investments are relatively illiquid. Furthermore, in accordance with the REIT Code, Link is prohibited from entering into a disposal of any property within a period of less than two years from the date of its acquisition or, in the case of property development and related activities, from the date that the property development and related activities in respect of such investment is completed, unless Unitholders have passed a Special Resolution consenting to the proposed disposal. Such illiquidity may affect Link's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, financial, real estate market or other conditions. Also, the eventual liquidity of all investments of Link will be dependent upon the success of the realisation strategy proposed for each investment, which could be adversely affected by a variety of risk factors. For instance, Link may be unable to liquidate its assets on short notice, or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets to ensure a quick sale. These factors could have an adverse effect on Link's financial condition and results of operations.

### **The Properties or part thereof may be acquired compulsorily**

The Government has the power to acquire compulsorily any land in Hong Kong pursuant to applicable legislation in Hong Kong (where, currently, most of the Properties are located).

In the event of any compulsory acquisition of any of those Properties in Hong Kong, the amount of compensation to be awarded is based on the market value of such Property and is assessed on the basis prescribed in the relevant ordinances. If any of those Properties in Hong Kong were acquired compulsorily by the Government, the level of compensation which may be paid to Link pursuant to this basis of calculation may be less than the price which Link paid for that particular Property. If a claim is disputed, there may be a delay in Link receiving the compensation, or Link may receive less compensation than expected.

## **RISKS RELATING TO LINK'S PROPERTY PORTFOLIO**

### **The Properties are subject to the risk of non-renewal of expiring Leases**

Most of the retail Leases for the Properties are for periods of three years or less and certain tenants may have a termination right under their Lease. The lease cycle and frequency of renewal make Link susceptible to rental market fluctuations which, in a declining market, may lead to higher vacancies and lower rents and will in turn reduce the overall rental income of Link. As at 30 September 2018, the lease expiry of Link's portfolio of Hong Kong properties as a percentage of total area was 19.4%, 23.3% and 49.6% for the financial years ending 31 March 2019, 2020 and 2021 and beyond, respectively. The corresponding figures of the lease expiry profile of Link's portfolio in the PRC as at 30 September 2018 with respect to retail Leases at EC Mall Beijing and Guangzhou Metropolitan Plaza were 4.6%, 24.7% and 69.5%, and office Leases at Shanghai Link Square 1 & 2 (formerly Corporate Avenue 1 & 2) were 8.8%, 20.0% and 70.1%, respectively, for the financial years ending 31 March 2019, 2020 and 2021 and beyond, respectively. As at 31 October 2018, the retail tenancy expiry as a percentage of gross lettable area of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) were 32.6%, 19.3% and 46.8% and as at 31 December 2018, the retail tenancy expiry as a percentage of rental income of 新怡景商业中心 (CENTRALWALK) were 25.5%, 24.8% and 49.7%, respectively, for the financial years ending 31 March 2019, 2020 and 2021 and beyond, respectively. Depending on the prevailing market conditions, it may also take a longer period to negotiate the renewal of the expiring Leases.

### **Link may be adversely affected as a result of having only minority rights under deeds of mutual covenant and minority strata title ownership interests in respect of the HA Properties**

Link's minority ownership interest in some of the Housing Estates within which the HA Properties are situated may adversely affect Link's rights under the respective deeds of mutual covenant for these Housing Estates. In these situations, Link will not have the ability to control certain major decisions relating to these Housing Estates. This could mean, for example, that the majority owner(s) could make decisions with respect to the Housing Estates that are not in the best interests of Link at such time, including matters relating to the management and maintenance of the Housing Estates. These decisions could result in an increase in the management charges payable by, and additional obligations being imposed on, Link in respect of the HA Properties.

### **There is no assurance that the buildings neighbouring the HA Properties will not be closed down or redeveloped**

There can be no assurance that the buildings in the Housing Estates neighbouring the HA Properties will not be closed down or redeveloped for alternative uses or that HKHA will continue to provide public rental housing in all those Housing Estates where it currently does so and which adjoin such HA Properties. Any such closure or redevelopment could reduce the number of local occupiers that frequent these HA Properties or, alternatively, could add other properties that compete with these HA Properties, either of which could have a material adverse effect on Link's financial condition and results of operations.

### **The sale price for a Property may be less than its current valuation or the purchase price paid by Link**

The valuation of the Properties is not an indication of, and does not guarantee, a sale price either at the present time or at any time in the future. See – *“The valuation analysis may prove to be unrepresentative of an investment in Link”* and – *“Link may be adversely affected by the illiquidity of real estate investments”*. Accordingly, there can be no assurance that Link would be able to sell a Property, either at the present time or at any time in the future, or that the price realisable on such sale would not be lower than the present valuation of, or the price paid by Link to purchase, such Property.

### **The valuation analysis may prove to be unrepresentative of an investment in Link**

The independent property valuer adopted both the discounted cash flow analysis and the income capitalisation approach (for completed properties) and the residual approach (for properties under development) as the primary methods in valuing the Properties as at 31 March 2018 and as at 30 September 2018. In both cases, the independent property valuer made reference to market transactions and comparables.

The discounted cash flow analysis is based on assumed cash flows from a particular property over a certain holding period of time that comprise the periodic net operating income (less any capital expenditure) during the holding period and the terminal value of such property as of the end of the holding period. The income capitalisation approach assumes a stable or normalised level of net operating income from a particular property and capitalises the income at an expected rate of return, or capitalisation rate. Residual approach involves the assessment of a property's fair value by assuming its completion at the date of valuation and deducts from which the estimated development costs to derive at the residual value of the property under development.

The valuation is also dependent on, among other things, capital expenditure forecasts produced by the REIT Manager.

Whilst these forms of analysis allow investors to make an assessment of the long-term return that is likely to be derived from the Properties through a combination of both rental and capital growth, there can be no assurance that the projected cash flows, the hypothetical terminal value of the Properties or any of the other assumptions which have been used for the purposes of the valuation will prove to be accurate or reliable, or that the discount rates adopted by the independent property valuer will be representative of returns from comparable or alternative forms of investment over the period or periods concerned. Accordingly, the appraised value of any of the Properties is not an indication, and does not guarantee, that a Property could be sold by Link at that price currently or in the future.

### **Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow**

If the Properties have design, construction or other latent property or equipment defects, these may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Link's earnings and cash flows.

Statutory or contractual representations, warranties and indemnities given by any seller of real estate are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.



### **Link is subject to certain legal and regulatory compliance obligations**

Link is subject to certain legal and regulatory compliance obligations in Hong Kong and the PRC where its Properties are situated. There can be no assurance that the REIT Manager will be able to comply with all applicable legal and regulatory requirements or that it will not be required to incur significant expenditure to ensure that the Properties will comply with such requirements or any additional requirements that may be imposed.

### **Environmental contamination or compliance problems could require Link to incur material costs**

Although HKHA warranted under the share purchase agreement dated 6 September 2005 (as supplemented by the supplemental share purchase agreement dated 8 November 2015) in respect of the sale and purchase of the entire issued share capital of the REIT Manager and HoldCo that it had conducted its business (in so far as the HA Properties are concerned) in accordance with applicable environmental laws and regulations and there was no pollution or contamination emanating from any of the HA Properties transferred to Link, neither HKHA nor the REIT Manager has conducted detailed environmental surveys on any of such HA Properties.

Some of the HA Properties have previously contained ACBMs. Pursuant to HKHA's asbestos abatement programme, HKHA has stated that it believes that it has removed substantially all of the ACBMs from the relevant HA Properties. However, rectification or remedial action may need to be taken in relation to the remaining ACBMs and the costs incurred in respect of such rectification or removal action may be significant. Environmental laws require that ACBMs be properly managed and maintained, and may impose fines and penalties on building owners or operators for failure to comply with these requirements. Third parties may be permitted by law to seek recovery from owners or operators for personal injury associated with exposure to contaminants, including, but not limited to, asbestos fibres.

In addition, it is possible that there is undiscovered soil or groundwater contamination, or other environmental problems, at one or more of the HA Properties that could require investigation or remediation. For example, a small number of the HA Properties is located near former landfills. In some cases, such matters could result in private personal injury or property damage claims. If environmental claims or violations do arise, Link could be required to conduct costly investigations or cleanups or, in severe cases, temporarily or permanently close off those affected HA Properties. Environmental concerns could also cause a reduction in rental income or resale prices, or otherwise limit Link's ability to lease or sell any of such HA Properties.

### **Most of Link's Properties are located in Hong Kong, which exposes Link to geographic and market concentration risk**

Despite the expansion of the geographical scope of Link's investment strategy outside Hong Kong, most of the Properties as at the date of this Offering Circular are situated in Hong Kong. In terms of value, as at 30 September 2018, 91.8% of Link's Properties in the portfolio was in Hong Kong with the remaining 8.2% in the PRC. The political environment in Hong Kong or a general downturn in the Hong Kong economy would have a greater impact on Link than if the Properties were more geographically diversified. Although the extent of the impact that a downturn in the Hong Kong economy is likely to have on the Properties in Hong Kong may be lessened due to the fact that such Properties aim to serve the daily needs of the residents in the vicinity around them, this will not fully insulate such Properties from the consequences of a downturn in the Hong Kong economy.

### **Retail properties and car park markets are highly competitive**

Competition from new facilities in the vicinity of the Properties in Hong Kong or in Guangzhou, Shanghai, Shenzhen and Beijing where Link's Properties in the PRC are situated may affect Link's ability to maintain existing occupancy and utilisation rates, rental rates and car park charges for such Properties. In order to avoid falling occupancy/utilisation level, rental rates and car park charges may need to be lowered, additional capital improvements may need to be made or additional tenant inducements may need to be offered, all of which may have a negative impact on Link's revenues. The competitive business environment among retailers in Hong Kong, Guangzhou, Shanghai, Shenzhen and Beijing may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent.

## **HA Properties are subject to restrictive covenants**

Restrictive covenants were imposed on those HA Properties owned by Link. These restrictive covenants mean that if PropCo (or any of its successors in title) wishes to assign, mortgage or charge any of the car park facilities within a Housing Estate at any of these HA Properties then, so long as HKHA remains as the owner of the remaining parts of the relevant Housing Estate within which they are situated and has not disposed of any residential units there, any such assignment, mortgage or charge by PropCo (or any of its successors in title) must be of such car park facilities within such Housing Estate as a whole and not in part. Similarly, if PropCo (or any of its successors in title) wishes to assign, mortgage or charge any of the retail facilities within a Housing Estate of any of these HA Properties, then any such assignment, mortgage or charge by PropCo (or its successors in title) must be of such retail facilities within such Housing Estate as a whole and not in part. The restriction in respect of such retail facilities, however, survives any subsequent disposal by HKHA of any residential units in the relevant Housing Estate within which such retail facilities are situated. Therefore, Link will not have complete flexibility to assign, mortgage or charge part of these HA Properties which may mean that Link in the future would not be able to achieve as high a price for some of these HA Properties as it would have been able to were it to have the flexibility to assign part of these HA Properties to a number of purchasers. Similarly, such inflexibility may also be reflected in any financing terms should Link wish to grant security over these HA Properties for the purpose of securing longer term debt financing.

## **RISKS RELATING TO THE BONDS AND THE UNITS**

**The Issuer has limited assets and will depend on cash flow from HoldCo and its subsidiaries to service their respective obligations under the Bonds and the Guarantee.**

The Issuer is a wholly-owned subsidiary of HoldCo, one of the Guarantors, and has limited operations of its own and will be dependent upon payments from the Guarantors and their respective subsidiaries to meet its obligations under the Bonds and the Guarantee.

The Issuer has no business operations other than issuing the Bonds and engaging in related transactions. Bondholders' recourse to the Issuer is limited as the Issuer only has limited assets. The Issuer's ability to make payment on the Bonds is dependent directly on payments (in the form of capital injections, intercompany loans or otherwise) to the Issuer by HoldCo and certain of HoldCo's subsidiaries, which will depend on a number of factors, some of which may be beyond the control of HoldCo and/or the Issuer. If any of HoldCo or any of its subsidiaries is unable to make timely payments to the Issuer, the Issuer may not have any other source of funds to meet its payment obligations under the Bonds.

**The Trustee may request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.**

In certain circumstances (including, without limitation, being requested or directed by the Bondholders pursuant to Condition 10 (*Events of Default*) and Condition 15 (*Enforcement*) of the Terms and Conditions), the Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute any proceedings if it is not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding could be a lengthy process and may affect when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable law or regulations, to the extent permitted by the agreements and the applicable law and regulations, it would be for the Bondholders to take such steps and/or actions and/or institute such proceedings directly.

**Bondholders will have no rights as holders of the Units prior to conversion of the Bonds, but are subject to changes made with respect to the Units.**

Unless and until the Bondholders convert the Bonds for Units and are themselves registered as Unitholders, Bondholders would have no rights with respect to the Units, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Units. However, such Bondholders are subject to all changes affecting the Units. For example, in the event that an amendment is proposed to Link's trust deed requiring Unitholder approval, and the record date for determining the Unitholders on record entitled to vote on the amendment occurs prior to the date of conversion of the Bonds for such Units and (as applicable) the date of registration by the relevant Bondholder as the holder thereof, that Bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Units after conversion.

**The Bondholders may be subject to tax on their income or gain from the Bonds.**

Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the Units. See "Taxation" of this Offering Circular for certain British Virgin Islands, Cayman Islands and Hong Kong tax consequences.

**The market price of the Bonds may fluctuate and Bondholders will bear the risk of fluctuations in the price of Units.**

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as reorganisations or takeovers) of the Issuer and/or the Group and/or their respective subsidiaries or associated companies, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, Issuer and/or the Group and/or their respective subsidiaries or associated companies generally. Adverse economic developments in Hong Kong or the PRC could have a material adverse effect on the results of operations and/or financial condition of the Issuer and/or the Group and/or their respective subsidiaries or associated companies.

In addition, the market price of the Bonds at any time will be affected by fluctuations in the market price of the Units. The Units are currently listed on the Hong Kong Stock Exchange. There can be no certainty as to the effect, if any, that future issues or sales of Units, or the availability of Units for future issue or sale, would have on the market price of the Units prevailing from time to time and therefore on the market price of the Bonds. Sales of substantial numbers of Units in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Units and the Bonds. The market price of the Units will also be influenced by Link's operational results (which in turn are subject to the various risks to which Link's businesses and operations are subject) and by other factors such as changes in the regulatory environment that may affect the markets in which Link operates and the capital markets in general. Corporate events such as reorganisations, takeovers or Unit buy-backs may also adversely affect the market price of the Units. Any decline in the market price of the Units could adversely affect the market price of the Bonds.

**The return on the Bonds may decrease due to inflation.**

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

### **An active trading market for the Bonds may not develop.**

The Bonds are a new issue of securities for which there is currently no trading market. Application has been made to the Hong Kong Stock Exchange for the listing, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. However, no assurance can be given that an active trading market for the Bonds would develop or as to the liquidity or sustainability of any such market, the ability of Bondholders to sell their Bonds or the price at which Bondholders would be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. In addition, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of the Bonds.

If an active trading market were to develop, the Bonds could trade at prices that may be lower than their initial offering price. Whether or not the Bonds would trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- the price of the Units;
- the market prices of the Bonds;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in Link's industry and competition; and general market and economic conditions; or
- Link's financial condition and historical financial performance and future prospects.

The Bonds and the New Units have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the New Units may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds and the New Units will not be freely tradable absent registration or an exemption from registration.

### **The Bonds may not be a suitable investment for all investors.**

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. A potential investor should not invest in the Bonds unless he/she has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

**The Bonds contain provisions regarding modification and waivers, which could affect the rights of Bondholders.**

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interest of individual holders of the Bonds. The Terms and Conditions provide that the Trustee may, without the consent of the holders of the Bonds, subject as provided in the Terms and Conditions and the Trust Deed, agree to any modification (other than in respect of certain reserved matters) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which in the opinion of the Trustee would not be materially prejudicial to the interests of the holders of the Bonds and to any modification of the Bonds, the Agency Agreement or the Trust Deed which is in the Trustee's opinion of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of law. Any such modification, authorisation or waiver shall be binding on the holders of the Bonds.

In addition, the Trustee may, without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (both terms as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

**If the Issuer, any Guarantor, Link or any Principal Subsidiary is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.**

If the Issuer, any Guarantor, Link or any Principal Subsidiary is unable to comply with the restrictions and covenants of its current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under the Issuer's, any Guarantor's, Link's or any Principal Subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Issuer, any Guarantor, Link or any Principal Subsidiary would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer, any Guarantor, Link or any Principal Subsidiary would be able to find alternative financing. Even if the Issuer, any Guarantor, Link or any Principal Subsidiary could obtain alternative financing, it could not guarantee that it would be on terms that are favourable or acceptable to the Issuer, any Guarantor, Link or any Principal Subsidiary.

**The Issuer and Link are not contractually committed to allocate the net proceeds from this offering to Eligible Green Projects, and their failure to do so could adversely impact the value of the Bonds.**

While the Issuer and Link have agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed "*Use of Proceeds*" and "*Green Finance Framework*" of this Offering Circular, it would not be an Event of Default under the Terms and Conditions of the Bonds if the Issuer or Link were to fail to comply with such obligations or were to fail to use the net proceeds of the issue of the Bonds in the manner specified in this Offering Circular. While the Issuer or Link intends to allocate the net proceeds from the offering to Eligible Green Projects, as described under "*Use of Proceeds*", any failure to use the net proceeds in connection with such Eligible Green Projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to the Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green projects. In the event that the Bonds are included in any dedicated "green", "environmental", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Issuer or Link or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

**The Issuer and Link may use or allocate the net proceeds from this offering in ways with which you may not agree.**

The Issuer and Link intend to allocate the net proceeds from this offering to the financing and refinancing, in whole or in part, of existing and future Eligible Green Projects. However, the Issuer and Link will retain broad discretion over the use or allocation of the net proceeds and potential investors may not agree with the ultimate use or allocation of the net proceeds.

There can be no assurance that the projects funded with the net proceeds from this offering will satisfy investor criteria and expectations regarding environmental impact and sustainability performance. In particular, no assurance is given that the use or allocation of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements regarding any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own bylaws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Eligible Green Projects). Adverse environmental or social impacts may occur during the design, construction and operation of the projects or the projects may become controversial or criticised by activist groups or other stakeholders. In addition, although the Issuer and Link intend to limit the use or allocation of the net proceeds to Eligible Green Projects, there can be no assurance that any of the Issuer or Link is able to identify projects that fall within the eligibility criteria specified in the Green Finance Framework.

**Exchange rate risks and exchange controls may affect an investor's returns on the Bonds.**

The Group will pay principal on the Bonds in HK\$. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than HK\$. These include the risk that exchange rates may significantly change (including changes due to devaluation of the HK\$ or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to HK\$ would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

**Credit ratings may not reflect all risks.**

The Bonds are rated "A" by S&P. Such rating may not reflect the potential impact of all risks in relation to the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Legal investment considerations may restrict certain investments.**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

**The insolvency laws of the British Virgin Islands, Cayman Islands and Hong Kong and other local insolvency laws may differ from those of any other jurisdiction with which holders of the Bonds are familiar.**

As the Issuer is incorporated under the laws of the British Virgin Islands, and the Guarantors are incorporated under the laws of Cayman Islands and Hong Kong, an insolvency proceeding relating to the Issuer or any of the Guarantors, even if brought in other jurisdictions, would likely involve British Virgin Islands, Cayman Islands or Hong Kong (as the case may be) insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions.

**Bondholders have limited anti-dilution protection.**

The Conversion Price of the Bonds will be adjusted only in the situations and only to the extent provided in “*Terms and Conditions of the Bonds – Conversion – Adjustments to Conversion Price*”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Units. In particular, there is no adjustment to Conversion Price where Units or other securities (including rights, warrants or options) are issued, offered or granted to or for the benefit of employees or former employees of the REIT Manager or any of the subsidiaries of the REIT Manager or any of the subsidiaries of Link pursuant to any employees’ Unit scheme or plan (including without limitation the 2007 LTI Plan). Events in respect of which no adjustment is made may adversely affect the value of the Units and therefore, adversely affect the value of the Bonds.

**The conversion of some or all of the Bonds will dilute the ownership interests of existing Unitholders.**

The conversion of some or all of the Bonds will dilute the ownership interests of existing Unitholders. Any sales in the public market of the Units issuable upon such conversion could affect prevailing market prices for the Units. In addition, the conversion of the Bonds might encourage short selling of the Units by market participants.

**The Issuer may not have the ability to redeem the Bonds.**

Bondholders may require the Issuer, subject to certain conditions, to redeem all or some of their Bonds at the option of the Bondholders upon the occurrence of certain events as described under “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Change of Control*”, “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Delisting or Suspension Put Right*” and “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Early Redemption at the option of the Bondholders*”. The Issuer may not have sufficient funds or other financial resources to make the required redemption at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer’s ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Issuer.

**The Bonds may be early redeemed at the Issuer’s option.**

The Issuer may redeem the Bonds in whole, but not in part, at their principal amount together with interest accrued up to the date fixed for redemption but unpaid, at any time if, the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any bonds issued in accordance with Condition 16 (*Further Issues*) of the Terms and Conditions). In addition, all and not some only of the Bonds may be redeemed at the option of the Issuer at their principal amount together with interest accrued up to the date fixed for redemption but unpaid if (i) the Closing Price of the Units for any 20 Trading Days out of 30 consecutive Trading Days, immediately prior to the date upon which the notice for redemption is given, was at least 130 per cent. of the applicable Conversion Price then in effect or (ii) the Issuer (or if the Guarantee was called, any Guarantor) becomes obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of certain events set out in the Terms and Conditions and such obligation cannot be avoided by the Issuer or, as the case may be, the relevant Guarantor taking reasonable measures available to it. As a result, the trading price of the Bonds may be affected when any of the redemption options of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds. In addition, the proceeds from the redemption of the Bonds may be reinvested by the Bondholders and the Bondholders may thereby be subject to additional risks associated to such reinvestment.

**Short selling of the Units by Bondholders could materially and adversely affect the market price of the Units.**

The issuance of the Bonds may result in downward pressure on the market price of the Units. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling or similar hedging activity could place significant downward pressure on the market price of the Units, thereby having a material adverse effect on the market value of the Units owned by an investor as well as on the trading price of the Bonds.

**Further issuances of Units may depress the trading price of the Units.**

Any issuance of Link's Units after the offer of the Bonds could dilute the interest of the existing Unitholders and could substantially decrease the trading price of the Units. Link may issue Units in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of Units in the public market (or the perception that such sales may occur) could depress the market price of the Units, and impair Link's ability to raise capital through the sale of additional securities. There is no restriction on Link's ability to issue bonds or Units or the ability of any of the Unitholders to dispose of, encumber or pledge the Units, and there can be no assurance that Link will not issue Bonds or Units or that the Unitholders will not dispose of, encumber or pledge the Units. Link cannot predict the effect that future sales of Units or other securities would have on the market price of the Units.

**The risks described above do not necessarily comprise all those faced by the Issuer, the Guarantors, Link and the Group and are not intended to be presented in any assumed order of priority.**



## USE OF PROCEEDS

The net proceeds from this Offering, after the deduction of fees, commissions and expenses payable in connection with this Offering, will be approximately HK\$3,974,000,000 and shall be used to refinance or fund, in whole or in part, existing and future eligible green projects (“**Eligible Green Projects**”) selected in accordance with certain prescribed eligibility criteria as described under Link’s Green Finance Framework (see “*Green Finance Framework*” of this Offering Circular).

The Joint Lead Managers have not separately verified nor will make any assurances as to (i) whether the Bonds will meet the investor criteria and expectations regarding environmental impact and sustainability performance for any investor, (ii) whether the net proceeds will be used to finance and/or fund Eligible Green Projects, or (iii) the characteristics of Eligible Green Projects, including their environmental and sustainability criteria.

## GREEN FINANCE FRAMEWORK

Link's Green Finance Framework (“**Green Finance Framework**”) articulates how Link intends to enter into green financing transactions (“**Green Financing Transactions**”) to fund projects that will deliver environmental benefits that support and are aligned with Link's business strategy and vision.

Green Financing Transactions will include bonds, loans and other debt or financing structures which support Eligible Green Projects, as defined above. Bonds issued under the Green Finance Framework will be in alignment with the ICMA Green Bond Principles 2018 or as they may be subsequently amended. Loans issued under the Green Finance Framework will be in alignment with the LMA Green Loan Principles 2018 or as they may be subsequently amended.

Other forms of financing may conform to other sustainable or green finance principles as may have been established at the time of such financing transaction being undertaken.

In alignment with the ICMA Green Bond Principles 2018, and LMA Green Loan Principles 2018, Link's Green Finance Framework is presented through the following key pillars: Use of Proceeds; Projects Selection Process; Management of Proceeds; and, Reporting.

### USE OF PROCEEDS

An amount equal to the net proceeds of any Green Financing Transactions will be used to refinance or fund, in whole or in part, existing and future projects that are eligible per the criteria specified below.

### Eligibility Criteria

- (i) Any project for an existing or new building that has received, or expects to receive, certification according to third party verified green building standards including a) BEAM Plus<sup>1</sup> Silver, Gold or Platinum; or b) LEED<sup>2</sup> Silver, Gold or Platinum, Building types can include:
  - a. Building developments and redevelopments
  - b. Renovations to existing buildings
  - c. Tenant improvements
  - d. Operations & Maintenance

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(1) *Building Environmental Assessment Method* (“**BEAM Plus**”) is a voluntary, third party building certification process, developed in 2009 by BEAM Society Limited, providing an independently certified performance rating for a building in clearly defined terms. BEAM covers all types of new and existing buildings: residential, commercial, institutional, and industrial. It embraces and endorses exemplary practices in the planning, design, construction, commissioning, management and operation of buildings in the context of Hong Kong's densely populated, predominantly high-rise cityscape. New buildings that are planned, designed, built and commissioned to the standards set under BEAM Plus for New Buildings are safe, healthy, comfortable and efficient buildings that sustain the quality of life and workplace productivity, whilst minimising the depletion of natural resources and reducing environmental loadings. Existing buildings managed and operated to the standards set under BEAM Plus for Existing Buildings can maintain high level performance over the life of the buildings.

BEAM is owned and operated by BEAM Society Limited, an independent non-profit organisation whose membership is drawn from many professional and interest groups in Hong Kong's building construction and real estate sectors. Following initial funding from The Real Estate Developers Association of Hong Kong (REDA), BEAM development is funded from assessment fees with voluntary support from the efforts of BEAM Society's members and associates, and the professional supporting team.

(2) *Leadership in Energy and Environmental Design* (“**LEED**”) is a voluntary, third party building certification process developed by the U.S. Green Building Council (“**USGBC**”), a non-profit organisation. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole-building perspective over a building's life cycle, (ii) provide a definitive standard for what constitutes a “green building,” (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials.

- (ii) Projects which result in achieving, based on third-party assessment, at least a 15% improvement in energy efficiency;
- (iii) Projects, such as those that focus on energy efficiency, pollution prevention and control, sustainable water management and wastewater management, clean transportation or renewable energy to improve climate change resilience.

## **PROJECTS SELECTION PROCESS**

The Eligible Green Projects are selected by Link's sustainability team together with the treasury teams in accordance with Link's Green Finance Framework and the eligibility criteria outlined above.

## **MANAGEMENT OF PROCEEDS**

As long as any Green Financing Transactions are outstanding, Link's internal records will show the allocation of an amount equal to the net proceeds of any Green Financing Transactions to existing and future Eligible Green Projects. Pending the allocation of the net proceeds of any Green Financing Transactions to existing and new Eligible Green Projects, the net proceeds will be used to repay amounts of outstanding debt. Link will not hold any unallocated proceeds as cash; this is consistent with the cash management practices for REITS.

## **REPORTING**

Throughout the Green Financing Transactions, Link will make and keep readily available, through Link's integrated annual report and on a dedicated page of Link's corporate sustainability website (<https://www.linkreit.com/en/sustainability/genericPage/greenfinanceV2/>), up to date information on the allocation of an amount equal to the net proceeds, to be renewed annually until full allocation and as necessary thereafter in the event of new developments. This information will contain, at a minimum:

- (i) The list of eligible green project categories and amounts allocated to these categories;
- (ii) The balance amount of unallocated green finance proceeds; and
- (iii) A selection of project examples financed by an amount equal to the net proceeds of the Green Financing Transaction.

Where feasible, Link will include qualitative and (if reasonably practicable) quantitative environmental performance indicators on these Eligible Green Projects. Performance indicators may change from year to year and may include some of the following indicators:

- (i) List of eligible buildings that received third party verified green building certification;
- (ii) Energy consumption reduced per square foot;
- (iii) Greenhouse gas emissions reduced by an eligible green project;
- (iv) Water consumption reduced;
- (v) Reduction in amount of waste sent to landfill; and
- (vi) Progress made on the sustainable development goals.

In the event Link issues convertible bonds and the bond converts before allocation was completed, Link will continue the commitment to allocate an amount equal to the net proceeds as soon as practicable but no later than the original maturity date of the convertible bond.

## **SECOND PARTY OPINION**

Link had engaged Sustainalytics to review the Green Finance Framework, and to provide an opinion on the Green Finance Framework's environmental credentials and its alignment with the Green Bond Principles. According to Sustainalytics, the Green Finance Framework is aligned with the Green Bond Principles with regard to use of proceeds, project selection process, management of bonds and reporting. With regards to reporting, Link's commitment to provide, on a best efforts basis, greenhouse gas emissions and energy consumption reductions, is in line with industry best practice. Based on its review, Sustainalytics considers that the Green Finance Framework is transparent and provides clarity regarding the outcomes of the green bond investments.

For further details on the Green Finance Framework, please refer to the Green Finance Framework, which is incorporated by reference in this Offering Circular. See the section headed "*Documents Incorporated by Reference*" of this Offering Circular.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information as at and for the years ended 31 March 2017 and 31 March 2018 and the summary unaudited condensed consolidated interim financial information as at and for the respective six months ended 30 September 2017 and 30 September 2018 of Link. The summary consolidated financial information as at and for the years ended 31 March 2017 and 31 March 2018 has been derived from Link's published audited consolidated financial statements for the year ended 31 March 2018 while the summary unaudited condensed consolidated interim financial information as at and for the six months ended 30 September 2017 and 30 September 2018 has been derived from Link's published unaudited condensed consolidated interim financial information for the six months ended 30 September 2018, including the notes thereto, which are incorporated by reference in this Offering Circular.

Link's consolidated financial statements have been prepared in accordance with the relevant provisions of the REIT Trust Deed, the relevant disclosure requirements set out in Appendix C of the REIT Code and Hong Kong Financial Reporting Standards ("HKFRS").

In preparing the unaudited condensed consolidated interim financial information for the six months ended 30 September 2018, Link has adopted HKFRS 9 and HKFRS 15 with effect from 1 April 2018 and has not restated prior years' consolidated financial statements. Therefore, the unaudited condensed consolidated interim financial information for the six months ended 30 September 2018 may not be comparable with the consolidated financial statements for the years ended 31 March 2017 and 2018. As discussed in Note 3 of Link's unaudited condensed consolidated interim financial information for the six months ended 30 September 2018, the adoption of HKFRS 9 and HKFRS 15 has not had any significant effect on the results and the financial position of Link.

### CONSOLIDATED INCOME STATEMENT

	For the year ended 31 March		For the six months ended 30 September	
	2017	2018	2017	2018
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	(HK\$'M)	(HK\$'M)	(HK\$'M)	(HK\$'M)
Revenue .....	9,255	10,023	4,949	4,930
Property operating expenses .....	(2,261)	(2,360)	(1,182)	(1,171)
Net property income .....	6,994	7,663	3,767	3,759
General and administrative expenses .....	(342)	(417)	(185)	(151)
Change in fair values of investment properties ....	11,494	35,493	9,432	6,702
Interest income .....	4	19	2	59
Finance costs .....	(567)	(665)	(288)	(302)
Gain on disposals of investment properties .....	1,387	7,306	-	-
Profit before taxation and transactions with Unitholders .....	18,970	49,399	12,728	10,067
Taxation .....	(1,057)	(1,420)	(589)	(732)
Profit for the period, before transactions with Unitholders .....	17,913	47,979	12,139	9,335
Distributions paid to Unitholders .....	(4,898)	(5,254)	(2,581)	(2,758)
	13,015	42,725	9,558	6,577
Represented by:				
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back .....	12,461	44,609	10,228	4,690
Amount arising from cash flow hedging reserve and exchange reserve movements .....	352	(2,102)	(677)	1,778
Non-controlling interest .....	202	218	7	109
	13,015	42,725	9,558	6,577

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March		As at 30 September	
	2017	2018	2017	2018
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	(HK\$'M)	(HK\$'M)	(HK\$'M)	(HK\$'M)
Non-current assets				
Goodwill .....	466	416	487	399
Investment properties .....	174,006	203,091	189,818	209,790
Property, plant and equipment .....	87	115	90	112
Derivative financial instruments .....	116	280	83	225
	<u>174,675</u>	<u>203,902</u>	<u>190,478</u>	<u>210,526</u>
Current assets				
Trade and other receivables .....	503	715	643	755
Deposits and prepayments .....	77	97	78	132
Derivative financial instruments .....	–	1	4	6
Short-term bank deposits .....	150	8,525	100	2,650
Cash and cash-equivalents .....	535	3,164	515	1,200
	<u>1,265</u>	<u>12,502</u>	<u>1,340</u>	<u>4,743</u>
Total assets .....	<u>175,940</u>	<u>216,404</u>	<u>191,818</u>	<u>215,269</u>
Current liabilities				
Trade payables, receipts in advance and accruals .....	1,870	2,462	1,936	2,336
Security deposits .....	1,494	1,665	1,622	1,586
Provision for taxation .....	305	420	546	629
Current portion of long-term incentive plan provision .....	76	87	60	67
Interest bearing liabilities .....	300	2,589	2,935	2,998
Derivative financial instruments .....	1	2	–	–
	<u>4,046</u>	<u>7,225</u>	<u>7,099</u>	<u>7,616</u>
Net current assets/(liabilities) .....	<u>(2,781)</u>	<u>5,277</u>	<u>5,759</u>	<u>(2,873)</u>
Total assets less current liabilities .....	<u>171,894</u>	<u>209,179</u>	<u>184,719</u>	<u>207,653</u>
Non-current liabilities, excluding net assets attributable to Unitholders				
Long-term incentive plan provision .....	37	50	24	36
Interest bearing liabilities .....	27,197	23,196	30,456	19,124
Derivative financial instruments .....	498	375	334	482
Deferred tax liabilities .....	2,417	2,893	2,607	3,081
Other non-current liabilities .....	3,248	3,597	3,401	3,969
	<u>33,397</u>	<u>30,111</u>	<u>36,822</u>	<u>26,692</u>
Total liabilities, excluding net assets attributable to Unitholders .....	<u>37,443</u>	<u>37,336</u>	<u>43,921</u>	<u>34,308</u>
Non-controlling interest .....	<u>256</u>	<u>474</u>	<u>263</u>	<u>583</u>
Net assets attributable to Unitholders .....	<u>138,241</u>	<u>178,594</u>	<u>147,634</u>	<u>180,378</u>
Units in issue .....	<u>2,213,002,276</u>	<u>2,150,058,972</u>	<u>2,199,876,472</u>	<u>2,111,986,754</u>
Net assets per Unit attributable to Unitholders .....	<u>HK\$62.47</u>	<u>HK\$83.06</u>	<u>HK\$67.11</u>	<u>HK\$85.41</u>

## CAPITALISATION AND INDEBTEDNESS

The following table sets out the unaudited consolidated capitalisation of Link as at 30 September 2018, and as adjusted to give effect to the issuance of the Bonds before deducting the discounts and commission and other estimated expenses of this Offering. The following table should be read in connection with the unaudited condensed consolidated interim financial information as at and for the six months ended 30 September 2018, which is incorporated by reference in this Offering Circular.

	<b>As at 30 September 2018</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>(HK\$'M)</b>	
Short-term borrowings		
Interest bearing liabilities .....	2,998	2,998
Long-term borrowings		
Interest bearing liabilities .....	19,124	19,124
Bonds to be issued <sup>(1)</sup> .....	–	4,000
Total interest bearing liabilities .....	22,122	26,122
Net assets attributable to Unitholders .....	180,378	180,378
Total capitalisation <sup>(2)</sup> .....	202,500	206,500

*Notes:*

- (1) For illustrative purposes, the gross proceeds from the issuance of the Bonds have been presented as a liability component as a whole in the above table, without taking into account accounting requirements of HKFRS.
- (2) Total capitalisation represents the sum of total interest bearing liabilities and net assets attributable to Unitholders. The total capitalisation of Link is subject to, among others, subsequent distributions to Unitholders, (where applicable) distribution reinvestment arrangement, valuations and operating results.

There has been no material change in the capitalisation of Link since 30 September 2018.

## STRUCTURE OF LINK

### INTRODUCTION

Link is a collective investment scheme authorised by the SFC under section 104 of the Securities and Futures Ordinance whose Units are listed on the Main Board of the Hong Kong Stock Exchange. As at the Latest Practicable Date, 2,109,321,254 Units were in issue. Link is internally managed in that the REIT Manager is a wholly-owned subsidiary of the REIT Trustee.

### THE REIT TRUSTEE

The REIT Trustee is HSBC Institutional Trust Services (Asia) Limited, a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited. The REIT Trustee is a company incorporated in Hong Kong and registered as a trust company under section 77 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong). HSBC Institutional Trust Services (Asia) Limited acts as the trustee of various collective investment schemes authorised under the Securities and Finance Ordinance pursuant to the REIT Code. As at the Latest Practicable Date, the REIT Trustee had a paid-up capital of HK\$50,000,000.

The REIT Trustee is entitled to apply, and to be reimbursed from, the Deposited Property in respect of all costs and expenses and other liabilities incurred on behalf of Link.

### THE REIT MANAGER

The REIT Manager is a wholly-owned subsidiary of the REIT Trustee, but is functionally independent of the REIT Trustee. The REIT Manager has the responsibility for managing the assets of Link for the sole benefit of the Unitholders and sets the strategic direction and risk management policies of Link. The REIT Manager is licensed by the SFC to conduct the regulated activity of asset management in Hong Kong under the Securities and Futures Ordinance. Link is regulated by the REIT Code and the REIT Trust Deed. The REIT Manager is entitled to receive out of the Deposited Property the reimbursement of its costs and expenses reasonably incurred in managing Link, subject to a minimum of HK\$15 million per calendar month (or such other amount as may be agreed between the REIT Trustee and the REIT Manager).

### THE ISSUER

The Issuer, a wholly-owned subsidiary of HoldCo, was incorporated with limited liability under the laws of the British Virgin Islands on 28 February 2019.

The Issuer, whose primary purpose is to act as a financing subsidiary of HoldCo, will remain a wholly-owned subsidiary of HoldCo and has not engaged, since its incorporation, in any material activities other than those regarding or incidental to its registration and the authorisation of documents and agreements referred to herein to which it is or will be a party and the issuing and dealing in the Bonds. The Issuer will not engage in any business activity other than those in connection with the Bonds or the on-lending of proceeds from the issue of the Bonds to Link and its other subsidiaries. The Issuer has no material assets.

The Issuer is authorised to issue a maximum of 50,000 shares of U.S.\$1.00 par value each. As at the Latest Practicable Date, the Issuer had one share of U.S.\$1.00 par value. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. The Issuer has no subsidiaries.

### DIRECTORS AND OFFICERS OF THE ISSUER, PROPCO AND HOLDCO

As at the date of this Offering Circular, the directors of each of the Issuer, PropCo and HoldCo are Mr George Kwok Lung HONGCHOY and Mr Andy CHEUNG Lee Ming.

The Issuer and PropCo are direct wholly-owned subsidiaries of HoldCo. HoldCo is in turn a direct wholly-owned subsidiary of the REIT Trustee. The directors of the Issuer, PropCo or HoldCo do not have any interest or short position in the shares of the Issuer, PropCo and HoldCo (except any indirect interests through their interests in the Units). Mr George Kwok Lung HONGCHOY and Mr Andy CHEUNG Lee Ming are also directors of the REIT Manager. The interests and short positions of the directors of the REIT Manager in Link as at the Latest Practicable Date are disclosed in “*Substantial Unitholders’ and Directors’ Interests – Directors’ Interests in Link*” of this Offering Circular.



## FINANCIAL STATEMENTS

Other than the financial statements of Link, the Issuer and the Guarantors have not published and do not propose to publish any financial statements. The Issuer, PropCo and HoldCo are, however, required to keep proper books of accounts as are necessary to give a true and fair view of the state of the Issuer's, PropCo's and HoldCo's affairs and to explain their transactions.

## LEGAL TITLE TO THE PROPERTIES

Link holds full legal title to the Properties (including the Land which is held through a 60% owned joint venture company).

## DISTRIBUTION POLICY

Paragraph 7.12 of the REIT Code requires a REIT to distribute to unitholders as dividends each year an amount not less than 90% of its audited annual net income after tax.

Pursuant to the REIT Trust Deed, Link is in any event required to ensure the distribution to Unitholders for each financial year of no less than 90% of its Total Distributable Income (as described in detail in the paragraph below) plus, in its discretion, any additional amount (including capital, in accordance with the accounting policies of Link) that the REIT Manager determines is distributable. It is possible that Total Distributable Income accruing to Unitholders may exceed total cash available to Link because of items such as capital expenditure. Accordingly, distributions may need to be funded by cash generated from the sale of assets and/or borrowings made in accordance with the REIT Code. In the event that the total borrowings of Link reach the borrowing limit prescribed by the REIT Code and Link does not have sufficient cash to fund distributions, distributions will be accrued until sufficient cash flow is generated to fund those distributions. The REIT Trust Deed requires the REIT Manager and the REIT Trustee to ensure that each company used to hold real estate and other assets for Link for the time being shall, insofar as permitted by the relevant constitutive documents governing such company, distribute to Link all of such company's income for each financial year as permitted by the laws and regulations of its relevant jurisdiction of incorporation.

For these purposes, and under the terms of the REIT Trust Deed, "**Total Distributable Income**" is the consolidated audited profit after tax attributable to the Unitholders of Link and its subsidiaries for the relevant financial year, as adjusted for accounting purposes to eliminate the effects of Adjustments (as defined below) which have been recorded in the consolidated income statement for the relevant financial year.

"**Adjustments**" means the effects of: (i) unrealised property revaluation gains and losses, including impairment provisions and reversals of impairment provisions; (ii) goodwill impairment (charged) and/or negative goodwill (credited); (iii) realised gains on the disposal of Relevant Investments (as defined in the section headed "*Risk Factors – Risks Relating to Investments in Real Estate and Relevant Investments – There are general risks involved in expanding Link's investment strategy to Relevant Investments*" of this Offering Circular), properties and/or disposal of the Special Purpose Vehicle which holds such properties; (iv) fair value gains and losses on financial instruments; (v) deferred tax charges/credits in respect of property revaluation movements; (vi) other material non-cash gains, in each case as recorded in the income statement for the relevant financial year; and (vii) adding back depreciation and/or amortisation charges in respect of real estate and/or real estate related assets directly or indirectly owned by Link and used by Link (and/or any of its subsidiaries), and the leasehold improvements thereof and ancillary machinery, equipment, and other assets thereat, on which the cash available for distribution is based.

Link's current distribution practice is that two distributions will be made in respect of each financial year. Interim cash distributions of HK\$1.2150 per Unit and HK\$1.3062 per Unit were paid for the six months ended 30 September 2017 and 30 September 2018, respectively, and final cash distributions of HK\$1.1666 per Unit and HK\$1.2828 per Unit were paid for the financial years ended 31 March 2017 and 31 March 2018, respectively. For more information, see "*Distributions*" in this Offering Circular.

## LINK

### OVERVIEW

Link is the first REIT listed on the Hong Kong Stock Exchange and a constituent of the Hang Seng Index. It is currently Asia's largest REIT and one of the world's largest retail-focused REITs in terms of market capitalisation.

Link has a diversified portfolio of retail and office properties and car parking spaces in Hong Kong and Mainland China. The portfolio's retail facilities primarily serve the daily needs of its shoppers, while office properties support corporate tenants to develop their business. The car parks mainly serve tenants and customers of the retail facilities and residents of the surrounding neighbourhoods.

For the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, revenue from the Properties in the portfolio amounted to HK\$9,255 million, HK\$10,023 million, HK\$4,949 million and HK\$4,930 million, respectively and total distributable amount to Unitholders amounted to HK\$5,075 million, HK\$5,431 million, HK\$2,673 million and HK\$2,759 million, respectively. As at 30 September 2018, the total market value of the Properties in the portfolio amounted to HK\$209,790 million.

As at 31 March 2017, 31 March 2018, 30 September 2017 and 30 September 2018, the borrowing to total assets ratio for Link was 15.6%, 11.9%, 17.4% and 10.3%, respectively, based on the total borrowings of HK\$27,497 million, HK\$25,785 million, HK\$33,391 million and HK\$22,122 million, respectively, and total gross asset value of HK\$175,940 million, HK\$216,404 million, HK\$191,818 million and HK\$215,269 million, respectively, all as at those dates.

As at 31 March 2017, 31 March 2018, 30 September 2017 and 30 September 2018, gross liabilities (excluding net assets attributable to Unitholders) accounted for HK\$37,443 million, HK\$37,336 million, HK\$43,921 million and HK\$34,308 million, respectively, or 21.3%, 17.3%, 22.9% and 15.9%, respectively of total gross asset value. As at 31 March 2017, 31 March 2018, 30 September 2017 and 30 September 2018, net assets attributable to Unitholders amounted to HK\$138,241 million, HK\$178,594 million, HK\$147,634 million and HK\$180,378 million, respectively.

As at the date of this Offering Circular, most of the Properties in Link's Hong Kong portfolio are retail facilities which primarily serve the daily needs of Hong Kong residents of the surrounding neighbourhoods and car park facilities which mainly serve the tenants and customers of such retail facilities. For the Properties in Mainland China, they comprise premium grade A office, retail and car park facilities, supporting the demand of corporate tenants for premium offices and serving the needs of the local residents with respect to retail and car park facilities.

The REIT Manager continues to review and monitor the portfolio performance of Link's Properties with a view to enhancing operating efficiency. The REIT Manager also pursues a strategy to recycle capital (through disposal of Properties) for making quality and yield-accretive investments in order to create value for the Unitholders. Link's portfolio comprised 132 Properties (which, for the avoidance of doubt, includes the Land and the development of the new Grade-A office known as The Quayside) in Hong Kong and the PRC as at the Latest Practicable Date. Link has completed two acquisitions of PRC properties recently. On 23 January 2019, Link completed the acquisition of the Beijing property 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) through the acquisition of the entire issued share capital of Lincoln R.E. Investments Limited. On 14 March 2019, Link completed the acquisition of the Shenzhen property 新怡景商业中心 (CENTRALWALK) through the acquisition of the entire equity interest in 保怡物业管理(深圳)有限公司. For details of these two transactions, please refer to the announcements published by the REIT Manager on the Hong Kong Stock Exchange on 26 November 2018, 23 January 2019, 20 February 2019 and 14 March 2019.

### OBJECTIVE

Link's key objective is to provide Unitholders with stable distributions with the potential for sustainable long-term growth of such distributions. The REIT Manager accomplishes this objective by improving the performance and enhancing the overall quality of a large and geographically diversified portfolio of assets in Hong Kong and in the PRC through implementing various investment and business strategies.

## **Investment Strategy**

As at the date of this Offering Circular, Link's investment strategy is to invest in real estate (other than real estate of a residential, hotel or serviced apartment nature) of a stand-alone nature and/or forming part of a comprehensive mixed-use development, in Hong Kong and/or other overseas jurisdictions and Relevant Investments, and to undertake property development and related activities in respect of all types of developments that contain retail and/or commercial portions (other than of residential, hotel or serviced apartment nature) subject to the compliance with the REIT Code and the REIT Trust Deed. Property development and related activities may include acquisition of uncompleted units in a building by Link and property developments (including both new development projects and, where appropriate, re-development of existing real estate held by Link) but do not include refurbishments, retrofittings and renovations.

In pursuing this investment strategy, the REIT Manager will adhere to:

- (a) investing in properties for long-term holding;
- (b) focusing on properties with sustainable income growth and long-term capital appreciation potential;
- (c) maintaining a large and diversified portfolio of retail and/or commercial properties;
- (d) monitoring the investments in the Relevant Investments in such manner that the overall risk profile of Link is not materially changed; and
- (e) managing the Relevant Investments on an ongoing basis to ensure that the maximum cap is observed, the investment criteria are strictly followed and the relevant requirements of the REIT Code are strictly observed.

## **Business Strategy**

The REIT Manager's business strategy for Link comprises the following growth drivers.

### ***Asset Management Initiatives for Operational Enhancements***

The REIT Manager has put in these measures under a disciplined and dedicated asset management team to drive net rental income and operational efficiency for higher profitability which include:

- disciplined and efficient portfolio management and cost control with the leasing, marketing, project and planning, and asset development functions of the REIT Manager working closely to drive the development and execution of asset enhancement plans across a variety of Link's Properties;
- pro-active retail leasing, managing renewals, increasing the proportion of turnover rents and sourcing new tenants in order to improve the average occupancy rate and minimise vacancies of the Properties and enhance reversion rate;
- continual improvement in tenant mix, by the active monitoring and market research and improving the layout of facilities through the review of and reconfiguration of selected Properties in order to enhance rental potential and improve the shopping environment;
- improvement in operational efficiency and control in operating costs, through a more active management of costs, taking advantage of economies of scale, reviewing the property management arrangements of the Properties, consolidating the number of Car Park Operators, reviewing energy consumption and efficiency of equipment and enhancing the use of information technology in the Properties;
- enhancement of profitability of the car park facilities, by bringing pricing policies in line with market conditions and demand, reviewing the remuneration structure of the Car Park Operators and increasing the use of new technology;
- delivery of improved quality services responsive to the needs of tenants and shoppers, including efficient and effective maintenance services;

- active marketing and promotion by organising events, promotional initiatives and advertising campaigns in order to increase shopper traffic; and
- pursuing additional and new revenue opportunities, including the temporary leasing of atrium space or other common areas for promotional events by tenants, the erection of advertising billboards, and rental of space for public amenities, such as automated teller machines and vending machines.

### ***Business Growth Drivers***

Link's business model provides a full range of growth drivers encompassing:

- asset enhancement to properties with further income growth potential;
- asset management of the entire portfolio;
- acquisition of quality assets with both income and capital growth potential;
- capital recycling through disposal of properties;
- property development to design, build and hold; and
- (where appropriate) re-development of existing properties for long-term sustainable growth.

The ability to develop retail and commercial assets, together with asset acquisition and disposal, enables Link to accelerate the optimisation of its asset portfolio in Hong Kong and the PRC. These drivers complement each other by adding different capabilities at different points in time, and together they drive the growth at various stages of Link's development.

### **COMPETITIVE STRENGTHS OF THE PORTFOLIO**

The REIT Manager believes that the portfolio comprising the Properties in Hong Kong and the PRC has the following strengths:

- *Scale and diversity.* Link has a diversified portfolio of retail and office properties and car parking spaces in Hong Kong and Mainland China. The six flagship Properties contributed only 16.7% of total retail revenues for the year ended 31 March 2018.
- *Focus on essential goods and services.* Most of the Properties are located in Hong Kong and the tenants of these Properties generally focus on providing essential consumer goods and services to surrounding households.
- *Extensive reach.* The portfolio's assets in Hong Kong are spread throughout Hong Kong Island, Kowloon and the New Territories, mainly serving the daily needs of residents of the surrounding neighbourhood. In the PRC, Link's Properties are located at prime locations in Guangzhou, Shanghai, Shenzhen and Beijing.
- *Convenient and strategic locations.* The Properties in Hong Kong are located adjacent to Housing Estates and private sector housing and therefore benefit from a large neighbourhood shopper base and many of them are served by public transportation systems. Link's five Properties in the PRC are in prime locations in Guangzhou, Shanghai, Shenzhen and Beijing, all of which are Tier-1 cities in the PRC with strong GDP growth and good retail prospects.
- *Stable and high occupancy level.* The occupancy rates of Link's retail facilities in Hong Kong reflect sustainable and consistent levels of demand for Link's retail space which were approximately 96.1%, 97.0%, 96.3% and 95.5% as at 31 March 2017, 31 March 2018, 30 September 2017 and 30 September 2018, respectively. For Link's three existing properties (excluding BEIJING JINGTONG ROOSEVELT PLAZA and CENTRALWALK) in Mainland China, the overall retail and office occupancy rates were 98.8% and 98.9%, respectively, as at 30 September 2018.

- *Diverse tenant base.* Retail facilities in Hong Kong benefit from a large and diverse tenant base comprising over 9,500 individual Leases as at 31 March 2018. The major tenants include some of Hong Kong's well-known brand-name stores.

## VALUATION

Jones Lang LaSalle Limited was appointed as the new principal valuer of Link in accordance with the REIT Code effective from 17 November 2016.

Total value of the Properties (which included the Property under development and Properties in the PRC) was HK\$209,790 million as at 30 September 2018, as compared to HK\$203,091 million as at 31 March 2018. The aggregate value of the retail facilities and car park facilities within the portfolio in Hong Kong was HK\$146,391 million and HK\$36,234 million, respectively, as at 30 September 2018, as compared to HK\$141,513 million and HK\$34,510 million, respectively, as at 31 March 2018. Movements in fair values of the Properties for the six months ended 30 September 2018 are tabulated below.

	<b>Completed properties</b>	<b>Property under development</b>	<b>Total</b>
	<b>(HK\$'M)</b>	<b>(HK\$'M)</b>	<b>(HK\$'M)</b>
At 1 April 2018 <sup>(1)</sup> .....	194,358	8,733	203,091
Additions .....	791	909	1,700
Exchange adjustments .....	(1,703)	–	(1,703)
Change in fair values .....	6,425	277	6,702
At 30 September 2018 <sup>(2)</sup> .....	<u>199,871</u>	<u>9,919</u>	<u>209,790</u>

### Notes:

- (1) Weighted average capitalisation rate for Hong Kong retail properties and car parks: 4.01%.
- (2) Weighted average capitalisation rate for Hong Kong retail properties and car parks: 4.02% Capitalisation rate for Mainland China retail properties: 4.5-4.75% Capitalisation rate for Mainland China office properties: 4.25%

Jones Lang LaSalle Limited prepared the valuations in accordance with the “HKIS Valuation Standards 2012 Edition” published by the Hong Kong Institute of Surveyors, the “International Valuation Standards” published by the International Valuation Standards Council and the “RICS Valuation – Professional Standards 2014” published by the Royal Institution of Chartered Surveyors. The valuation methodologies used by Jones Lang LaSalle Limited for the completed Properties as at 30 September 2018 were a combination of income capitalisation and discounted cash flow approaches or where appropriate direct comparison approaches. For the Property under development, residual method was used.

## DETAILS OF THE PROPERTIES IN HONG KONG

### Revenues Distribution

For the years ended 31 March 2017 and 31 March 2018 and the six months ended 30 September 2017 and 30 September 2018, revenues from the Properties in the Hong Kong portfolio amounted to HK\$8,681 million, HK\$9,139 million, HK\$4,550 million and HK\$4,440 million, respectively.

The destination, community and neighbourhood Properties comprised 17%, 50% and 25%, respectively, of total retail rentals in Hong Kong for the year ended 31 March 2018.

The following table sets out details of the total retail rentals in Hong Kong for the year ended 31 March 2018:

Properties	No. of Properties	Total Retail Rentals	Total Retail Rentals	Cumulative % of Total Retail Rentals
		2018	2018	2018
		(HK\$'M)	(%)	(%)
Destination <sup>(1)</sup> .....	6	1,117	17	17
Community <sup>(2)</sup> .....	33	3,358	50	67
Neighbourhood <sup>(3)</sup> .....	70	1,670	25	92
Properties divested <sup>(4)</sup> .....	–	546	8	100
<b>Total</b> .....	<b>109</b>	<b>6,691</b>	<b>100</b>	<b>100</b>

*Notes:*

- (1) Flagship assets. Target shoppers from immediate and regional catchments.
- (2) Mid-size shopping centres which offer full range of shopping and dining options.
- (3) Relatively smaller assets which provide essential goods and services for daily living.
- (4) Amounts related to the 17 properties divested in February 2018.

For the year ended 31 March 2018, 73.2%, 22.4% and 4.4% of Link's total revenue comprised of rental income from retail facilities in Hong Kong (HK\$6,691 million), gross receipts from car park facilities in Hong Kong (HK\$2,046 million) and other revenue from air conditioning service fees and other property related income (HK\$402 million), respectively. For the year ended 31 March 2017, 73.2%, 22.3% and 4.5% of Link's total revenue comprised of rental income from retail facilities in Hong Kong (HK\$6,352 million), gross receipts from car park facilities in Hong Kong (HK\$1,940 million) and other revenue from air conditioning service fees and other property related income (HK\$389 million), respectively.

For the six months ended 30 September 2018, 73.6%, 22.3% and 4.1% of Link's total revenue comprised of rental income from retail facilities in Hong Kong (HK\$3,268 million), gross receipts from car park facilities in Hong Kong (HK\$988 million) and other revenue from air conditioning service fees and other property related income (HK\$184 million), respectively. For the six months ended 30 September 2017, 73.0%, 22.5% and 4.5% of Link's total revenue comprised of rental income from retail facilities in Hong Kong (HK\$3,324 million), gross receipts from car park facilities in Hong Kong (HK\$1,022 million) and other revenue from air conditioning service fees and other property related income (HK\$204 million), respectively.

### Location and Reach

Properties in Hong Kong are spread across Hong Kong Island, Kowloon and the New Territories (including Lantau Island). Properties located in the New Territories (including Lantau Island), Kowloon and on Hong Kong Island are estimated to account for approximately 52%, 40% and 8%, respectively, of the total number of Properties in Hong Kong as at 30 September 2018.

The REIT Manager will continue to assess a select number of centres within its portfolio for enhancement potential. Some old centres may present opportunities to benefit from potential rental upside from refurbishment or enhancement, particularly for well-located centres with larger catchment sizes and the potential to improve market share of shopper spending within the catchment. For those old centres serving smaller local and estate catchments that may not be able to demonstrate the same level of rental upside from refurbishment or enhancement, the REIT Manager's capital expenditure strategy is to ensure ongoing effective maintenance and management. See "Link – Asset Enhancements in Hong Kong" in this Offering Circular.

## COMPETITION IN HONG KONG

### Retail Facilities

Whilst the threat of competition is always a risk, there are a number of features of the retail facilities in Hong Kong that afford protection against current and future competition. These are:

- *Location.* Most of the Properties hold key locations within or close to the Adjacent Housing Estates and as such provide convenient shopping for the residents of the Adjacent Housing Estates who constitute the primary catchment of such Properties. In addition, all the retail facilities are served by public transportation systems which add to the ease of shopper access.
- *Catering to the daily needs of shoppers.* The retail facilities in Hong Kong cater mainly to the daily necessities and convenience needs of the residents of the surrounding neighbourhoods. The REIT Manager believes that proximity to, and ease of accessibility by, their customer bases are important competitive advantages of the retail facilities.
- *Unavailability of sites a barrier to entry.* The retail facilities in Hong Kong are mainly located in densely built areas and, as such, the general lack of development sites in their immediate vicinities limits the threat of new competition.

### Car Park Facilities

The car park facilities in Hong Kong remain competitively well-positioned by virtue of their locations and the resulting underlying demand from residents of, and visitors to, the surrounding neighbourhoods and from tenants of, and shoppers at, the retail facilities.

## ASSET ENHANCEMENTS IN HONG KONG

The REIT Manager believes that asset enhancement will continue to be one of the fundamental drivers to improve the quality of the portfolio in tandem with re-aligning existing tenancies and introducing new trade and tenant mix to improve rental income.

The REIT Manager's asset enhancement strategy is focused in particular on those shopping centres with relatively greater rental upside potential by virtue of location, catchment size and market share. Refurbishment of the shopping centres and improvement in the standard and appeal of tenant fitouts, shop fronts and store concepts will reposition the shopping centres and attract shoppers across a broader age range, and thereby increase the rental potential of the shopping centres.

Short-term extensions to existing tenancies or short-term tenancies, where practicable, are let to reduce rent-free periods prior to renovations. The REIT Manager plans to prudently manage the leasing risk of the Properties which are undergoing asset enhancements.

All refurbishment and renovation enhancements will be subject to required statutory approvals. In addition, the REIT Manager will need to plan and implement the execution of the asset enhancements in accordance with the terms of the relevant Leases or as otherwise agreed with the relevant tenants. See "*Risk Factors – The REIT Manager may not be able to implement its strategy*" of this Offering Circular.

From time to time, feasibility studies will be undertaken by the REIT Manager to identify additional asset enhancement opportunities in the future.

Asset enhancement opportunities fall broadly into four categories, as outlined below:

- *Design and Layout Opportunities:* Increasing the efficiency of net lettable area by changing layouts subject to any lease restrictions or covenants, and replacement with retail tenants willing to pay market rent.
- *Trade and Tenant Mix Opportunities:* Drawing up detailed trade mix plans of each shopping centre to improve location of trades and compatibility of tenants; attracting more brand name retailers into the shopping centres; reducing duplication between the Properties; relaxing the trade mix restrictions and widening the classes of retailers within the shopping centres.
- *Catchment Area Opportunities:* Taking advantage of increases in resident populations, transport infrastructure developments and tourism at locations such as Temple Mall North (formerly named Lung Cheung Plaza and located next to Wong Tai Sin Temple) and Stanley Plaza (located next to the Stanley waterfront area).

- *Branding Opportunities:* Amongst selected Properties, branding retail facilities to take advantage of their characteristics in terms of location, context, trade mix and customer profile.

The following tables set out the status of capital expenditure in respect of the asset enhancement projects of Link's Properties as at 30 September 2018:

#### Asset Enhancement Pipeline

	Number of Projects	Estimated Cost (HK\$'M)
Projects Underway .....	10	1,029
Projects to be Commenced .....	5	681
Other Projects Under Planning .....	19	839
<b>Total</b> .....	<b>34</b>	<b>2,549</b>

#### Approved Asset Enhancement Projects Underway

	Approved Projects Underway as at 30 September 2018	
	Estimated Costs (HK\$'M)	Target Completion Date
Wo Che Plaza <sup>(1)</sup> .....	151	End of 2018
Kai Tin Shopping Centre Phase 1 .....	34	End of 2018
Cheung Fat Plaza .....	98	End of 2018
Choi Yuen Plaza .....	46	End of 2018
Fu Tai Shopping Centre .....	59	End of 2018
Shun Lee Commercial Centre .....	76	Early 2019
Lok Fu Place .....	151	Early 2019
Choi Ming Shopping Centre .....	94	Early 2019
Fu Cheong Shopping Centre <sup>(1)</sup> .....	170	Mid 2019
Tsz Wan Shan Shopping Centre .....	150	End of 2019
<b>Total</b> .....	<b>1,029</b>	

Note:

(1) Project includes a fresh market upgrade.

#### DETAILS OF RETAIL FACILITIES IN HONG KONG

##### Occupancy Rates and Vacancy Rates

The following table sets out the composite breakdown of the occupancy rates and vacancy rates for retail facilities in Hong Kong as at 31 March 2017, 31 March 2018 and 30 September 2018 respectively:

Category	Occupancy Rate			Vacancy Rate		
	31 March 2017	31 March 2018	30 September 2018	31 March 2017	31 March 2018	30 September 2018
Shops .....	97.1%	97.4%	95.7%	2.9%	2.6%	4.3%
Markets/Cooked Food Stalls .....	90.3%	92.9%	92.3%	9.7%	7.1%	7.7%
Education/Welfare and Ancillary .....	91.4%	97.1%	97.1%	8.6%	2.9%	2.9%
Overall .....	96.1%	97.0%	95.5%	3.9%	3.0%	4.5%



The average monthly unit rent has increased from HK\$59.0 per square foot as at 30 September 2017 to HK\$65.7 per square foot as at 30 September 2018.

The average reversion rate of retail facilities in Hong Kong was 23.8%, 29.1%, 26.8% and 22.5% for the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, respectively. The REIT Manager considers that reversion rates at individual shopping centres may show large variances as rental levels are affected by the local operating business environment and the quality of the individual centres. In instances where planned and phased re-alignment of trade mix and asset enhancement projects are being carried out, tenancies have been renewed on terms of less than three years which is the usual term for commercial leases. Such short-term extensions have also affected the reversion rate as they were granted at minimal adjustment. As a result of the current market conditions in Hong Kong (see “*Risk Factors – The Properties are subject to the risk of non-renewal of expiring Leases*” of this Offering Circular), the REIT Manager may take a longer period to negotiate the renewal of the expiring Leases at higher rent levels.

### **Tenant Profile**

Retail facilities in Hong Kong had a diverse tenant base of approximately 9,500 individual Leases as at 31 March 2018, including tenants of well-known brand-name stores in Hong Kong and individual operators selling convenience-based goods.

### **Trade Mix**

As at 30 September 2018, the retail trade mix by monthly rent was as follows: 27.9% of the tenants were engaged in the food and beverage trade, 21.6% were supermarket and foodstuff tenants and 50.5% were engaged in other types of trades.

The table below sets out the retail trade mix by reference to monthly rent as at 30 September 2018:

	<b>% of Monthly Rent</b>
Food & Beverage .....	27.9%
Supermarket & Foodstuff .....	21.6%
Markets/Cooked Food Stalls .....	14.3%
Services .....	10.7%
Personal Care/Medicine .....	5.8%
Education/Welfare and Ancillary .....	0.9%
Valuable Goods (Jewellery, Watches and Clocks) .....	0.9%
Others .....	17.9%
<b>Total</b> .....	<b>100.0%</b>

### **Leases**

#### ***Terms***

Most of the current Leases for retail facilities in Hong Kong are under a standard lease form and for terms ranging from one to three years (with longer lease terms generally being available for larger premises such as department stores, supermarkets, large restaurants and banks). For certain new lettings where a large floor space has been let or the prospective tenant has committed to making a significant initial capital investment, a longer lease term is granted.

Leases typically have provided for a deposit of two to three months’ rent in cash and/or in the form of a bank guarantee in lieu of cash, with tenants paying a fixed base monthly rent. Rent-free period is given to new tenants moving into the premises for fitting-out purposes, the duration of which will vary depending on lease term.

## ***Leasing Strategy***

The objective of the REIT Manager's leasing strategy is to secure suitable tenants, rent levels and trade mix consistent with the REIT Manager's portfolio management strategy for each shopping centre.

The REIT Manager's leasing policy is characterised by:

- a flexible approach to Lease negotiation in order to ensure a stabilised outcome for each centre, consistent with portfolio management objectives;
- a pro-active and responsive approach aimed at ensuring that Lease transactions are concluded efficiently and that rents reflect market levels;
- a policy of actively seeking potential new tenants to take up space in the centres or to encourage existing retailers to expand their presence across additional centres;
- ongoing dialogue and communication with tenants including providing a forum for business consultancy services for tenants, tenants' newsletter and opinion surveys; and
- the development of a system to assist the REIT Manager in gauging the sales of tenants through the use, for example, of footfall surveys. This will allow the REIT Manager to better assess the performance of the centres and tenants over time.

The REIT Manager has introduced a series of marketing initiatives to shoppers in selected Properties for the purposes of helping tenants increase sales turnover and generate more profits.

## ***Lease Profile***

The following table sets out data in relation to the Lease expiry profiles of the total retail space as at 30 September 2018 for each of the indicated periods set out below:

	<b>IFA of Expiring Leases</b>	<b>Monthly Base Rent of Expiring Leases</b>
	(%)	(%)
<b>Six months ending 31 March</b>		
2019 .....	19.4	14.7
<b>Year ending 31 March</b>		
2020 .....	23.3	24.2
2021 and beyond .....	49.6	57.5
Short-term leases and vacancy .....	7.7	3.6
<b>Total</b> .....	<b>100.0</b>	<b>100.0</b>

## **THE CAR PARK FACILITIES IN HONG KONG**

### **Overview**

As at 30 September 2018, the car park facilities comprised approximately 61,000 car park spaces in Hong Kong.

### **DETAILS OF THE CAR PARK FACILITIES IN HONG KONG**

#### **User Profile**

The Government Leases for car park facilities in Hong Kong generally have restrictions that they can only be leased to residents of specific housing estates, occupiers of relevant Properties and their bona-fide visitors. For the financial year ended 31 March 2018, monthly parking and hourly parking accounted for 75% and 25% of total car park receipts, respectively.

## **Car Park Income per Month**

For the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, the average car park income per month, which is the car park income divided by the number of months in the year and period, was approximately HK\$162 million, HK\$171 million, HK\$170 million and HK\$165 million, respectively.

## **PROPERTY MANAGEMENT IN HONG KONG**

Some of the property management tasks, such as cleaning, security and day-to-day minor repairs, have been contracted out to external services providers. For the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, property managers' fees, security and cleaning costs represented 6.4%, 6.2%, 6.2% and 6.1%, respectively, of total revenue in Hong Kong and approximately 26.0%, 26.4%, 25.6% and 25.1%, respectively, of total property expenses in Hong Kong. Day-to-day operations and management of Link's car parks have also been contracted out to external car park operators under the supervision of Link's dedicated property management and operations team.

## **MAINTENANCE IN HONG KONG**

The REIT Manager is responsible for the implementation of shopping centre improvement programmes, as well as day-to-day inspections, repair and routine maintenance works to the building fabrics, building services installations and plumbing and drainage works. These services are provided through the REIT Manager's maintenance contractors, who are responsible for implementing and managing the repair and maintenance programmes for the Properties.

Maintenance activities in respect of the Properties are carried out on a regular basis. Maintenance works on the car park facilities are also carried out on a regular basis to ensure that the quality of the car parks remains comparable to that of the adjacent shopping centres.

## **PROPERTY EXPENDITURE IN HONG KONG**

For the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, the expenditure to income ratio for the Properties in Hong Kong was 24.7%, 23.6%, 24.0% and 24.1%, respectively. Excluding estate common area costs, for the years ended 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2017 and 30 September 2018, the expenditure to income ratio for the Properties in Hong Kong was 23.5%, 22.5%, 22.9% and 23.1%, respectively.

## **PROPERTIES IN MAINLAND CHINA**

As at the Latest Practicable Date, Link's Mainland China portfolio comprises five properties: (i) EC Mall – an upper mid-market shopping mall in Beijing; (ii) Link Square 1 and 2 – two Premium Grade A office towers connected by a retail podium and pavilion in Shanghai, with car parks beneath both properties; (iii) Metropolitan Plaza – a mass to mid-market shopping mall in Guangzhou; (iv) 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) – a property comprising retail floors and car parking spaces in the core residential area of Tongzhou; and (v) 新怡景商业中心 (CENTRALWALK) – a 5-storey shopping mall with car parking spaces offering shopping, leisure and entertainment experiences in Shenzhen. The acquisition of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) and 新怡景商业中心 (CENTRALWALK) was completed on 23 January 2019 and 14 March 2019, respectively. For details of the acquisitions, see the section headed “*Link – Recent Developments*” of this Offering Circular. For the six months ended 30 September 2018, EC Mall, Link Square 1 and 2 and Metropolitan Plaza together contributed HK\$490 million of total revenues. As at 30 September 2018, the overall occupancy rates of the retail portfolio and office portfolios in Mainland China (for the avoidance of doubt, excluding 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) and 新怡景商业中心 (CENTRALWALK)) were 98.8% and 98.9% respectively, whilst the reversion rates of the retail portfolio and office portfolios in Mainland China were 43.2% and 0.2%, respectively, for the six months period ended 30 September 2018.

## OWNERSHIP OF THE PROPERTIES

Link holds full legal title to the Properties (including the Land which is held through a 60% owned joint venture company).

## INSURANCE

The Properties are insured against, among other risks, those associated with property damage and public liability. Link has valid insurance and will maintain insurance, in each case, as required by and in accordance with the REIT Code. The REIT Manager has also put in place employee compensation and third-party motor vehicle liability insurances, which are statutory insurance requirements.

## ENVIRONMENTAL COMPLIANCE

As Properties are repositioned and updated, Link's policy is to comply with applicable environmental laws and regulations, including those relating to waste disposal, water pollution control, air pollution control and noise control.

Under HKHA's ownership, an asbestos abatement programme was implemented. ACBMs were removed from those HA Properties transferred from HKHA, with the exception of a small percentage of facilities at which traces of these materials remain in locations considered by HKHA to be inaccessible. However, rectification or remedial action may need to be taken in relation to the remaining ACBMs, and the costs incurred in respect of such rectification or remedial action may be significant. See "*Risk Factors – Environmental contamination or compliance problems could require Link to incur material costs*" of this Offering Circular.

## INTELLECTUAL PROPERTY RIGHTS

Link operates under the names of "Link Real Estate Investment Trust" and "領展房地產投資信託基金". The REIT Manager has registered the corporate marks/logo of Link as trade marks in various classes of goods and services in Hong Kong. The REIT Manager has also registered the trademarks "LINK領展", "領展", "領展", "Link Square", "領展企業廣場", "Link Square 領展企業廣場" and logos in the PRC.

## LEGAL PROCEEDINGS

Link is not engaged in any material litigation or arbitration proceeding affecting the Properties and no such material litigation or claim is known by the REIT Manager to be pending or threatened against it. In addition, none of Link, the REIT Manager, HoldCo, PropCo, the Issuer and other companies or entities owned and controlled by Link in accordance with the REIT Code and the REIT Trust Deed is a party to any legal proceedings of a material nature nor is any material litigation pending or threatened against any of them.

## RECENT DEVELOPMENTS

On 23 January 2019, Link (through Middle River Developments Limited ("**Middle River**"), a company incorporated in the British Virgin Islands and a wholly-owned special purpose vehicle ("**SPV**") of Link) completed the acquisition of the entire issued share capital ("**Sale Share**") of Lincoln R.E. Investments Limited ("**Lincoln**") (a company incorporated in the British Virgin Islands and is the sole legal owner of the property known as 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) pursuant to the sale and purchase agreement dated 26 November 2018. Upon completion of the acquisition of the Sale Share, Link (through Middle River) became the sole legal owner of 京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA).

京通罗斯福广场 (BEIJING JINGTONG ROOSEVELT PLAZA) is a retail podium located in Beijing's Tongzhou District comprising retail floors from Basement 1 to Level 6 and car parking spaces on Basement 2 and 3. It represents a retail mix of retailers including food and beverage, fashion/accessories, kids/education and lifestyle, health and beauty and a cinema.

For details, please refer to the announcements dated 26 November 2018 and 23 January 2019 published by the REIT Manager on the Hong Kong Stock Exchange.

On 14 March 2019, Link (through Preston River (HK) Limited (“**Preston River HK**”), a company incorporated in Hong Kong and a wholly-owned SPV of Link) has completed the acquisition of the entire equity interest (“**Equity Interest**”) of 保怡物业管理(深圳)有限公司 (a wholly-foreign-owned enterprise established in the PRC and the sole legal owner of the property known as 新怡景商业中心 (CENTRALWALK) pursuant to the framework agreement and equity transfer agreement both dated 20 February 2019. Upon completion of acquisition of the Equity Interest, Link (through Preston River HK) became the sole legal owner of 新怡景商业中心 (CENTRALWALK).

新怡景商业中心 (CENTRALWALK) is a 5-storey shopping mall located in the core part of the Futian central business district of Shenzhen with retail floors and car park spaces offering shopping, leisure, tourism, dining, entertainment and cultural experiences.

For details, please refer to the announcements dated 20 February 2019 and 14 March 2019 published by the REIT Manager on the Hong Kong Stock Exchange.

## MANAGEMENT AND EMPLOYEES OF THE REIT MANAGER

### THE BOARD

The board of directors of the REIT Manager (the “**Board**”) leads the corporate strategy and direction of Link. It supervises and monitors the performance of management, scrutinises control and governance functions to ensure sound internal controls and risk management systems, approves major financial decisions and reviews the overall performance of Link. There is a clear division of responsibilities between the Board and the management.

As at the date of this Offering Circular, the Board comprises twelve (12) directors (the “**Directors**”), including nine (9) Independent Non-Executive Directors, one (1) Non-Executive Director and two (2) Executive Directors, being the Chief Executive Officer and the Chief Operating Officer. The Chief Executive Officer and the Chief Operating Officer are, among others, licensed responsible officers of the REIT Manager for the purposes of the Securities and Futures Ordinance.

### DIRECTORS

The Directors of the REIT Manager as at the date of this Offering Circular are:

<b>Name</b>	<b>Age</b>	<b>Position</b>
<b>Chairman</b>		
Nicholas Charles ALLEN .....	63	Chairman (also an Independent Non-Executive Director)
<b>Executive Directors</b>		
George Kwok Lung HONGCHOY .....	57	Executive Director & Chief Executive Officer
Andy CHEUNG Lee Ming .....	52	Executive Director & Chief Operating Officer
<b>Non-Executive Director</b>		
Ian Keith GRIFFITHS .....	64	Non-Executive Director
<b>Independent Non-Executive Directors</b>		
Christopher John BROOKE .....	50	Independent Non-Executive Director
Ed CHAN Yiu Cheong .....	56	Independent Non-Executive Director
Blair Chilton PICKERELL .....	62	Independent Non-Executive Director
Poh Lee TAN .....	60	Independent Non-Executive Director
May Siew Boi TAN .....	63	Independent Non-Executive Director
Peter TSE Pak Wing .....	68	Independent Non-Executive Director
Nancy TSE Sau Ling .....	66	Independent Non-Executive Director
Elaine Carole YOUNG .....	54	Independent Non-Executive Director

Information on the qualifications and experience of the Directors is set out below:

#### **Mr Nicholas Charles ALLEN (“Mr Nicholas ALLEN”)**

##### *Chairman and Independent Non-Executive Director*

Mr Nicholas ALLEN has been an Independent Non-Executive Director of the REIT Manager since February 2016 and the Chairman of the Board since April 2016. He is also the chairman of the Nomination Committee and the Finance and Investment Committee of the REIT Manager.

Mr Nicholas ALLEN is currently an independent non-executive director of CLP Holdings Limited and Lenovo Group Limited (both of which are listed on the Main Board of the Hong Kong Stock Exchange). He is also an independent non-executive director of Stevin Rock LLC and RAK Rock LLC (both are private quarry companies located in the UAE). He was an independent non-executive director of Hysan Development Company Limited (which is listed on the Main Board of the Hong Kong Stock Exchange) and VinaLand Limited (which is listed on the AIM of the London Stock Exchange).

Mr Nicholas ALLEN has extensive experience in accounting and auditing as well as securities and regulatory matters. He retired as a partner of PricewaterhouseCoopers in 2007. Mr Nicholas ALLEN served on the Securities and Futures Appeals Panel, the Takeovers and Mergers Panel, the Takeovers Appeal Committee, the Share Registrars' Disciplinary Committee of the Securities and Futures Commission of Hong Kong and as member of various committees of the Hong Kong Institute of Certified Public Accountants. He was an Honorary Advisor to the Financial Reporting Council of Hong Kong. Currently, he is the chairman of Vision 2047 Foundation.

Mr Nicholas ALLEN holds a Bachelor of Arts degree in Economics/Social Studies from The University of Manchester. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He is awarded "Directors of the Year 2017" by The Hong Kong Institute of Directors.

**Mr George Kwok Lung HONGCHOY ("Mr George HONGCHOY")**

***Executive Director and Chief Executive Officer***

Mr George HONGCHOY has been an Executive Director and Chief Executive Officer of the REIT Manager since 2009 and 2010 respectively, and a member of the Nomination Committee and the Finance and Investment Committee of the REIT Manager. He is also a director of the Issuer, HoldCo, PropCo, FinanceCo and all other subsidiaries of Link.

He is the chairman of the Supervisory Committee of the Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the Securities and Futures Ordinance whose units are listed on the Main Board of the Hong Kong Stock Exchange), a trustee of the University of Pennsylvania, a member of the Asia-Pacific Advisory Board of International Council of Shopping Centers, a global governing trustee of the Urban Land Institute and an advisor of Our Hong Kong Foundation Limited. He was a member of the Corporate Governance Committee of Charoen Pokphand Group, Thailand from 2016 to 2018.

Mr George HONGCHOY began his career in New Zealand and has since moved into senior management positions in financial consulting, investment banking and real estate investment.

He was named one of Harvard Business Review's 100 Best-Performing CEOs in the World 2018, the Country Winner of Hong Kong/Macau Region in the EY Entrepreneur of the Year 2017 China Award, Business Person of the Year by DHL/SCMP Hong Kong Business Awards in 2015, and was also presented with the Director of the Year Award (Listed Companies – Executive Directors) by The Hong Kong Institute of Directors in 2011.

Mr George HONGCHOY holds a Bachelor of Commerce degree from the University of Canterbury and an MBA degree from The Wharton School, University of Pennsylvania. He is a Chartered Accountant, a Senior Fellow and a member of the Corporate Advisory Council of the Hong Kong Securities and Investment Institute, a Fellow and Council Member of The Hong Kong Institute of Directors, and a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Chartered Accountants Australia and New Zealand, the Royal Institution of Chartered Surveyors, and the Institute of Shopping Centre Management.

**Mr Andy CHEUNG Lee Ming ("Mr Andy CHEUNG")**

***Executive Director and Chief Operating Officer***

Mr Andy CHEUNG joined the REIT Manager as an Executive Director and the Chief Financial Officer in June 2010, and became the Chief Operating Officer in February 2018. He is also a director of the Issuer, HoldCo, PropCo, FinanceCo and all other subsidiaries of Link.

Mr Andy CHEUNG has over 26 years of experience in the areas of business development, finance and audit. He holds a Bachelor degree in Business Administration from Boston University and a Master of Business Administration degree from McMaster University. He is a Certified Public Accountant of the State of Illinois in the United States and also the Vice Chairman of the Real Estate and Infrastructure Committee of The Hong Kong General Chamber of Commerce, and a member of the General Committee of The Chamber of Hong Kong Listed Companies.

Prior to joining the REIT Manager, Mr Andy CHEUNG was an executive director and the chief financial officer of Paul Y. Engineering Group Limited and was an executive director of Hopewell Holdings Limited, both of which are listed on the Main Board of the Hong Kong Stock Exchange.

## **Mr Ian Keith GRIFFITHS (“Mr Keith GRIFFITHS”)**

### ***Non-Executive Director***

Mr Keith GRIFFITHS has been a Non-Executive Director of the REIT Manager since September 2007. He is also a member of the Finance and Investment Committee of the REIT Manager. Mr Keith GRIFFITHS has lived in Hong Kong since 1983. He is the founder and chairman of the architectural practice Aedas which has been one of the world’s ten largest architectural practices since 2006. Aedas has its headquarter in Hong Kong and 13 global offices with 1,400 staff in Asia, the Middle East, Europe and North America. Mr Keith GRIFFITHS studied Architecture at St John’s College, University of Cambridge, graduating with distinction in 1978 and was admitted to The Royal Institute of British Architects in 1980. He is a Fellow of The Hong Kong Institute of Architects and an Honorary Fellow of the University of Wales Trinity Saint David and Cardiff University. He has extensive experience in high density urban planning and in the design of high-rise commercial and residential buildings, airports and civic facilities throughout Asia. He lectures and writes widely upon high-density urbanisation and the development of new building typologies to meet the demands of high density living. Mr Keith GRIFFITHS established the Griffiths-Roch Foundation in 2009 to purchase and restore Roch Castle, Penrhwy Priory and Twr y Felin as luxury historic hotels in Wales.

## **Mr Christopher John BROOKE (“Mr Christopher BROOKE”)**

### ***Independent Non-Executive Director***

Mr Christopher BROOKE has been an Independent Non-Executive Director of the REIT Manager since May 2018. He is also a member of the Finance and Investment Committee of the REIT Manager.

Mr Christopher BROOKE is a co-founder and director of Brooke Husband Limited, a real estate consulting practice based in Hong Kong. He is a Chartered Surveyor, Fellow of the Royal Institution of Chartered Surveyors (“RICS”) and a member of The Hong Kong Institute of Surveyors. Mr Christopher BROOKE is currently the global President and Chair of the Governing Council of the RICS. In addition, he is a member of the Urban Land Institute and a director of the Hong Kong Rugby Union. Mr Christopher BROOKE held a number of senior management positions at CBRE, relating to both China and Asia, between July 2002 and December 2015 (including his last position as Executive Managing Director, Consulting, Asia Pacific). He was also a long standing member of the Asia Pacific Strategic Group within CBRE. Mr Christopher BROOKE held various positions at Brooke Hillier Parker, Brooke International and Insignia Brooke between March 1992 and July 2003 before joining CBRE in 2003 via the acquisition of Insignia Brooke by CBRE. Mr Christopher BROOKE started his career in 1989 as a graduate surveyor at Hillier Parker in the United Kingdom, prior to relocating to Hong Kong in 1992. He obtained a Bachelor of Arts degree in Land Economy from the University of Cambridge.

## **Mr Ed CHAN Yiu Cheong (“Mr Ed CHAN”)**

### ***Independent Non-Executive Director***

Mr Ed CHAN has been an Independent Non-Executive Director of the REIT Manager since February 2016. He is also a member of the Finance and Investment Committee and the Remuneration Committee of the REIT Manager. Mr Ed CHAN is a non-executive director of Treasury Wine Estates Limited (which is listed on the Australian Securities Exchange) and an independent non-executive director of Yum China Holdings, Inc. (which is listed on the New York Stock Exchange). Mr Ed CHAN was previously an executive director and the vice chairman of C.P. Lotus Corporation (which is listed on the Main Board of the Hong Kong Stock Exchange) and a vice chairman of Charoen Pokphand Group Company Limited. In addition, he was the president and chief executive officer of Walmart China from November 2006 to October 2011, and held senior positions with the Dairy Farm Group from November 2001 to November 2006 (including his last position as Regional Director, North Asia). He also led Bertelsmann Music Group business in Greater China. Mr Ed CHAN began his career as a consultant with McKinsey & Co working in both Hong Kong and the United States. He obtained a Bachelor degree from The University of Chicago and a Master degree from the Sloan School of Management, Massachusetts Institute of Technology.



**Mr Blair Chilton PICKERELL (“Mr Blair PICKERELL”)**

***Independent Non-Executive Director***

Mr Blair PICKERELL has been an Independent Non-Executive Director of the REIT Manager since April 2016. He is also the chairman of the Remuneration Committee and a member of the Nomination Committee of the REIT Manager. Mr Blair PICKERELL is an independent non-executive director and a member of the Finance Committee as well as the Nominating and Governance Committee of Principal Financial Group, Inc. (which is listed on NASDAQ). He is also an independent non-executive director of Dah Sing Banking Group Limited (which is listed on the Main Board of the Hong Kong Stock Exchange) and Dah Sing Bank, Limited. Mr Blair PICKERELL is currently a member of the Supervisory Committee of the Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the Securities and Futures Ordinance whose units are listed on the Main Board of the Hong Kong Stock Exchange) and the International Advisory Board, Securities and Exchange Board of India. He has also been active in public service. He was a Court Member of The University of Hong Kong during December 2008 to November 2014 and is a Vice Patron of The Community Chest of Hong Kong and chairman of Harvard Business School Association of Hong Kong. Mr Blair PICKERELL was Chairman, Asia of Nikko Asset Management Co., Ltd. up to July 2015. He joined Jardine Matheson Holdings Group in 1984 and held various positions in Jardine Matheson Holdings Group. In 2003, he joined HSBC Investments (Hong Kong) Limited (now known as HSBC Global Asset Management (Hong Kong) Limited) as the Chief Executive Officer, Asia Pacific. Mr Blair PICKERELL served as the Managing Director and Chief Executive Officer, Asia of Morgan Stanley Investment Management from 2007 to 2010, and was also an independent non-executive director and a member of the audit committee of Dah Sing Financial Holdings Limited (which is listed on the Main Board of the Hong Kong Stock Exchange) from June 2013 to December 2017. Mr Blair PICKERELL holds an MBA degree from Harvard Business School and an MA degree (in East Asian Studies) and a BA degree (in Political Science) from Stanford University.

**Ms Poh Lee TAN (“Ms Poh Lee TAN”)**

***Independent Non-Executive Director***

Ms Poh Lee TAN has been an Independent Non-Executive Director of the REIT Manager since November 2015. She is also a member of the Audit and Risk Management Committee of the REIT Manager. Ms Poh Lee TAN was the managing partner of the Hong Kong, Beijing, Shanghai and Vietnam offices of the international law firm Baker & McKenzie from November 2010 till October 2012 and Chairman of Asia for Baker & McKenzie from October 2008 to October 2010. She was a solicitor, admitted to practice in Hong Kong, England and Wales, Australia and Singapore. She has extensive experience in mergers and acquisitions and private equity transactions in the Asia-Pacific region as well as outbound investments from Mainland China. Ms Poh Lee TAN has been active in community services. She is the founder and a director of Mighty Oaks Foundation Limited and was a member of the founding board of Independent Schools Foundation. Ms Poh Lee TAN holds a Bachelor of Laws degree from the London School of Economics and Political Science and a Master of Law degree from Queens' College, University of Cambridge.

**Ms May Siew Boi TAN (“Ms May TAN”)**

***Independent Non-Executive Director***

Ms May TAN has been an Independent Non-Executive Director of the REIT Manager since February 2013. She is also a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee of the REIT Manager. Ms May TAN is currently an independent non-executive director of CLP Holdings Limited (which is listed on the Main Board of the Hong Kong Stock Exchange), HSBC Insurance (Asia) Limited and HSBC Life (International) Limited. She was an executive director of Standard Chartered Bank (Hong Kong) Limited and was also its chief executive officer from July 2014 to February 2017. She was previously the chief executive officer of Cazenove Asia Limited and a partner of Cazenove and Co. Cazenove Asia Limited (now known as Standard Chartered Securities (Hong Kong) Limited) became part of Standard Chartered Hong Kong in January 2009. In 2016, Ms May TAN was the chairman of The Hong Kong Association of Banks, the ex-officio member of Hong Kong Trade Development Council and a member of the Currency Board Sub-Committee of The Exchange Fund Advisory Committee of Hong Kong Monetary Authority. She was a member of the Listing Committee of the Hong Kong Stock Exchange from May 2012 to July 2015

and a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Commission of Hong Kong from April 2001 to March 2013. She is an executive committee member of Hong Kong Youth Arts Foundation, a member of the Standing Committee on Judicial Salaries and Conditions of Service, and an Association Member and a Fundraising and Communications Committee Member of Oxfam Hong Kong. Ms May TAN graduated from The University of Sheffield. She is a member of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

**Mr Peter TSE Pak Wing (“Mr Peter TSE”)**

***Independent Non-Executive Director***

Mr Peter TSE has been an Independent Non-Executive Director of the REIT Manager since July 2014. He is also the chairman of the Audit and Risk Management Committee of the REIT Manager. Mr Peter TSE was an executive director of CLP Holdings Limited (which is listed on the Main Board of the Hong Kong Stock Exchange) up till May 2012 and became a non-executive director until he retired in April 2013. Before joining the CLP Group in January 1981, he worked with Deloitte & Co. in London and Hong Kong, and the Swire Group. Mr Peter TSE retired as an independent non-executive director of Hong Kong Aircraft Engineering Company Limited (which was listed on the Main Board of the Hong Kong Stock Exchange until it withdrew from listing on 29 November 2018) with effect from 1 December 2018. Mr Peter TSE holds a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and a Master of Science degree in Technological Economics from the University of Stirling in Scotland. He is a Fellow of the Hong Kong Institute of Certified Public Accountants.

**Ms Nancy TSE Sau Ling (“Ms Nancy TSE”)**

***Independent Non-Executive Director***

Ms Nancy TSE has been an Independent Non-Executive Director of the REIT Manager since July 2014. She is also a member of the Audit and Risk Management Committee of the REIT Manager. Ms Nancy TSE joined the Hospital Authority in 1991 and was the chief financial officer and the Director (Finance and Information Technology Services) before her retirement in August 2013. Ms Nancy TSE is currently a member of the audit committee of The University of Hong Kong and an Adjunct Professor at The Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong. She also sits on the boards and committees of a number of charitable organisations and non-government organisations. Ms Nancy TSE is an independent non-executive director of Wheelock and Company Limited (which is listed on the Main Board of the Hong Kong Stock Exchange), DBS Bank (Hong Kong) Limited and HSBC Provident Fund Trustee (Hong Kong) Limited. She holds a Bachelor of Arts (Honours) degree in Mathematics and a Master of Business Administration degree in Finance/Accounting from the University of California, Los Angeles. Ms Nancy TSE is a Chartered Accountant qualified in Canada, a Fellow of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Directors.

**Ms Elaine Carole YOUNG (“Ms Elaine YOUNG”)**

***Independent Non-Executive Director***

Ms Elaine YOUNG has been an Independent Non-Executive Director of the REIT Manager since February 2013. She is also a member of the Finance and Investment Committee and the Remuneration Committee of the REIT Manager. Ms Elaine YOUNG is an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust (which is listed on the Singapore Exchange Securities Trading Limited) and also sits on its audit committee. Ms Elaine YOUNG has extensive experience in both real estate and hospitality across Asia and is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms Elaine YOUNG founded her own real estate and hospitality consultancy firm. Ms Elaine YOUNG is a special advisor to one of Warburg Pincus’ joint ventures in Shanghai, NOVA Property Investment Co. Ltd., and sits on the board. She was awarded “Entrepreneur of the Year” at the prestigious RBS Coutts/Financial Times Women in Asia Awards in 2009.

## SENIOR MANAGEMENT

### Mr NG Kok Siong (“Mr KS NG”)

#### *Chief Financial Officer*

Mr KS NG is the current Chief Financial Officer of the REIT Manager. He joined the REIT Manager on 3 May 2018 after serving 13 years with CapitaLand Limited (a company listed on the Singapore Exchange) in various senior positions including the role of chief financial officer of CapitaMalls Asia Limited (now known as CapitaLand Mall Asia). In his most recent role as the Group Chief Digital Officer of CapitaLand, he was responsible for developing technology strategy and building digitalisation capabilities. In addition, Mr KS NG was a director and audit committee member of two real estate investment trusts in Singapore and Malaysia, namely CapitaLand Retail China Trust Management Limited (the manager of CapitaLand Retail China Trust listed on the Singapore Exchange) and CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (the manager of CapitaLand Malaysia Mall Trust listed on Bursa Malaysia Securities Berhad). Prior to joining CapitaLand, Mr KS NG held various positions in planning and appraisal, information systems, finance and investment management in ExxonMobil and Royal Dutch Shell across Asia and Europe. Mr KS NG graduated with a Degree of Bachelor of Accountancy (Honours) from Nanyang Technological University of Singapore and attended the Tuck Executive Program at Dartmouth College.

## EMPLOYEES

Each employee of the REIT Manager is employed under an employment contract which specifies, among other things, the employee’s duties, salary and benefits, term of employment and grounds for termination of employment. In general, an employment contract can be terminated at will according to the relevant clauses in the employment contract and employment legislation.

A full-time and permanent employee receives a compensation comprising basic salary and a discretionary bonus, the payment of which is based on both the individual’s performance and the overall performance of Link. Other employee benefits include annual leave, sick leave, maternity/paternity leave, birthday leave, medical, life and personal accident insurances, and reimbursement of professional membership and seminar course fees. Full-time employee meeting prescribed performance criteria and length of service is eligible to participate in the employee unit purchase plan (the “EUPP”) to purchase Units through an independent third party intermediary on the open market with subsidy from the REIT Manager, the amount of which for each eligible employee is determined in accordance with the rules of the EUPP with reference to the length of service and appraised performance. Employees participating in the 2007 Long-term Incentive Plan and the 2017 Long-term Incentive Scheme are not permitted to participate in the EUPP.

The REIT Manager also contributes to the mandatory provident fund scheme for all qualifying employees in accordance with Hong Kong’s mandatory provident fund legislation. The assets of such scheme are held separately from those of the REIT Manager, in funds under the control of the trustees.

The REIT Manager places emphasis on training and development with a view to nurturing a pool of management talent for business development. It provides a wide variety of training and personal development programmes to promote professionalism and personal growth of its employees. The REIT Manager has not experienced any strike, work stoppage or significant labour dispute which has affected its operations, nor has it experienced any significant difficulties in recruiting and retaining qualified staff. The REIT Manager considers its relationships with its employees to be good.

As at 30 September 2018, the REIT Manager had 976 employees.

## **LONG-TERM INCENTIVE SCHEMES**

### **The 2017 Long-term Incentive Scheme (the “2017 LTI Scheme”)**

The 2017 LTI Scheme was adopted by the Board on 10 July 2017 pursuant to which awards may be granted to Directors and selected key employees of the REIT Manager, the REIT Manager’s subsidiaries and the special purpose vehicles of Link. The 2017 LTI Scheme is managed and administered by the Remuneration Committee in accordance with its rules.

Awards which may be granted under the 2017 LTI Scheme comprise (i) restricted unit awards (to be satisfied by Units to be purchased through a third party intermediary from the open stock market of Hong Kong upon vesting); and (ii) conditional cash awards (to be satisfied by cash payment equal to the aggregate distributions per Unit over the vesting period multiplied by the actual number of Units that may finally vest).

The objectives of the 2017 LTI Scheme are to:

- (i) align the interests of the participants with the Unitholders as a whole with a view to creating value for Link and the Unitholders;
- (ii) enable the REIT Manager to attract and retain talented management and key employees whose contributions are essential to the achievement of the strategic goals and the long-term growth of Link; and
- (iii) incentivise management and key employees of the REIT Manager, the REIT Manager’s subsidiaries and the special purpose vehicles of Link through rewarding them in calibration of their contributions to the business performance and success of Link.

The total number of Units awarded and to be awarded pursuant to all awards granted and to be granted under the 2017 LTI Scheme shall not in aggregate exceed 221,456,347 Units (being 10% of the number of Units in issue as at the date of the adoption of the 2017 LTI Scheme).

A summary of the rules of the 2017 LTI Scheme are set out on pages 55 and 56 of the “Governance, Disclosures and Financial Statements” report in Link’s annual report 2017/2018.

### **The 2007 Long-term Incentive Plan (the “2007 LTI Plan”)**

The 2007 LTI Plan expired on 22 July 2017. After its expiry, no further awards shall be granted under the 2007 LTI Plan. Nonetheless, awards granted and accepted prior to expiry but yet to vest shall continue to have effect and new Units may be issued in satisfaction of such outstanding awards upon vesting. A summary of the rules of the 2007 LTI Plan are set out on pages 59 and 60 of the “Governance, Disclosures and Financial Statements” report in Link’s annual report 2017/2018.

## **INDEMNITY FROM THE REIT TRUSTEE TO THE DIRECTORS**

In accordance with and subject to the provisions of the REIT Trust Deed, the REIT Trustee (in its capacity as the trustee of Link) has granted to each of the Directors an indemnity. Subject to the terms of such indemnity, the Directors are entitled to have recourse to the Deposited Property against liabilities which they may sustain or incur by reason of any of their acts or omissions in executing their office or discharging their respective duties as a director, officer or agent (as the case may be) of the REIT Manager (and, if applicable, any of the REIT Manager’s subsidiaries), HoldCo, PropCo, the Issuer, FinanceCo or other special purpose vehicle(s) of Link from time to time, save where such liabilities are occasioned by their negligence, fraudulent misconduct or willful default.

## SUBSTANTIAL UNITHOLDERS' AND DIRECTORS' INTERESTS

### SUBSTANTIAL UNITHOLDERS' INTERESTS IN LINK

As at the Latest Practicable Date, according to the disclosure of interests to the Hong Kong Stock Exchange and the REIT Manager pursuant to the provisions of Part XV of the Securities and Futures Ordinance and the register kept by the REIT Manager, persons having an interest of 5% or more in the Units and underlying Units were as follows:

Name	Capacity	Number of Units/ Underlying Units in Long Position (L)/ Short Position (S)	Approximate Percentage of Total Units in Issue <sup>(1)</sup> (%)
Stichting Pensioenfonds ABP / APG Groep N.V. / APG Asset Management N.V.	Investment manager	(L) 113,471,409	5.37%
JP Morgan Chase & Co	Direct Interests/Interests of controlled corporations/ Investment Manager/Person having a security interest in shares / trustee	(L) 120,308,640 (S) 13,140,223	5.70% 0.62%
State Street Corporation	Interests of controlled corporations	(L) 125,568,484	5.95%
The Capital Group Companies, Inc. / Capital Research and Management Company	Direct Interests / Interests of controlled corporations	(L) 148,553,191	7.04%
BlackRock, Inc	Interests of controlled corporations	(L) 190,315,898 (S) 982,500	9.02% 0.04%

*Note:*

- The approximate percentages were calculated based on 2,109,321,254 Units in issue as at the Latest Practicable Date (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Hong Kong Stock Exchange and the REIT Manager pursuant to the provisions of Part XV of the Securities and Futures Ordinance and the register kept by the REIT Manager, there were no other persons having an interest of 5% or more in the Units and underlying Units as at the Latest Practicable Date.

## DIRECTORS' INTERESTS IN LINK

As at the Latest Practicable Date, according to the disclosure of interests to the Hong Kong Stock Exchange and the REIT Manager pursuant to the provisions of Part XV of the Securities and Futures Ordinance and the register kept by the REIT Manager, the interests of the Directors in the Units and underlying Units were as follows:

Name of Directors	Number of Units				Interest in Underlying Units <sup>(2)</sup>	Total	Approximate Percentage of Total Units in Issue <sup>(3)</sup> (%)
	Personal Interest <sup>(1)</sup>	Family Interest	Corporate Interest	Other Interest			
<b>Chairman (also an Independent Non-Executive Director)</b>							
Nicholas Charles ALLEN .....	63,750 <sup>(1)</sup>	–	–	–	57,250	121,000	0.0057
<b>Executive Directors</b>							
George Kwok Lung HONGCHOY ....	1,362,171	–	–	–	1,806,676	3,168,847	0.1502
Andy CHEUNG Lee Ming .....	729,781	–	–	–	542,126	1,271,907	0.0603
<b>Non-Executive Director</b>							
Ian Keith GRIFFITHS .....	64,720	–	–	–	17,500	82,220	0.0039
<b>Independent Non-Executive Directors</b>							
Christopher John BROOKE .....	–	–	–	–	6,500	6,500	0.0003
Ed CHAN Yiu Cheong .....	4,000	–	–	–	17,500	21,500	0.0010
Blair Chilton PICKERELL .....	4,250	–	–	–	17,750	22,000	0.0010
Poh Lee TAN .....	4,500	–	12,000	–	19,000	35,500	0.0017
May Siew Boi TAN .....	99,500	–	–	–	21,500	121,000	0.0057
Peter TSE Pak Wing .....	15,500	–	–	–	21,500	37,000	0.0018
Nancy TSE Sau Ling .....	12,500	–	–	–	19,000	31,500	0.0015
Elaine Carole YOUNG .....	37,500	–	–	–	19,000	56,500	0.0027

*Notes:*

1. Directors' personal interests in Units as stated above were long position interests. There was no short position interest held by any Director. The personal interest of Mr Nicholas Charles ALLEN in 50,000 Units was held in an account in joint name with his spouse.
2. Directors' interests in underlying Units as stated above were long position interests and represent the maximum number of Units which may be vested with the Directors under the 2007 LTI Plan and the 2017 LTI Scheme.
3. The approximate percentages were calculated based on 2,109,321,254 Units in issue as at the Latest Practicable Date.

Save as disclosed above, so far as the REIT Manager is aware, none of the Directors or any of their respective associates held any interests in Units (or, as the case may be, shares) or underlying Units (or, as the case may be, underlying shares) or debentures of Link and/or its subsidiaries which were required to be disclosed pursuant to the provisions of Part XV of the Securities and Futures Ordinance as at the Latest Practicable Date.

## DESCRIPTION OF THE UNITS

*Set out below is certain selected information concerning Link's Units and certain provisions of the REIT Trust Deed. This summary does not purport to be complete and is qualified in its entirety by reference to the REIT Trust Deed.*

### THE REIT TRUST DEED

Link is a real estate investment trust constituted by the REIT Trust Deed and regulated by the SFO, the REIT Code, Chapter 20 of the Listing Rules and the agreement entered into between the REIT Trustee (as trustee of Link) and the REIT Manager (as the operator of a collective investment scheme) and the Hong Kong Stock Exchange in relation to the post-regulatory regime applicable to Link.

The REIT Trust Deed was entered into on 6 September 2005 between the REIT Manager and the REIT Trustee. Pursuant to the REIT Trust Deed, Link was constituted as a unit trust. Supplemental deeds amending the REIT Trust Deed were entered into between the REIT Manager and the REIT Trustee on 4 November 2005, 8 November 2005, 16 January 2006, 21 November 2006, 13 July 2007, 23 July 2007, 5 October 2009, 23 July 2010, 25 July 2012, 18 February 2014, 15 January 2015 and 25 July 2018 in order to, among others, incorporate changes that had to be made to the REIT Trust Deed to comply with the requirements of the REIT Code. The terms and conditions of the REIT Trust Deed and any supplemental deeds are binding on each Unitholder (and persons claiming through or under such Unitholder) as if such Unitholder had been a party to and had executed the REIT Trust Deed and any supplemental deeds and had thereby covenanted for such Unitholder and all such persons to observe and be bound by the provisions of the REIT Trust Deed and of any supplemental deeds and had thereby authorised and required the REIT Trustee and the REIT Manager, respectively, to do all such acts and things as the REIT Trust Deed or any supplemental deeds may require or authorise the REIT Manager and REIT Trustee, respectively, to do.

The REIT Code prescribes certain terms of the REIT Trust Deed and certain rights, duties and obligations of the REIT Manager, the REIT Trustee and the Unitholders under the REIT Trust Deed.

### REIT STRUCTURE

Please refer to "*Structure of Link*" of this Offering Circular.

### REIT STRATEGY

Link has been established to invest in real estate (either directly or indirectly through special purpose vehicles) and the REIT Manager must manage the assets of Link so that the principal investments of Link are real estate. The medium to longer term investment strategy of Link is to invest in quality income-producing properties, with particular focus on retail properties in Hong Kong. Link aims to generate returns for its Unitholders by owning, buying, selling and actively managing such properties in line with its investment strategy. For further details of the investment objectives and policies of the REIT Manager, see "*Link – Business Strategy*" of this Offering Circular.

### THE UNITS AND UNITHOLDERS

The rights and interests of Unitholders are contained in the REIT Trust Deed. Under the REIT Trust Deed, these rights and interests are safeguarded by the REIT Trustee.

Each Unit represents an undivided interest in Link. A Unitholder has no equitable or proprietary interest in the underlying assets of Link and is not entitled to the transfer to it of any asset (or any part thereof) or of any estate or interest in any asset (or any part thereof) of Link.

## DISCLOSURE OF INTERESTS IN UNITS

Under the REIT Trust Deed and pursuant to the deemed application of Part XV of the Securities and Futures Ordinance, a person (whether or not a Unitholder) that has an interest (that is, an interest in the exercise of any voting rights attached to any Unit and/or any beneficial interest in any distribution that may be made in connection with any Unit) in 5% or more of all the Units in issue is under a duty of disclosure to make notification to the REIT Trustee and the REIT Manager of such interest. If a person (whether or not a Unitholder) fails to comply with such notification requirements, the REIT Manager may, in its absolute discretion, declare that the voting rights attached to any or all of the Units held by such Unitholder or for such person be suspended, suspend the payment of any distributions in respect of such Units, impose an administrative fee of up to HK\$0.10 per Unit for each day of non-compliance on such Units or suspend registration and/or decline to register any transfer of part or all of such Units. The REIT Manager may require Unitholders to give such information as may be required by the REIT Manager to determine whether such Unitholder has an interest in 5% or more of the Units in issue or is holding Units for any such person. Under the REIT Trust Deed, Unitholders who are, or are suspected to be, holding Units for any such significant holder are also bound by the investigative and administrative powers of the REIT Manager in respect of their holdings of Units as described above.

## ISSUE OF UNITS

The REIT Manager has the exclusive right to issue Units for the account of Link. Units, when listed on the Hong Kong Stock Exchange, may be traded on the Hong Kong Stock Exchange and settled through the Central Clearing and Settlement System. For so long as Link is listed on the Hong Kong Stock Exchange, the REIT Manager may, subject to the provisions of the Listing Rules and the REIT Trust Deed, issue further Units at issue prices to be determined in accordance with the following provisions:

The REIT Manager may issue Units on any Business Day at an Issue Price (as defined in the REIT Trust Deed) that is equal to the Market Price or, in its discretion and subject to the provisions of the REIT Trust Deed, at a discount of no more than 20% to the Market Price (other than (i) a rights issue; (ii) a placing of Units for cash consideration where the REIT Manager can satisfy the SFC that Link is in a serious financial position and that the only way it can be saved is by urgent action which involves an issue of Units at a discount of more than 20% to the Market Price or that there are other exceptional circumstances; and (iii) a capitalisation issue) or at a premium to the Market Price. For this purpose, “**Market Price**” shall mean the price as determined by the REIT Manager, being the higher of:

- (i) the closing price of the Units on the Hong Kong Stock Exchange on the date of the relevant agreement for any proposed issue of Units; and
- (ii) the volume weighted average price for a Unit for all trades in Units on the Hong Kong Stock Exchange for the period of 10 trading days immediately preceding the earlier of:
  - a. the date of announcement of such proposed issue of Units or proposed issue of any Convertible Instruments (as defined in the REIT Trust Deed);
  - b. the date of the relevant agreement for such proposed issue of Units or proposed issue of any Convertible Instruments (as defined in the REIT Trust Deed); and
  - c. the date on which the Issue Price (as defined in the REIT Trust Deed) is fixed.

The REIT Manager may also issue Units without the approval of Unitholders, otherwise than on a *pro rata* basis to Unitholders, upon conversion of instruments issued in accordance with the limits set out in the REIT Trust Deed and the REIT Code.

## REPURCHASE OF UNITS

The REIT Trust Deed does not permit the REIT Manager to repurchase Units until permitted to do so by the relevant codes and guidelines issued by the SFC from time to time.



## **RIGHTS AND LIABILITIES OF UNITHOLDERS**

The key rights of Unitholders include rights to:

- (i) receive income and other distributions attributable to the Units held;
- (ii) receive the audited financial statements of Link; and
- (iii) participate in the termination of Link by receiving a share of all net cash proceeds derived from the sale or realisation of the assets of Link less any liabilities, in accordance with their proportionate interests in Link at the date of the termination of Link.

No Unitholder has a right to require that any asset of Link be transferred to him.

The REIT Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions seek to ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the REIT Trustee or the REIT Manager or any creditor of Link in the event that the liabilities of Link exceed its assets.

The minimum number of Units a person may invest in is one Unit.

## **AMENDMENT OF THE REIT TRUST DEED**

Save where a modification, alteration or addition to the REIT Trust Deed has been approved by a Special Resolution, no such modification, alteration or addition may be made to the provisions of the REIT Trust Deed by the REIT Manager and the REIT Trustee unless the REIT Trustee certifies in writing that, in its opinion, such modification, alteration or addition:

- (i) does not materially prejudice the interests of Unitholders, does not operate to release to any material extent the REIT Trustee or the REIT Manager from any responsibility to the Unitholders and does not increase the costs and charges payable from Link;
- (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or
- (iii) is necessary to correct a manifest error.

No such modification, alteration or addition shall impose upon any Unitholder any obligation to make any further payments in respect of its Units or to accept any liability in respect thereof.

## **MEETINGS OF UNITHOLDERS**

Under applicable law and the provisions of the REIT Trust Deed, the REIT Manager will at least once in every calendar year convene a general meeting of Unitholders as the annual general meeting. Link will not hold any additional meetings for Unitholders unless the REIT Trustee or the REIT Manager convenes a meeting or unless not less than two Unitholders registered as together holding not less than 10% of the Units for the time being in issue request a meeting to be convened.

A meeting of Unitholders when convened may, by Special Resolution and in accordance with the REIT Trust Deed:

- (i) sanction any modification, alteration or addition to the REIT Trust Deed which shall be agreed by the REIT Trustee and the REIT Manager as provided in the REIT Trust Deed;
- (ii) remove the REIT Trustee;
- (iii) remove the REIT Manager;

- (iv) approve the disposal of an investment within two years from the date of its acquisition;
- (v) approve the disposal of the shares of the REIT Manager before the termination of Link;
- (vi) approve the termination of Link (except in the certain specified circumstances described);
- (vii) approve the merger of Link; and
- (viii) approve any change to the maximum fee payable to the REIT Trustee or any change to the structure of the REIT Trustee's fee.

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless a Special Resolution is required by the REIT Code, where “**Ordinary Resolution**” means a resolution of Unitholders proposed and passed by a simple majority of the votes of those present and entitled to vote, but with a quorum of two or more Unitholders holding 10% of Units in issue.

Except as otherwise provided for in the REIT Trust Deed, 21 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the REIT Trust Deed. The quorum at a meeting shall be two or more Unitholders present in person or by proxy registered as holding together not less than 10% of the Units for the time being in issue except for the purpose of passing a Special Resolution, in which case the quorum shall be two or more Unitholders present in person or by proxy registered as holding together not less than 25% of the Units for the time being in issue. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed.

Voting at a meeting shall be by way of a poll. Every Unitholder has one vote for each Unit it owns provided such Unit is fully paid up. The REIT Trust Deed does not contain any limitation on non-Hong Kong residents or foreign Unitholders holding Units or exercising the voting rights with respect to their unitholdings.

## MARKET PRICE INFORMATION

The Units are currently listed on the Hong Kong Stock Exchange (Stock Code: 0823).

The table below sets forth, for the periods indicated, the high and low closing prices per Unit in HK dollars and the average trading volume of the Units traded on the Hong Kong Stock Exchange, as reported on the Hong Kong Stock Exchange:

<b>Period</b>	<b>Closing Share Price</b>		<b>Average daily trading volume (number of Units in millions)</b>
	<b>Shares</b>		
	<b>High</b>	<b>Low</b>	
	<b>(HK\$)</b>		
<b>2015</b>			
First quarter .....	53.20	46.60	4.95
Second quarter .....	49.70	44.80	6.88
Third quarter .....	46.25	40.65	5.80
Fourth quarter .....	48.70	42.55	3.74
<b>2016</b>			
First quarter .....	46.80	42.60	6.75
Second quarter .....	53.95	45.50	4.66
Third quarter .....	58.30	52.65	5.19
Fourth quarter .....	58.00	49.00	6.16
<b>2017</b>			
First quarter .....	54.45	50.90	4.38
Second quarter .....	63.60	55.00	4.70
Third quarter .....	65.15	58.85	3.78
Fourth quarter .....	72.90	63.50	4.23
<b>2018</b>			
First quarter .....	74.25	64.70	5.70
Second quarter .....	73.65	65.80	4.86
Third quarter .....	78.45	72.05	4.81
Fourth quarter .....	79.35	69.50	5.08

## DISTRIBUTIONS

Under the terms of the REIT Trust Deed, the total distributable income (the “**Total Distributable Income**”) is the consolidated profit after taxation attributable to the Unitholders adjusted to eliminate the effects of non-cash adjustments which have been recorded in the condensed consolidated income statement for the relevant period. Link is required to ensure that the total amount distributed to Unitholders as distributions for each financial period shall be no less than 90% of the Total Distributable Income. The REIT Manager distributed 100% of Total Distributable Income as the distribution for the years ended 31 March 2015, 2016, 2017 and 2018.

The table below sets out certain statistics on interim and final distributions paid by Link since 2015:

<u>Year ended 31 March</u>	<u>Interim Distribution per Unit</u>	<u>Final Distribution per Unit</u>	<u>Total Distribution per Unit</u>	<u>Interim Distribution</u>	<u>Final Distribution</u>	<u>Total Distribution</u>
	(HK cents per Unit)	(HK cents per Unit)	(HK cents per Unit)	(HK\$ million)	(HK\$ million)	(HK\$ million)
2015 .....	89.56	93.28	182.84	2,054	2,138	4,192
2016 .....	98.99	107.19	206.18	2,230	2,404	4,634
2017 .....	111.75	116.66	228.41	2,494	2,581	5,075
2018 .....	121.50	128.28	249.78	2,673	2,758	5,431
2019 .....	130.62	–	–	2,759	–	–

## TAXATION

*The following is a general description of certain tax considerations relating to the Bonds and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. Prospective holders of Bonds who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.*

### HONG KONG

#### Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

#### Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

## **Stamp Duty**

No Hong Kong stamp duty will be chargeable upon the issuance or transfer of a Bond.

## **CAYMAN ISLANDS**

The following is a general summary of Cayman Islands taxation in relation to the Bonds. Under existing Cayman Islands laws:

- (i) neither payments of principal and interest in respect of the Bonds nor payments under the Guarantee will be subject to taxation in the Cayman Islands and no withholding will be required on such payments and gains derived from the sale of Bonds. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and
- (ii) certificates evidencing the Bonds, in registered form, to which title is not transferable by delivery, will not attract Cayman Islands stamp duty. However, an instrument transferring title to Bonds, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

## **BRITISH VIRGIN ISLANDS**

Under existing British Virgin Islands laws, payments of interest and principal on the Bonds will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds nor will gains derived from the disposal of the Bonds be subject to British Virgin Islands income or corporation tax, provided that the payments are made to persons who are not resident in the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the British Virgin Islands with respect to the Bonds.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer.

If neither the Issuer nor any subsidiary holds an interest in real estate in the British Virgin Islands, no stamp duty is payable in respect of the issue of the Bonds or on an instrument of transfer in respect of the Bonds.

## PRC CURRENCY CONTROLS

### REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

### CURRENT ACCOUNT ITEMS

Under PRC foreign exchange control regulations, current account items refer to any transactions involving goods, services, earnings and other frequent transfers that cause international payments and receipts.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. In July 2009, the PRC commenced a pilot scheme pursuant to which Renminbi may be used for settling imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong, Macau and countries of the Association of Southeast Asian Nations. On 17 June 2010, 24 August 2011 and 3 February 2012 respectively, the PRC government promulgated the *Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-border Trades*, the *Circular on Expanding the Regions of Renminbi Settlement of Cross-border Trades* and the *Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods* (together as “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot locations was expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore jurisdictions has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that certain enterprises on a special list are still subject to supervision and monitoring (the “**Supervision List**”).

On 5 July 2013, the PBOC promulgated the *Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures* (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross-border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that the verification of underlying transactions is usually a precondition for cross border remittance).

On 20 January 2015, SAFE issued the *Notice on the Pilot Scheme of Cross-border Foreign Exchange Payment Services Provided by Payment Institutions* (the “**2015 Safe Notice**”), which facilitates domestic institutions and individuals to carry out e-commerce trade through the internet, standardises the cross-border foreign exchange payment services provided by payment institutions, and prevents the risk of cross-border capital flows through the internet channel.

On 5 September 2015, PBOC promulgated the *Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups* (the “**2015 PBOC Circular**”), which, among others, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

As new regulations, the Circulars, the 2013 PBOC Circular, the 2015 Safe Notice and the 2015 PBOC Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circulars and the 2013 PBOC Circular and impose conditions for settlement of current account items.

## CAPITAL ACCOUNT ITEMS

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans that cause international payments and receipts. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement for capital account items was generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign-invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign-invested enterprises or the relevant PRC parties were also generally required to make capital account payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

On 10 May 2013, the State Administration of Foreign Exchange of the PRC (“SAFE”) promulgated the *Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors* (the “SAFE Provisions”). According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise by a PRC resident within the total investment amount approved by the competent authorities.

Other capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies. Under current rules promulgated by SAFE, foreign debts borrowed and the cross-border security provided by an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and cross-border security regime. However, there remain potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular in terms of cross-border security and it is unclear how regulators will deal with such inconsistencies in practice.

In respect of Renminbi FDI, PBOC promulgated the PBOC FDI Measures on 13 October 2011. The system covers almost all aspects in relation to FDI in Renminbi, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBOC further issued a circular setting out the operational guidelines for FDI. Under the PBOC FDI Measures, the special approval from PBOC for FDI and shareholder loans in Renminbi, which was previously required, is no longer necessary. In some cases however, post-event filing with PBOC is still necessary. The PBOC FDI Measures and its implementing rules were further amended on 5 June 2015.

On 19 November 2012, SAFE promulgated the *Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment* (the “SAFE Circular on DI”), which became effective on 17 December 2012 and was further amended on 4 May 2015. According to the SAFE Circular on DI, SAFE removes or adjusts certain administrative licensing items with regard to foreign exchange administration over direct investments to promote investment, including, but not limited to, the abrogation of SAFE approval for opening of and payment into foreign exchange accounts under direct investment accounts, the abrogation of SAFE approval for reinvestment with legal income generated within China of foreign investors, the simplification of the administration of foreign exchange reinvestments by foreign investment companies, and the abrogation of SAFE approval for purchase and external payment of foreign exchange under direct investment accounts.

On 3 December 2013, the MOFCOM promulgated the MOFCOM Circular, to further facilitate FDI in Renminbi by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each project of FDI in Renminbi and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI in Renminbi, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the Renminbi FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.



On 30 March 2015, SAFE further promulgated the *Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises* (the “**2015 SAFE Circular**”), effective from 1 June 2015, which allows foreign-invested enterprises to settle 100% (subject to future adjustment in SAFE’s discretion) of the foreign currency capital (which has been processed through SAFE’s equity interest confirmation procedure for capital contribution in cash or registered by a bank on SAFE’s system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs. The 2015 SAFE Circular has set forth a negative list with respect to the usage of the capital and the RMB proceeds obtained through the aforementioned settlement procedure.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend loans in Renminbi to, or borrow loans in Renminbi from, offshore group entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or extend loans to enterprises outside the group.

The SAFE Provisions, the PBOC FDI Measures, the MOFCOM Circular and the SAFE Circular on DI, which are new regulations, have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulations will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such regulations.

## CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer, HoldCo and PropCo believe to be reliable, but none of the Issuer, the Guarantors, the Joint Lead Managers, the Trustee, the Agents nor any of their respective directors, officers, employees, agents, advisers, representatives or affiliates takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Guarantors, the Joint Lead Managers, the Trustee, the Agents nor any of their respective directors, officers, employees, agents, advisers, representatives or affiliates will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

### THE CLEARING SYSTEMS

#### **Euroclear and Clearstream**

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Bonds held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

#### **Book-Entry Ownership**

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Bonds that will be represented by the Global Certificate. The Global Certificate will have an ISIN and a Common Code. Investors in the Bonds may hold their interests in the Global Certificate only through Euroclear or Clearstream.

## SUBSCRIPTION AND SALE

The Issuer, HoldCo, PropCo and the REIT Manager have entered into a subscription agreement with the Joint Lead Managers dated 7 March 2019 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and each of the Joint Lead Managers has agreed to severally, but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below:

<b>Joint Bookrunners</b>	<b>Principal amount of the Bonds</b>
The Hongkong and Shanghai Banking Corporation Limited .....	HK\$2,000,000,000
J.P. Morgan Securities PLC .....	HK\$2,000,000,000
<b>Total</b> .....	<b>HK\$4,000,000,000</b>

The REIT Trust Deed authorises the REIT Manager to take certain actions on behalf of Link and to bind its assets. Such authority includes any issue of Units or other securities in respect of Link and instructing the REIT Trustee to take certain action. In addition, the REIT Trustee has on the instructions of the REIT Manager, *inter alia*, granted its written consent to the REIT Manager to provide all the representations, warranties and undertakings, and to grant the indemnities on behalf of Link (and so as to bind the Deposited Property, where so stated) under or in connection with the Subscription Agreement, the Trust Deed and certain other agreements and documents described and contemplated therein (the “**Documents**”) and to the incurring of liabilities and obligations on behalf of Link (so as to bind the Deposited Property, where so stated) pursuant to the Documents and to the performance and discharge of such liabilities and obligations from the Deposited Property, in accordance with the REIT Trust Deed.

To the best of the knowledge, information and belief of the directors’ of each of the parties to the Subscription Agreement, none of the initial placees (and their ultimate beneficial owners) will be connected persons (as defined in the REIT Code) of Link, save for any Bonds which may be taken up by HSBC pursuant to its underwriting obligations under the Subscription Agreement, which are to be held subject to certain covenants and restrictions. See the section below headed “*Connected Party Transaction with HSBC and HSBC Waiver*”.

Each of the Issuer, HoldCo, PropCo and the REIT Manager has undertaken with the Joint Lead Managers that it will, and it will procure that neither Link nor any of its Subsidiaries nor any person acting on its behalf will, for a period from the date of the Subscription Agreement up to 90 days after the Closing Date, without the prior written consent of the Joint Lead Managers, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) any Units or securities convertible or exchangeable into or exercisable for Units or warrants or other rights to purchase Units or any security or financial product whose value is determined directly or indirectly by reference to the price of the Units, including equity swaps, forward sales and options representing the right to receive any Units (whether or not such contract is to be settled by delivery of Units or such other securities, in cash or otherwise) save for (i) Units issued pursuant to the conversion provisions of the Bonds, (ii) Units issued pursuant to the DRP, or any successor or additional distribution re-investment plan provided that such successor or additional plan is fully underwritten or (iii) Units issued or agreed to be issued pursuant to the 2007 LTI Plan.

### CONNECTED PARTY TRANSACTION WITH HSBC AND HSBC WAIVER

The REIT Code contains rules governing transactions between Link and certain defined categories of connected persons. Such transactions will constitute connected party transactions for the purposes of the REIT Code. Link’s connected persons include, among others, the REIT Trustee and companies within the same group as, or associated companies of, the REIT Trustee. As a result, the list of connected persons of Link will include (among others) HSBC and its subsidiaries because the REIT Trustee is a direct wholly-owned subsidiary of HSBC.

The REIT Manager applied for certain waivers from the REIT Code with respect to transactions with a number of financial service groups that are connected persons. Subject to certain prescribed continuing conditions, on 8 November 2005, the SFC granted a waiver to Link from strict compliance with the Unitholders' approval requirements in Rules 8.9 and 8.11 of the REIT Code in respect of certain corporate finance transactions between the HSBC Group on the one hand and Link and/or any company controlled by Link on the other hand, including where HSBC is involved in an underwriting or arranging capacity for an issue of debt instruments or other related arrangements (the "**HSBC Waiver**"). In respect of the HSBC Waiver, HSBC has provided to the SFC certain undertakings and covenants in the event HSBC is required to subscribe for any Bonds pursuant to its underwriting obligations under the Subscription Agreement.

## **SELLING RESTRICTIONS**

### **United States**

The Bonds, the Guarantee and the New Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Joint Lead Managers has represented and warranted that it has not offered or sold, and has agreed that it will not offer or sell, any Bonds or the Guarantee constituting part of its allotment within the United States in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds or the New Units. Terms used in this paragraph have the meaning given to them by Regulation S.

### **European Economic Area ("EEA")**

In each EEA member state ("**Member State**"), the Offering Circular may only be distributed and Bonds may only be offered or placed to the extent that the Offering Circular may otherwise be lawfully distributed and the Bonds may lawfully be offered or placed in compliance with that Member State's implementation of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 as transposed into national law (the "**AIFM Directive**") and any other applicable laws or regulations.

In addition, each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds, the Guarantee or any Units which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - ii. a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii. not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds, the Guarantee and the Units to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, the Guarantee and the Units.

Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## **Hong Kong**

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **Cayman Islands**

Each Joint Lead Manager has represented, warranted and agreed that the offer to sell the Bonds is private and not intended for the public and, further that the relevant Joint Lead Manager has not made and will not make any invitation to the public in the Cayman Islands or to residents of the Cayman Islands to offer or sell the Bonds.

## **British Virgin Islands**

Each Joint Lead Manager has represented, warranted and agreed that no invitation has been or will be made directly or indirectly to the public in the British Virgin Islands or any natural person resident or citizen in the British Virgin Islands to subscribe for any of the Bonds.

## **Singapore**

Each Joint Lead Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell the Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018.

***Singapore SFA Product Classification*** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Switzerland**

The Bonds may not be offered or sold in, into or from Switzerland except in circumstances that will not result in the offer of the Bonds qualifying as a public offering in Switzerland pursuant to article 652a of the Swiss Code of Obligations (“**CO**”) or distribution of collective investments schemes pursuant to article 3 of the Swiss Collective Investment Schemes Act (“**CISA**”). Accordingly, neither this Offering Circular nor any accompanying letter or other document relating to the Bonds has been or will be submitted to the Swiss Financial Market Supervisory Authority FINMA and investors will not be protected by the provisions of the CO, the CISA or any other Swiss law. Neither this Offering Circular nor any accompanying letter or other document relating to the Bonds constitutes a prospectus pursuant to article 652a or 1156 CO, a prospectus or simplified prospectus pursuant to the CISA or a prospectus pursuant to any other Swiss law, and neither this Offering Circular nor any accompanying letter or other document relating to the Bonds may be distributed or otherwise made available in Switzerland, except to regulated qualified investors within the meaning of article 10 paragraphs 3(a) and 3(b) of the CISA.

## GENERAL INFORMATION

- (1) Application has been made to the Hong Kong Stock Exchange for the listing of and permission to deal in the Bonds on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only and formal permission is expected to become effective on 4 April 2019.
- (2) Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Units to be issued on conversion of the Bonds. Conditional approval for the listing of the New Units to be issued conversion of the Bonds on the Hong Kong Stock Exchange has been granted by the Hong Kong Stock Exchange.
- (3) Each of the Issuer, the Guarantors and the REIT Manager has obtained all necessary consents, approvals and authorisations in the British Virgin Islands, Hong Kong and in the Cayman Islands in connection with the issue and performance of their respective obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer on 6 March 2019; and the Guarantee was authorised by resolutions of the board of directors of HoldCo passed on 6 March 2019, the board of directors of PropCo passed on 6 March 2019 and the REIT Trustee in its capacity as trustee, and with recourse limited to the assets, of Link, on 14 January 2008. The right of conversion of the Bonds into Units of Link was authorised by resolutions of the board of directors of the REIT Manager, in its capacity as manager of Link, passed on 25 February 2019.
- (4) Except as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of the Issuer, the Guarantors or Link since 31 March 2018 and no significant change in the financial or trading position of the Issuer, the Guarantors or of Link since 31 March 2018.
- (5) Except as disclosed in this Offering Circular, none of the Issuer, the Guarantors, the REIT Manager or Link is involved in any litigation, arbitration or administrative proceedings relating to claims which are material in the context of the issue of the Bonds and, so far as any of them is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
- (6) The Legal Entity Identifier (“LEI”) of the Issuer is 2549000YKZX6JKWL1X31. The Bonds have been accepted for clearance through the Euroclear and Clearstream systems.
- (7) For so long as any of the Bonds are outstanding, copies of the following documents will be available for inspection by Bondholders from the Closing Date during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) (i) at the registered office of the REIT Manager at 33/F, AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong and (ii) in the case of the documents mentioned in (i), (ii), (iv) and (v) below and following written request and proof of holding and identity satisfactory to the Principal Agent, at the specified office of the Principal Agent (being at the date of this Offering Circular at One Canada Square, London E14 5AL, United Kingdom):
  - (i) the Trust Deed;
  - (ii) the Agency Agreement;
  - (iii) the Memorandum and Articles of Association of each of the Issuer, HoldCo and PropCo;
  - (iv) the published annual reports and audited consolidated financial statements of Link for the two financial years ended 31 March 2017 and 31 March 2018 respectively (Link currently prepares audited consolidated financial statements on an annual basis and does not prepare annual non-consolidated financial statements);
  - (v) the published unaudited interim condensed consolidated financial information of Link as at and for the six months ended 30 September 2017 and 30 September 2018;
  - (vi) a copy of this Offering Circular;

- (vii) a copy of the Green Finance Framework, and
  - (viii) all reports, letters and other documents, statements of financial position, valuations and statements by any expert, any part of which is extracted or referred to in this Offering Circular.
- (8) The consolidated financial statements of Link for the year ended 31 March 2018 incorporated by reference in this Offering Circular have been audited by its independent auditor, PricewaterhouseCoopers, Certified Public Accountants, as stated in their report appearing therein. The unaudited condensed consolidated interim financial information of Link for the six months ended 30 September 2018 incorporated by reference in this Offering Circular has been reviewed by PricewaterhouseCoopers in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.



## APPENDIX A – DEFINITIONS AND GLOSSARY

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

“ACBMs”	means asbestos-containing building materials;
“Adjacent Housing Estates”	means all of the Housing Estates and other private sector housing within the geographical areas which the Properties intended to serve;
“Car Park Operators”	means the operators and management agents of the car park facilities;
“Deposited Property”	means the value of all the assets of Link and as defined in the REIT Trust Deed;
“FinanceCo”	means The Link Finance Limited, a company incorporated in Hong Kong with limited liability which is a direct wholly-owned subsidiary of HoldCo;
“Government”	means the government of Hong Kong;
“HKHA”	means the Hong Kong Housing Authority, a body corporate established by virtue of section 3 of the Housing Ordinance, Chapter 283 of the Laws of Hong Kong;
“HoldCo”	means The Link Holdings Limited, a company incorporated in the Cayman Islands with limited liability;
“Housing Estates”	means, collectively (i) housing provided under the Tenant Purchase Scheme of HKHA; (ii) housing provided under the Home Ownership Scheme of HKHA; and (iii) public rental estates built by HKHA and “Housing Estate” means any of them;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited;
“HSBC Group”	means HSBC and its subsidiaries;
“IFA”	means the internal floor area within the enclosure and available for the exclusive use of the occupier(s) of a building excluding common areas and the thickness of all enclosing walls;
“Issuer”	means Link 2019 CB Limited, a company incorporated in the British Virgin Islands with limited liability which is a direct wholly-owned subsidiary of HoldCo;
“Land”	New Kowloon Inland Lot No. 6512 held under Government Lease of Hong Kong by a joint venture company (in which Link has a 60% indirect interest and the independent third party joint venture partner owns a 40% interest) and for commercial development; and
“Latest Practicable Date”	20 March 2019, being the latest practicable date prior to the printing of this Offering Circular for the purpose of ascertaining certain information contained in this Offering Circular.

<b>“Lease”</b>	means a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises granted to a tenant or licensee (as the case may be) and “Leased” shall be construed accordingly;
<b>“LTV”</b>	means the unsecured loan to value ratio (calculated as being the aggregate unsecured borrowings of Link to the value of the Properties which are unsecured);
<b>“PropCo”</b>	means Link Properties Limited, a company incorporated in the Cayman Islands with limited liability which is a direct wholly-owned subsidiary of HoldCo;
<b>“Properties”</b>	means, unless the context requires otherwise, all the 132 properties owned by Link as at the Latest Practicable Date, comprising (i) 123 HA Properties; (ii) three properties acquired from the private sector in Hong Kong; (iii) five properties acquired in Mainland China; and (iv) the Land;
<b>“RC Operations”</b>	means the retail and car park operations;
<b>“REIT(s)”</b>	means real estate investment trust(s);
<b>“REIT Code”</b>	means the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC;
<b>“REIT Manager”</b>	means Link Asset Management Limited, a company incorporated in Hong Kong and licensed by the SFC to conduct the regulated activity of asset management, which is the manager of Link;
<b>“REIT Trust Deed”</b>	means the trust deed between the REIT Trustee and the REIT Manager constituting Link dated 6 September 2005, as amended and supplemented by twelve 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, 25 July 2012, 18 February 2014, 15 January 2015 and 25 July 2018;
<b>“REIT Trustee”</b>	means HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link;
<b>“Securities and Futures Ordinance”</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“SFC”</b>	means the Securities and Futures Commission of Hong Kong;
<b>“Special Resolution”</b>	means 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 Units in issue;
<b>“Unit(s)”</b>	means unit(s) of Link; and
<b>“Unitholder(s)”</b>	means holder(s) of Unit(s) of Link.

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