

An investment in the Units involves significant risks. Prospective investors should consider carefully, together with all other information contained in this Offering Circular, the risk factors described below before deciding to invest in the Units.

The key objective of The Link REIT is to provide investors with stable distributions per Unit with the potential for sustainable long-term growth of such distributions. Accordingly, investors should not expect to achieve short-term capital gains.

Investors should be aware that the price of the Units may rise or fall. In addition, income paid to Unitholders with respect to the Units may rise or fall. Therefore, on a sale of the Units, investors may not be able to recover their original investments in The Link REIT and the income received with respect to the Units may not compensate for any losses incurred.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers about their particular circumstances.

Risks from Future Challenge

Risk of legal challenge

The Previous Offering was made by publication of the 2004 Offering Circular on 25 November 2004 and was subsequently the subject of legal challenge by way of application for judicial review brought by Madam Lo Siu Lan and Mr. Ma Ki Chiu. The application for judicial review was made on 8 December 2004 claiming that HKHA was acting ultra vires (i.e. beyond its powers) in undertaking the Divestment. The Earlier Proceedings culminated in a judgment of the Court of Final Appeal handed down on 20 July 2005, upholding earlier judgments of the Court of First Instance and Court of Appeal in favour of HKHA. In that judgment, the Court of Final Appeal held that the Divestment is consistent with HKHA's statutory objects and, accordingly, within the power of HKHA. The doctrine of precedent in respect of case law, which applies in Hong Kong pursuant to the Basic Law, provides that a previous decision of a higher ranking court must be followed if the facts and points of law which arise in a new case are identical or similar to those in a previous case. The Court of Final Appeal's judgment provides precedent from the highest court in Hong Kong that the Divestment is within the power of HKHA.

Notwithstanding the resolution of the Earlier Proceedings, the possibility of Future Challenge, including challenges on judicial review related grounds, cannot be ruled out, and it is possible that a judicial review or other form of Future Challenge may be brought in relation to the Divestment and/or the Global Offering (or any related transactions), whether during the Global Offering or following its completion. It is the intention of the Manager and HKHA to proceed with the Divestment and the Global Offering notwithstanding any Future Challenge (or the possibility of any Future Challenge). See the section headed "Possibility of Legal Challenge and Related Terms and Conditions of the Global Offering" in this Offering Circular.

Certain members of the public, as well as members of LegCo, have raised concerns regarding certain aspects of the Divestment. Such concerns have been reported in the Hong Kong media and debated in LegCo. Some of these statements have referred to the possibility of Future Challenge. See the section headed "Possibility of Legal Challenge and Related Terms and Conditions of the Global Offering — Issues raised by Members of LegCo" in this Offering Circular.

It is not possible to predict with certainty the nature or outcome of any Future Challenge. Any Future Challenge will be determined by the Courts and the outcome of any Future Challenge will not be within the control of HKHA or the Manager. Notwithstanding the outcome of the Earlier Proceedings, there can be no certainty, and no assurance can be given, that a Future Challenge will not succeed, or that the Global Offering will proceed in all circumstances where a Future Challenge is made or threatened. Further, a Future Challenge may be unresolved at the time the Global Offering is completed, and such a challenge may be continued or brought subsequent to completion of the Global Offering. If any Future Challenge were successful, there can be no assurance that the Divestment, as implemented, would survive in its intended form, or that The Link REIT would continue to be entitled to the Properties or to exercise its rights in respect of the Properties on the terms provided for in the

Acquisition Agreements or at all. Pending final determination of any Future Challenge, there can be no assurance that the market price of the Units will not be adversely affected. HKHA has provided the Manager and The Link REIT with an indemnity for certain losses incurred as a result of judicial review proceedings arising from the Divestment. However, it is not possible as at the Latest Practicable Date to assess with certainty, or to quantify, the financial impact on The Link REIT of any successful challenge to the Divestment or the Global Offering (or any related transactions). The Trust Deed contains provision for the Trustee and the Manager to consider termination of The Link REIT in the case where a legal challenge were to result (after exhausting all applicable appeal rights) in an order by a Court of competent jurisdiction subsequent to completion of the Global Offering materially and adversely affecting the validity of the Divestment and/or The Link REIT's or Propco's use or ownership of the Properties (see the section headed "The Trust Deed — Special Provisions in Case of Successful Legal Challenge" in this Offering Circular). In these circumstances, Unitholders may potentially receive substantially less than the amount of their original investment and may have no further entitlement beyond any final distribution received on termination and no further ability to participate in income or gains from the Properties. There would be no compensation arrangements in these circumstances. See the section headed "Possibility of Legal Challenge and Related Terms and Conditions of the Global Offering — Position of Unitholders in Case of Successful Legal Challenge" in this Offering Circular.

If a Future Challenge is made or threatened, the information in this Offering Circular may be supplemented by newspaper announcement(s) published subsequent to the issue of this Offering Circular

If a Future Challenge is made or threatened at any time before the Global Offering becomes fully unconditional, the Manager may make such further announcement or announcements as it considers appropriate in light of any such Future Challenge (or the possibility of such Future Challenge). Any such announcement(s) will be made by publication in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and in any other such newspapers or media as the Manager may determine.

Any announcement which is expressed to be supplemental to this Offering Circular shall be treated and deemed for all purposes as constituting part of this Offering Circular and matters and information set out or disclosed in the announcement, and any changes to the timetable or terms of the Global Offering stipulated in the announcement, shall be deemed to be incorporated in the terms of the Hong Kong Public Offering.

Applicants will be deemed to have applied for Units with full knowledge of any and all matters and information set out in any announcement published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) subsequent to the issue of this Offering Circular, and will be bound by any changes or extensions to the timetable for, or the other terms and conditions of, the Hong Kong Public Offering as may be stipulated in any announcement published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and expressed to be supplemental to this Offering Circular.

If a Future Challenge is made or threatened, this may result in an extension of the timetable for the Global Offering and a delay in the Listing Date

If a Future Challenge is made or threatened at any time before the Global Offering becomes fully unconditional, the timetable for the Global Offering may be extended. If withdrawal rights are granted, it will be necessary to extend the timetable to allow for withdrawal rights to be exercised. Any extension to the timetable for the Global Offering may result in increased costs or interest charges for applicants depending on their particular circumstances or arrangements, in particular for any applicants who may have arranged financing for the purpose of funding their applications from or through the intermediaries through which they have applied (margin finance). Prior to applying for Units, applicants should ensure that they have adequate funds to meet any interest charges and margin calls which may fall due prior to the Listing Date in light of the fact that the Listing Date may be extended up to, but not beyond, 23 December 2005. The Link REIT will not be liable, and will not reimburse applicants, for such charges or calls.

The Hong Kong Public Offering is conditional on the fulfilment or waiver of various conditions as indicated in this Offering Circular (see the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this Offering Circular). The Listing Date and any date for the fulfilment or satisfaction of any conditions of the Hong Kong Public Offering or the Global Offering (as stipulated in this Offering Circular or in any announcement supplemental to this Offering Circular) may be extended by agreement between the Manager, HKHA and the Joint Global Co-ordinators (on behalf of the Underwriters). Any extension to the timetable for the Hong Kong Public Offering or the Global Offering will require the approval of the SFC and the Hong Kong Stock Exchange. In any event the Listing Date will not be extended beyond 23 December 2005.

If withdrawal rights are granted, it will be the first time in a major Hong Kong public offering and there can be no assurance that withdrawal rights will be capable, in all cases, of being exercised, or that withdrawals will be capable of being processed as envisaged in this Offering Circular or any relevant supplemental announcement

In the event that any Future Challenge is made or threatened at any time before the Global Offering becomes fully unconditional, it is possible that withdrawal rights may be granted to successful applicants (see the sub-sections headed “Rights of Withdrawal and Basis of Allocations and Application under the Hong Kong Public Offering” and “Procedures for Withdrawal(s)” in the section headed “Possibility of Legal Challenge and Related Terms and Conditions of the Global Offering” in this Offering Circular).

If withdrawal rights are granted on this basis, it will be the first time that this has been done in a major Hong Kong public offering.

In case withdrawal rights are granted, the basis on which withdrawal rights are expected to be granted and exercisable is described in the section headed “Possibility of Legal Challenge and Related Terms and Conditions of the Global Offering — Procedures for Withdrawal(s)” in this Offering Circular.

These procedures have not previously been utilised in Hong Kong and there can be no assurance that there will not be problems with systems or that other logistical problems will not arise. In case of any such problems, there can be no assurance that withdrawal procedures will be capable of being implemented as envisaged, or so as to provide an effective means of exercising withdrawal rights on a timely basis or at all.

In particular, for applicants who apply through brokers, banks or other intermediaries, their ability to exercise withdrawal rights may be dependent on the ability to give effective instructions to the intermediary concerned, and the effective execution of instructions by that intermediary. There can be no assurance that it will be possible or practicable for applicants to give effective instructions to brokers, banks or other intermediaries through which they may have applied, or that such intermediaries will effectively execute any such instructions on a timely basis or at all. Brokers, banks or other intermediaries may impose requirements in connection with the giving of instructions for the exercise of withdrawal rights. Such requirements may not be referred to, or may differ from the requirements set out, in this Offering Circular or any relevant supplemental announcement and may include, without limitation, imposing earlier deadlines for the receipt of instructions for the exercise of withdrawal rights than are imposed in any relevant supplemental announcement.

If the procedures described in this Offering Circular (or in any announcement supplemental to this Offering Circular) for the exercise of withdrawal rights are not capable of being implemented as envisaged, or so as to provide an effective means of exercising withdrawal rights, whether on a timely basis or at all, or if it is not possible or practicable for applicants who have applied through brokers, banks or other intermediaries to give effective instructions to such intermediaries, or if such intermediaries fail to execute any such instructions effectively (whether on a timely basis or at all), it is possible that there could be significant disruption and that applicants and/or the Hong Kong Public Offering could be materially and adversely affected.

There is no assurance that withdrawal rights will be granted, or that the Global Offering will proceed in all circumstances, irrespective of whether withdrawal rights may be (or may have been) granted

If any Future Challenge is made or threatened at any time before the Global Offering becomes fully unconditional, the decision whether or not to grant withdrawal rights is a decision which will be made by and in the discretion of the Manager subject to the conditions of the Global Offering and the Underwriting Agreements. It is not automatic, and there is no assurance that withdrawal rights will be granted in any case where a Future Challenge is made or threatened. The Manager may proceed with the Hong Kong Public Offering without granting any withdrawal rights, notwithstanding that any Future Challenge is made or threatened.

The Hong Kong Public Offering is conditional on the fulfilment or waiver of various conditions as indicated in this Offering Circular (see the section headed “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this Offering Circular). There can be no assurance that such conditions will be fulfilled, or that the Global Offering will proceed in all circumstances, irrespective of whether withdrawal rights may be (or may have been) granted. In particular, the Hong Kong Public Offering is conditional on (among other things) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and neither Underwriting Agreement being terminated in accordance with its terms or otherwise. The Hong Kong Underwriting Agreement may be terminated at any time at or prior to 8:00 a.m. on the Listing Date if, among other things, any Future Challenge by way of judicial review is made or threatened and, having been so made or threatened, is not resolved or determined to the entire satisfaction of the Joint Global Co-ordinators in their absolute discretion. The Hong Kong Underwriting Agreement provides that the Global Offering shall not proceed, and the Hong Kong Underwriting Agreement shall be terminated, if withdrawal rights are granted under the Hong Kong Public Offering and, after such withdrawal rights have been granted, the Joint Global Co-ordinators certify in writing to the Manager and HKHA that: (i) whether as a result of the volume of withdrawals, failure of systems or processes or for any other reason, the withdrawal process proves not to be viable or gives rise to a situation which, in the opinion of the Joint Global Co-ordinators, makes it impracticable or inadvisable to proceed with the withdrawal process or the Global Offering; or (ii) following the exercise of withdrawal rights under the Hong Kong Public Offering and/or any equivalent or similar rights offered or granted to investors under the International Offering, the International Underwriters have been unable to place all the Units in respect of which such withdrawal rights (or any such equivalent or similar rights offered or granted under the International Offering) have been exercised with investors on a basis satisfactory to the Joint Global Co-ordinators after having used all reasonable endeavours to do so. It is expected that similar provisions will be contained in the International Underwriting Agreement.

No interest will be payable with respect to application monies (including any refunded application monies), nor will any compensation be paid for any additional financing costs, on account of or following any extension to the timetable for the Global Offering or otherwise, including if the Global Offering does not proceed for any reason.

Risks Relating to The Link REIT’s Organisation and Operations

There are risks and uncertainties involved in changing from the public to the private sector

The Properties have been owned by HKHA and, prior to 1 March 2005, they have been operated by HKHA which, unlike operators generally in the private sector, does not principally operate its facilities on strict commercial principles. Public policy and socio-economic considerations have played a significant role in determining how HKHA’s facilities are operated. For instance, during the SARS epidemic in Hong Kong, rental concessions were granted by HKHA to its tenants on rents payable to HKHA. As the Properties are transferred from the public to the private sector, the Manager, as a private sector operator, intends to implement certain initiatives and strategies to enhance the performance of, and generate greater revenue from, the Properties, which will change the mode of management of the Properties. Although PropCo has agreed with HKHA to honour certain commitments for certain periods of time (including the fitting of new air-conditioning systems in certain

market stalls (at HKHA's expense, subject to an agreed cap), the charging of concessionary rent and the adoption of tender procedures for certain types of lettings, the deferring of annual reviews of carparking charges until after the Listing Date (or, where special circumstances warrant a review, such earlier date as HKHA and PropCo may agree in writing) and the sharing of management and maintenance expenses for estate common areas in various HOS Courts on certain split-ratios), PropCo and the Manager may not take other public policy or socio-economic considerations into account in managing the Properties. See the paragraphs headed "Property Agreement" and "Policies Side Letter" in the section headed "Material Contracts and Other Documents and Information" in this Offering Circular for further details. For example, if a situation like the SARS epidemic were to arise again in the future, tenants may not receive rental concessions or any other form of concessions in relation to their tenancies. Some of the tenants and operators of the Properties may resist such changes through economic, social, legal or political means, which could negatively impact the operations of The Link REIT and reduce the revenue generated from the Properties. Moreover, the timeframe for the successful implementation of changes to private sector modes of management cannot be predicted with certainty, which may result in uncertainties with respect to The Link REIT's cost structure and revenue during the transition period. There can be no assurance that the Manager will be able to implement changes to the mode of management of the Properties successfully.

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

In 2003, there was an outbreak of SARS in Hong Kong, other Asian countries and Canada. The SARS outbreak had a significant adverse impact on the economies of many of the countries affected. Recently, there have been media reports regarding the spread of the H5N1 virus or "Avian Influenza A" among birds and in particular poultry, as well as some isolated cases in countries outside Hong Kong of transmission of the virus to humans.

There can be no assurance that there will not be a serious outbreak of a contagious disease in Hong Kong in the future. If such an outbreak were to occur, it may have a material adverse impact on the operations of The Link REIT's Properties. For example, its market stalls may be closed by regulatory authorities and the level of customer traffic in the Properties may fall. In such an event, tenants in the Properties may be adversely affected and consequently, The Link REIT's results of operations may suffer. In addition, the occurrence of another outbreak of a highly contagious disease may have an impact on the Hong Kong economy generally, having an adverse effect on The Link REIT's financial condition and results of operations.

The Link REIT and/or HKHA may be subject to claims by third parties

Claims may be made against The Link REIT and/or HKHA by third parties, including applicants under the Previous Offering and other members of the public. Applicants under the Previous Offering may claim to have suffered losses, or to have a right to preferential treatment in the Hong Kong Public Offering, as a result of having been involved, or having been provisionally allocated units, in the Previous Offering. The Link REIT and/or the Manager may face claims, including those arising from: (i) the change in the mode of management and operation of the Properties following the Divestment; (ii) the Properties becoming privately, as opposed to publicly, owned as a result of the Divestment; (iii) allegations that The Link REIT and/or the Manager will be discharging public functions after the Divestment; and/or (iv) management decisions taken generally by the Manager following the Divestment. See also the risk factor headed "There are risks and uncertainties involved in changing from the public to the private sector" above for further details.

Although the Manager does not believe that these claims would be likely to succeed, if any such claims were made they could have a material impact on The Link REIT, its business and its financial condition. In addition, its results of operations could be affected, and the price of the Units could decrease, as a result of these types of claims.

Neither The Link REIT nor the Manager, as new entities, has an established operating history as a REIT or a manager of a REIT (as applicable)

The Link REIT was constituted by the Trust Deed which was entered into on 6 September 2005 and the Manager was incorporated on 20 February 2004. Although the Manager has commenced its operations and has undertaken the management of the Properties since 1 March 2005, it is currently a wholly-owned subsidiary of HKHA and, therefore, has had to manage the Properties under the direction of HKHA and in line with HKHA's existing policies and practices. As such, neither The Link REIT nor the Manager has an operating history as a REIT or a manager of a REIT, respectively, or a track record by which its past performance may be judged. This may make it difficult for investors to assess their likely future performance. In addition, due to the change in the ownership and management of the Properties, the historical operations of the RC Operations may not be indicative of future operations, and the historical costs of the RC Operations may not be indicative of future costs. See the section headed "Manager's Discussion and Analysis of Future Operations" in this Offering Circular for a discussion of the impact that the change in the ownership and management of the Properties may have on The Link REIT's future financial results. Furthermore, for a period of time following the Listing Date, the Manager will have to rely on HKHA for certain operational support services (provided pursuant to the Service Level Agreement), including the provision of property management services in connection with a limited number of the Properties. There can be no assurance that The Link REIT will be able to obtain the support that it requires in order to operate the Properties effectively.

The Manager's operations will be conducted using new and HKHA-owned IT systems

Some of the IT systems that have been put into place for The Link REIT's operations are operated on the Manager's hardware, whilst others are operated on hardware owned by HKHA. The Manager's hardware has been put into place recently, and there is therefore no assurance that it will continue to perform effectively. With regard to HKHA's hardware, although it is intended that this will be transferred to the Manager and/or PropCo pursuant to the Asset Transfer Agreement, there is no assurance that such transfer will be successfully completed. With regard to the infrastructure support in respect of the Manager's IT systems, the Manager and PropCo will enter into the Service Level Agreement with HKHA pursuant to which HKHA will provide, among other services, technical and logistical support services for the Manager's IT systems for a period of time following the Listing Date. If the Manager's IT systems do not operate effectively, the financial condition and results of operations of The Link REIT may be materially and adversely affected.

See the sections headed "Operations of the Manager" and "Background to the Divestment — Transitional Arrangements" in this Offering Circular for further details.

The REIT Code has a limited history and the application and interpretation of its provisions may be uncertain

The REIT Code, to which The Link REIT is subject, was published by the SFC in August 2003 and amended in June 2005. The REIT Code does not have the force of law and, due to its limited history, there are no precedents to date in respect of the application or interpretation of the rules set out therein, and there may be uncertainties in relation to the interpretation and manner of enforcement of such rules. In addition, there can be no guarantee that the rules set out in the REIT Code will not be changed by the SFC. The SFC may, at any time, review its authorisation of The Link REIT and may modify, add to or withdraw any of the conditions of such authorisation, or revoke the authorisation, as it considers appropriate. Furthermore, no assurance can be given that future legislation, administrative rulings, court decisions or changes to the REIT Code will not adversely affect the financial condition and results of operations of The Link REIT or an investment by a Unitholder.

The Manager's operations are subject to regulation

The Manager is required to be licensed under the SFO for the regulated activity of asset management. Although the Manager believes that it will operate and be managed in a manner so as

to remain licensed, no guarantee can be given that it will be able to operate and manage itself in such a manner so as to remain licensed or to remain the management company of The Link REIT. In the event that the Manager ceases to be licensed under the SFO, The Link REIT may need to appoint another management company, which may materially and adversely affect the financial condition and results of operations of The Link REIT. In the event no other management company is found, The Link REIT may be terminated.

The Manager may not be able to implement its strategy

The Manager's key objective for the The Link REIT is to provide Unitholders with stable distributions per Unit with the potential for sustainable long-term growth of such distributions. Whilst the Manager has established clear plans and specific strategies to accomplish this objective, there can be no assurance that it will be able successfully to implement such plans 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 Manager aims to achieve from such changes may therefore not be realisable within the expected timeframe, if at all. In terms of expenditures that the Manager plans to make to enhance the shopper traffic, rental income and sales at the Properties, there is no assurance that such expenditures will generate the targeted returns or business. Such expenditures are expected to be funded from further debt or equity funding after a six-month period commencing on the Listing Date. In relation to the Manager's aim of achieving an optimal capital structure for The Link REIT, its ability to achieve this goal will depend upon, among other things, whether The Link REIT will be subject to limitations on effecting further desired borrowings, whether The Link REIT will be able to raise any additional equity funding and whether such fund raising exercises can be effected on favourable terms.

Furthermore, The Link REIT's structure, strategies and investment policies are constrained by the REIT Code which, for instance, limits The Link REIT's borrowings to no more than 45% of its total gross asset value and requires The Link REIT to distribute to Unitholders as dividends an amount no less than 90% of its audited net income after tax for each financial year. Such restrictions may affect the operations of The Link REIT and restrict its ability to achieve its strategies in a timely manner or at all.

If the Manager is unsuccessful in implementing its strategies, The Link REIT's business, financial condition and results of operations could be materially and adversely affected, the price of Units could decrease and distributions could be constrained.

There are limitations on The Link REIT's ability to leverage

The Link REIT is expected to use leverage in connection with its investments. Borrowings by The Link REIT are limited by the REIT Code to no more than 45% of the REIT's total gross asset value. There can be no assurance that The Link REIT's borrowings will not over time exceed 45% of its gross asset value, whether following any revaluation of assets or otherwise (see the section headed "Material Contracts and Other Documents and Information" in this Offering Circular). From time to time, The Link REIT 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) the restriction on further drawdowns under the Loan Facility if the LTV exceeds 40% as a result of such drawdowns; and (iii) the covenant contained in the Facility Agreement requiring FinanceCo to prepay the Loan Facility mandatorily in an amount sufficient to restore the LTV to 40% or less, provided that such prepayment may not be paid if the Manager is of the reasonable opinion that it 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 the Unitholders in accordance with the REIT Code following such prepayment in which case the Manager 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 within seven months and before the maturity date of the Loan Facility (see the section headed "Material Contracts and Other Documents and Information" in this Offering Circular for a description of the Facility Agreement). The Link REIT may also face difficulties in securing timely and commercially favourable financing in asset-backed lending transactions secured by real estate.

In addition, the use of leverage may increase the exposure of The Link REIT to adverse economic factors such as rising interest rates and economic downturns. The Link REIT is subject to general risks associated with debt financing, including the risk 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.

Furthermore, since there has previously been no market for the Properties, it is not clear how they may be valued in the market upon a proposed financing. As a result, lenders may be reluctant to finance The Link REIT's properties or may apply stringent underwriting criteria. This could lead to higher borrowing costs, reduced proceeds or, in an extreme case, the unavailability of financing. See also the risk factor headed "The sale price for a Property may be less than its current valuation or the purchase price paid by The Link REIT" below. Furthermore, the Loan Facility available to The Link REIT is only a bridging facility for a period of one year following completion of the Global Offering. Such facility will need to be refinanced prior to or repaid at its expiry. There is no assurance that The Link REIT will be able to refinance such facility on favourable terms or refinance or repay such facility at all.

The Manager may change The Link REIT's investment strategies

The Link REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Manager. Unitholders and potential investors should note that, subject to the requirements of the REIT Code, the Trust Deed, the Listing Agreement and applicable law, the Manager has absolute discretion to determine the investment strategy of The Link REIT. Furthermore, as with other investment decisions, there are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

The Link REIT is significantly dependent on key executives of the Manager

The Link REIT's success is significantly dependent upon the efforts and abilities of the Manager's senior management team. While the Manager believes it could find replacements for these key executives, the loss of any of these individuals could have a material adverse effect on The Link REIT's financial condition and results of operations.

Certain data in this Offering Circular obtained from HKHA have not been independently verified or physically measured

HKHA has managed the Properties and has maintained records and data, including its categorisations for the Properties, according to practices and requirements developed by or applicable to HKHA as a public sector body and according to its statutory functions. Such practices, requirements, records, data and mode of categorisation do not accord in various respects with practices and requirements in the private commercial sector, including those which may be required, or appropriate, for The Link REIT. In particular, although HKHA has stipulated internal procedures for establishing and recording IFA within the RC Operations (which procedures include preparation of formal architectural drawings at the time of development and manuals governing the entry of IFA into a database), these procedures do not include regular or periodic review. No independent report of HKHA's IFA is available in its records and, given the size and nature of the portfolio of RC Operations, the Manager has not considered it practicable or appropriate to undertake physical verification of this data. While HKHA has had no reason to believe that its methods for establishing IFA are inappropriate or inadequate, or that there are material inaccuracies in its IFA records, any discrepancy between actual and recorded IFA may have a negative effect on future rental income.

Risks Relating to Investments in Real Estate

There are general risks attached to investments in real estate

Investments in real estate are subject to various risks, including: (i) adverse changes in national or economic conditions; (ii) adverse local market conditions; (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 and other governmental rules and fiscal 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 oversupply 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 The Link REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Hong Kong.

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

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 The Link REIT operates, the attractiveness of The Link REIT's properties to tenants, management style, competition from other available properties, untimely collection of rent, changes in laws and increased operating costs (including real estate taxes) and expenses. In addition, income from real estate may be affected by such factors as the cost of regulatory compliance, interest rate levels and the availability of financing. The Link REIT's income would be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented out on favourable terms. As at 31 July 2005, there were a minimum of 231 tenancies containing provisions requiring tenants of the Properties to arrange for replacement guarantees to be given in favour of PropCo, the total value of which amounted to approximately HK\$74.3 million. In relation to the remaining tenancies as at 31 July 2005, the bank guarantees of which are not capable of being compulsorily transferred or replaced (the total value of which amounted to approximately HK\$90.3 million) The Link REIT will have no recourse to such bank guarantees in the event of non-payment of rent by tenants under such tenancies.

Out of the 760 tenancy agreements with bank guarantees, 375 have been checked as part of the 1,000 tenancies gathered for the purpose of tenancy due diligence. 231 of these checked tenancy agreements were found to contain the relevant clauses, with a corresponding bank guarantee value of HK\$74.3 million. Therefore, HK\$90.3 million has been adopted as the maximum value of tenancies without the assignment or replacement clause. If the Properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditure, The Link REIT's ability to make distributions will be adversely affected. In terms of expenditure, capital expenditure and other expenses may be irregular since continuing repairs and maintenance involve significant, and potentially unpredictable, expenditure. Both the amount and timing of expenditure will have an impact on the cash flow of The Link REIT. Physical defects relating to the Properties may thus have an adverse effect on the financial condition of The Link REIT. Certain significant expenditures associated with investments in real estate (such as insurance costs and operating and maintenance costs) generally are not reduced and may even increase in circumstances which cause a reduction in income from a property, which could have an adverse effect on the financial condition and results of operations of The Link REIT.

The Link REIT is dependent on the performance of its tenants, and its ability to make distributions may be adversely affected by the loss of its tenants or a downturn in the business of its tenants

The Link REIT is dependent to a significant degree on a limited number of tenants. The 10 largest tenants of the Retail Facilities (in terms of monthly base rent for July 2005) accounted for 34.8% of the total monthly base rent from the Retail Facilities. The Link REIT's financial condition, results of operations and ability to make distributions may be adversely affected by the insolvency or downturn in the business of tenants whose rents make up a material proportion of the operating income of the Retail Facilities, including the decision by such tenants not to renew their Leases or to terminate their Leases before they expire (in cases where tenants have termination rights exercisable by written notice). 39.9% of annualised rental income based on the monthly base rent for July 2005 was generated by tenants with Leases containing early termination rights. If the sales of stores operating in the Retail Facilities were to decline significantly, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of defaults by tenants whose rents make up a material proportion of the operating income of the Retail Facilities, The Link REIT is likely to experience delays and costs in enforcing its rights as lessor. Also, if tenants reduce their leased space in the Retail Facilities, there could be a material adverse effect on the financial condition and results of operations of The Link REIT.

There may be uninsured or under-insured losses

The REIT Code requires the Manager to arrange adequate property damage insurance and public liability insurance coverage in relation to the Properties. These requirements are further entrenched in the Trust Deed, requiring the Manager to obtain and maintain insurance coverage in respect of the assets of The Link REIT usually insured in the normal course of business, with such reputable insurance companies as may be determined by the Manager and notified to the Trustee against fire, loss of rent and such other risks as the Manager or the Trustee may deem prudent. Since November 2004, the Properties have been insured against, among others, the risks associated with property damage. In respect of public liability insurance, the Properties are currently covered by HKHA's public liability insurance arrangements which will be replaced by The Link REIT's public liability insurance upon the Listing Date. The Link REIT has valid insurance and will maintain insurance, in each case, as required by and in accordance with the REIT Code. The Manager has also put in place employees compensation and third-party motor vehicle liability insurances, 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 Link REIT may be adversely affected by the illiquidity of real estate investments

Real estate investments are relatively illiquid. Furthermore, in accordance with the REIT Code, The Link REIT is prohibited from disposing of its properties for at least two years from the time such properties are acquired, unless Unitholders have passed a Special Resolution consenting to the proposed disposal. Such illiquidity may affect The Link REIT'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 The Link REIT 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, The Link REIT 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 The Link REIT'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 the provisions of applicable legislation, including the Lands Resumption Ordinance (Chapter 124 of the Laws of Hong Kong), the Roads (Works, Use and Compensation) Ordinance (Chapter 370 of the Laws of Hong Kong), the Railways Ordinance (Chapter 519 of the Laws of Hong Kong), the Land Acquisition (Possessory Title) Ordinance (Chapter 130 of the Laws of Hong Kong), the Land Drainage Ordinance (Chapter 446 of the Laws of Hong Kong), the Urban Renewal Authority Ordinance (Chapter 563 of the Laws of Hong Kong) and the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Chapter 276 of the Laws of Hong Kong).

In the event of any compulsory acquisition of property in Hong Kong, the amount of compensation to be awarded is based on the market value of a property and is assessed on the basis prescribed in the relevant ordinances. If any of the Properties were acquired compulsorily by the Government, the level of compensation paid to The Link REIT pursuant to this basis of calculation may be less than the price which The Link REIT paid for such Properties.

Risks Relating to The Link REIT's Property Portfolio***The Link REIT will beneficially own but will not have immediate legal title to 24 of the List 1 Properties and all the List 2 Properties***

As described in the section headed "Material Contracts and Other Documents and Information" in this Offering Circular, The Link REIT will have beneficial ownership of all of the List 1 Properties and the List 2 Properties by virtue of the Government Agreement and the Property Agreement upon completion of the Global Offering. However, The Link REIT will not have legal title to 24 of the List 1 Properties until the necessary work has been completed by HKHA and the relevant Government departments to enable legal title to be satisfactorily transferred to The Link REIT. It is intended that the legal title to these 24 List 1 Properties will be transferred to The Link REIT following the Listing Date, with the process tentatively intended to be completed by: (i) the end of December 2005 for 10 of the List 1 Properties; and (ii) the first quarter of 2006 for the remaining 14 List 1 Properties. In addition, The Link REIT will not have legal title to the List 2 Properties until Government Leases of the Housing Estates within which the List 2 Properties are situated have been granted to HKHA and legal title to the List 2 Properties has been consequentially assigned to PropCo. The Government has agreed under the Government Agreement to grant such legal title to HKHA as soon as reasonably practicable. HKHA has agreed under the Property Agreement to procure that legal title to the Housing Estates within which the List 2 Properties are situated is granted to it by the Government pursuant to the Government Agreement as soon as reasonably practicable with a view to assigning legal title to the List 2 Properties to PropCo as soon as reasonably practicable. It is intended that the legal title to the List 2 Properties will be transferred to The Link REIT in batches following the Listing Date, with the process tentatively intended to be completed by the middle of 2008. The Property Agreement provides for close liaison between HKHA and PropCo on such title creation process and HKHA is obliged to inform PropCo in writing of the progress of the creation of legal title to the List 2 Properties every three months. Such progress will be reported in the interim reports and annual reports of The Link REIT to Unitholders. However, there is no exact timeline for transferring the legal title to the 24 List 1 Properties, and similarly, there is no exact timeline for creating and assigning title to the List 2 Properties to PropCo. There is no specified recourse against the Government in the event it fails to comply in a timely manner with the Government Agreement, and a protracted delay in completing this process may restrict The Link REIT from its ability to dispose of the List 2 Properties should it wish to do so at any time subsequent to the two-year holding period prescribed by the REIT Code.

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

Most of the tenancies for the Properties are for periods of three years or less, which reflects the general practice in the Hong Kong retail property market. Furthermore, tenants at the Properties generally have a right to terminate their tenancies upon three months' notice. As a result, each of the Properties experiences lease cycles within which a significant number of Leases expire each year. This

frequency of renewals makes The Link REIT susceptible to rental market fluctuation which, in a declining market, may lead to higher vacancies and lower rents and which will in turn reduce the revenues of The Link REIT. The tenancy retention rates of expiring Leases in the years ended 31 March 2003, 2004 and 2005 were 87.3%, 91.8% and 94.3%, respectively.

See also the table set out under the section headed “The Properties and Business — The Properties — Details of the Retail Facilities — Leases — Lease Profile” in this Offering Circular for further details of the Lease expiry profiles of the Retail Facilities as at 31 July 2005.

The Link REIT may be adversely affected as a result of having only minority rights under deeds of mutual covenant and minority strata title ownership interests

The Link REIT’s minority ownership interest in some of the Housing Estates within which the Properties are situated may adversely affect The Link REIT’s rights under the respective deeds of mutual covenant for these Housing Estates. In these situations, The Link REIT will not have the ability to control certain major decisions relating to some of the 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 The Link REIT 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, The Link REIT. See the section headed “The Properties and Business” in this Offering Circular.

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

There can be no assurance that the buildings in Housing Estates neighbouring the 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 many of the Properties. Any such closure or redevelopment could reduce the number of local occupiers that frequent the Properties or, alternatively, could add properties that compete with the Properties, either of which could have a material adverse effect on The Link REIT’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 The Link REIT

The valuation of the Properties by the Independent Property Valuer emphasised the use of discounted cash flow analysis and the capitalisation approach (see the risk factor headed “The valuation analysis may prove to be unrepresentative of an investment in The Link REIT” below).

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 also the risk factor headed “The Link REIT may be adversely affected by the illiquidity of real estate investments” above.) Accordingly, there can be no assurance that The Link REIT 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, The Link REIT to purchase, such Property.

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

The Independent Property Valuer adopted both the discounted cash flow analysis and the capitalisation approach as the primary methods in valuing the Properties as at 30 September 2005.

The discounted cash flow method 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 capitalisation method 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.

The valuation is dependent on (among other things) capital expenditure forecasts produced by the Property Consultant based on building surveys and building services engineers' inspections. For further details, see Appendix VI to this Offering Circular and the risk factor headed "The due diligence exercise on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies" below.

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 of, and does not guarantee, that a Property could be sold by The Link REIT at that price currently or in the future. The price at which The Link REIT may sell a Property (if at all) may be lower than the purchase price of the Properties to be paid by The Link REIT.

The due diligence exercise on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies

The Property Consultant has conducted a due diligence exercise on the physical condition of all of The Link REIT's 180 Properties as described in the section headed "The Properties and Business — Due Diligence" in this Offering Circular. Such due diligence has involved surveys, inspections and re-inspections conducted by both building surveyors and building services engineers (see generally Appendix VI to this Offering Circular).

The due diligence exercise included a building consultancy due diligence review for each estate. As described in the summary of the Property Consultant's building due diligence report set out in Appendix VI to this Offering Circular, and having regard to the size and composition of the portfolio of Properties, the due diligence exercise comprised: (i) full surveys, inspections and re-inspections on a sample of the Properties considered by the Property Consultant to be representative of the portfolio and which accounted for approximately 47% of the net income of the Properties for the financial year ended 31 March 2005; and (ii) more general inspections and re-inspections of the remaining Properties based on (among other things) the results from the sample full surveys, inspections and re-inspections. The Property Consultant also conducted a reliability assessment of status reports prepared by HKHA in relation to each of the Properties by comparing the results of its own surveys, inspections and re-inspections with the status reports prepared by HKHA. The Property Consultant commenced inspections of the Properties on 3 March 2004 and completed its site visits on 28 July 2004. The Property Consultant conducted re-inspections from December 2004 to June 2005. The Property Consultant subsequently revisited its reports, with the final reports being passed to the Independent Property Valuer on 12 September 2005.

The due diligence reviews, surveys, inspections and re-inspections have been conducted by an independent property consultant. Nevertheless, the due diligence process with respect to the physical condition of the Properties was conducted on a purely visual basis and has been limited as described in the results of the Property Consultant's building due diligence report set out in Appendix VI to this Offering Circular. There can be no assurance that such reviews, surveys, inspections and re-inspections (or the relevant review, survey, inspection or re-inspection reports on which The Link REIT, the Manager and/or, the Underwriters have relied) would have revealed all defects or deficiencies affecting the portfolio of Properties. In particular, there can be no assurance as to the absence of: (i) latent or undiscovered defects or deficiencies; or (ii) inaccuracies or deficiencies in such review, survey, inspection or re-inspection reports, any of which could have a material adverse impact on The Link REIT's financial condition and results of operations.

The risk of undisclosed defects, breaches and deficiencies is necessarily increased as a result of: (i) the reliance on sample checks as part of the overall methodology due to the size of the portfolio of the Properties; and (ii) the time interval between completion of the review, survey and inspection process and the date of this Offering Circular.

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 as described above, these may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties, other than those disclosed in this Offering Circular. 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 The Link REIT'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.

The Link REIT, as a private sector entity, is subject to certain legal and regulatory compliance obligations to which HKHA is not subject

Entities in the private sector are subject to different legal and regulatory compliance regimes than entities in the public sector. Upon the public-to-private transition being effected, the Properties will become subject to the provisions of the Buildings Ordinance and the Lifts and Escalators (Safety) Ordinance, which did not apply to HKHA (see the sections headed "Manager's Discussion and Analysis of Future Operations" and "The Properties and Business — Business — Legal and Regulatory Compliance" in this Offering Circular). There can be no assurance that the Manager will be able to comply with the requirements under these ordinances or other applicable laws and regulations or that it will not be required to incur significant expenditures 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 The Link REIT to incur material costs

Although HKHA has warranted under the Share Purchase Agreement that it has conducted its business (in so far as the Properties are concerned) in accordance with applicable environmental laws and regulations and there is no pollution or contamination emanating from any of the Properties, neither HKHA nor the Manager has conducted detailed environmental surveys on any of the Properties.

Some of the properties in the portfolio of Properties have previously contained ACBMs. Pursuant to HKHA's asbestos abatement programme, HKHA believes it has removed substantially all of the ACBMs. 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 Properties that could require investigation or remediation. For example, a small number of the Properties are 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, The Link REIT could be required to conduct costly investigations or cleanups or, in severe cases, temporarily or permanently close off affected Properties. Environmental concerns could also cause a reduction in rental income or resale prices, or otherwise limit The Link REIT's ability to lease or sell individual Properties.

The Link REIT's Properties are located entirely in Hong Kong, which exposes The Link REIT to geographic and market concentration risk

Since all of the Properties are situated in Hong Kong, the political environment in Hong Kong or a general downturn in the Hong Kong economy would have a greater impact on The Link REIT 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 may be lessened due to the fact that the Properties aim to serve the daily needs of the residents of the Adjacent Housing Estates, this will not fully insulate the Properties from the consequences of a downturn in the Hong Kong economy. In addition, The Link REIT invests primarily in convenience-based retail and carpark real estate which may entail a higher level of risk than a portfolio which has a more diverse range of asset types.

Hong Kong's retail properties and carpark markets are highly competitive

New facilities built in the vicinity of the Properties may compete with the Properties for tenants. This competition may affect The Link REIT's ability to maintain existing occupancy and utilisation rates, rental rates and carpark charges in respect of the Properties. In order to avoid falling occupancy/utilisation levels, rental rates and carpark charges in respect of the Properties, rents and 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 The Link REIT's revenues. The competitive business environment among retailers in Hong Kong may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent.

Many of The Link REIT's Properties are subject to restrictive covenants

Restrictive covenants are imposed on a number of The Link REIT's Properties. These restrictive covenants mean that if PropCo (or any of its successors in title) wishes to assign, mortgage or charge any of the Carpark Facilities within a Housing Estate at 13 List 1 Properties and all the List 2 Properties then, so long as HKHA remains 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 the Carpark Facilities within such Housing Estate as a whole and not in part(s). 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 at 74 List 1 Properties and 74 List 2 Properties, then any such assignment, mortgage or charge by PropCo (or its successors in title) must be of the Retail Facilities within such Housing Estate as a whole and not in part(s). The restriction in respect of the Retail Facilities, however, survives any subsequent disposal by HKHA of any residential units in the relevant Housing Estate within which the Retail Facilities are situated (see the section headed "Material Contracts and Other Documents and Information — Agreements Relating to the Acquisition of the Properties — Property Agreement" in this Offering Circular for further details). Therefore The Link REIT will not have complete flexibility to assign, mortgage or charge part(s) of these Properties which may mean that The Link REIT in the future would not be able to achieve as high a price for some of these Properties as it would have been able to were it to have the flexibility to assign part(s) of these Properties to a number of purchasers. Similarly, such inflexibility may also be reflected in any financing terms should The Link REIT wish to grant security over these Properties for the purpose of securing longer-term debt financing.

Risks Relating to an Investment in the Units

The Units have never been publicly traded and the Global Offering may not result in an active or liquid market for the Units

Prior to the Global Offering, there has been no public market for the Units and an active public market for the Units may not develop or be sustained after the Global Offering. Although the Units will be listed on the Hong Kong Stock Exchange following completion of the Global Offering, this does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market. As The Link REIT is Hong Kong's first REIT, it is also unknown whether an active market for trading of units in REITs will develop in Hong Kong.

As REITs are new investment products in Hong Kong, there are presently no official or directly comparable benchmarks against which The Link REIT's performance is or will be measured.

Unitholders have no right to require the redemption of their Units

Unitholders have no right to require the redemption of their Units. Therefore, there can be no assurance that a Unitholder will be able to dispose of its Units at the Offer Price or any price, or at all. Accordingly, Unitholders may only be able to liquidate or dispose of their Units through a sale of such Units to third parties on the secondary market.

The price of the Units will depend on many factors and may decline after the Global Offering

The Offer Price of the Units will be determined by agreement between HKHA, the Manager and the Joint Global Coordinators (on behalf of the Underwriters) and may not be indicative of the market price for the Units after completion of the Global Offering.

The Units may trade at prices significantly below the Offer Price after the Global Offering and the price of the Units may be volatile. The price of the Units will depend on many factors, including but not limited to:

- the perceived prospects of The Link REIT's business and investments and the Hong Kong real estate market;
- differences between The Link REIT's actual financial and operating results and those expected by investors and analysts;
- changes in The Link REIT's revenues or earnings estimates or analysts' recommendations or projections;
- changes in general economic or market conditions, both domestically and internationally;
- the market value of The Link REIT's assets;
- changes in interest rates and the consequential impact on investments with interest rate sensitive returns;
- the perceived attractiveness of the Units against those of other securities, including those not related to the real estate sector;
- litigation or threats of litigation against The Link REIT or HKHA;
- the balance of buyers and sellers of the Units;
- the future size and liquidity of the Hong Kong REIT market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Hong Kong REITs;
- the ability on The Link REIT's part to implement successfully its investment and growth strategies and to retain its key personnel; and
- broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, Units may trade at prices higher or lower than the attributable NAV per Unit.

In addition, the Units are not guaranteed by any person or Governmental entity. If The Link REIT is terminated, Unitholders may potentially receive substantially less than the amount of their original investment and may have no further entitlement beyond any final distribution received on termination and no further ability to participate in income or gains from the Properties.

The forward-looking information in this Offering Circular may prove inaccurate

This Offering Circular contains forward looking statements regarding, among other things, The Link REIT's distribution plans set forth in the section headed "Statements of Distribution", the Manager's profit forecast set forth in the section headed "Profit Forecast" and the Manager's assessment of future operations set out in the section headed "Manager's Discussion and Analysis of

Future Operations". Such forward looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of The Link REIT or the Manager to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements and financial information. Such forward looking statements and financial information are based on numerous assumptions regarding the Manager's present and future business strategies and the environment in which The Link REIT or the Manager will operate in the future, many of which are outside of The Link REIT's control (see the sections headed "Profit Forecast" and "Statements of Distribution" in this Offering Circular). In addition, The Link REIT's revenue is dependent on a number of factors including the ability of the Manager to implement fully its letting strategy and policies, the interest rates applicable under any financing arrangements made available to The Link REIT, and the receipt of rent from the Properties, which may decrease for a number of reasons, including the lowering of occupancy and rental rates, insolvency or delay in rent payment by tenants. This may adversely affect The Link REIT's ability to achieve the Manager's profit forecast as some or all events and circumstances assumed may not occur as expected, or events and circumstances may arise which are not currently anticipated. Because such statements and financial information reflect the Manager's current views concerning future events, such statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could materially differ from such forward looking statements and financial information, including the risks faced by The Link REIT as described elsewhere in this Offering Circular. Therefore, the inclusion of such forward looking statements and financial information cannot be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, the Joint Global Coordinators or any other person, nor that such results will be achieved or are likely to be achieved.

Distributions to Unitholders will be subject to cash flow

The net operating profit earned from real estate investments depends on, among other factors, the amount of rental income received and the level of operating and other expenses (including in respect of the payment of interest and repayment of principal) incurred. If the Properties and any other assets held by The Link REIT from time to time do not generate sufficient net operating profit and The Link REIT is unable to borrow funds from the market in a timely and cost-effective manner, The Link REIT's income, cash flow and ability to make distributions will be adversely affected.

The Manager's policy is to distribute to Unitholders as dividends an amount equal to 100% of The Link REIT's Total Distributable Income as more fully described in the section headed "Distribution Policy" in this Offering Circular. Pursuant to the Trust Deed, The Link REIT is in any event required to distribute, in respect of each financial year, at least 90% of its Total Distributable Income plus, in its discretion, any additional amount (including capital, in accordance with the accounting policies of The Link REIT) that the Manager determines is distributable. It is possible that Total Distributable Income accruing to Unitholders may exceed total cash available to The Link REIT because of items such as capital expenditure. Accordingly, distributions may need to be funded by cash generated from the sale of assets. The Link REIT may also face periodic liquidity constraints and may be reliant on borrowing funds in order to pay distributions. However, the ability of The Link REIT to incur any additional borrowing is subject to: (i) the maximum borrowing limit prescribed by the REIT Code; (ii) the restriction on further drawdowns under the Facility Agreement if the LTV exceeds 40% as a result of such drawdowns; and (iii) the covenant contained in the Facility Agreement requiring FinanceCo to prepay the Loan Facility mandatorily in an amount sufficient to restore the LTV to 40% or less, provided that such prepayment may not be paid if the Manager is of the reasonable opinion that it 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 the Unitholders in accordance with the REIT Code following such prepayment and the Manager 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 within seven months and before the maturity date of the Loan Facility (see the section headed "Material Contracts and Other Documents and Information" in this Offering Circular for a description of the Facility Agreement). In the event that the total borrowings of The Link REIT reach the borrowing limit

prescribed by the REIT Code and The Link REIT does not have sufficient cash to fund distributions, distributions will be accrued until sufficient cash flow is generated to fund those distributions.

In addition, the Manager has stated that, in the absence of unforeseen circumstances, Unitholders will be paid certain minimum distributions for the period from 25 November 2005 to 31 March 2006 and the financial year ending 31 March 2007 (see the section headed “Statements of Distribution” in this Offering Circular). The Link REIT may not have sufficient cash available to pay these distributions and may therefore have to partly fund such distributions out of capital and/or borrowings in accordance with the REIT Code and the accounting policies of The Link REIT.

No assurance can be given as to The Link REIT’s ability to pay or maintain distributions. Nor is there any assurance that the level of distributions will increase over time, or that there will be increases in rent under the Leases of the Properties (or leases of other properties held by The Link REIT for the time being), that vacated Properties (or other properties held by The Link REIT for the time being) will be re-let or that the receipt of rental revenue in connection with any expansion of the Properties or future acquisitions of properties will increase The Link REIT’s income available for distribution to Unitholders. In addition, The Link REIT’s income available for distribution to Unitholders is dependent in part on the net profit of certain wholly-owned operating companies held by the Trustee on behalf of The Link REIT.

The all-in-cost of the Loan Facility is uncertain

The all-in-cost of the Loan Facility may vary if the Fixed Rate Term Loan is cancelled, prepaid or otherwise terminated (in each case, whether as a result of FinanceCo’s election or otherwise) prior to its final maturity date under the Facility Agreement as any such cancellation, prepayment or termination may result in FinanceCo being liable to pay (in addition to the interest and principal due under the Loan Facility) breakage costs incurred by any Lender under any interest rate derivative transaction(s) or other interest rate hedging arrangement(s) entered into by that Lender in respect of the Fixed Rate Term Loan. There can be no assurance that the Loan Facility will not be cancelled, prepaid or otherwise terminated prior to its maturity; to the extent it is, such breakage costs could have a material adverse effect on The Link REIT’s results of operations. See the section headed “Material Contracts and Other Documents and Information — Agreements relating to the Acquisition of the Properties — Facility Agreement” in this Offering Circular for further details.

Decreases in property values as a result of the annual revaluation of the Properties could result in decreases in the annual consolidated net profit of The Link REIT and its Total Distributable Income for that year

The Properties are subject to an annual revaluation. In accordance with HKAS 40 “Investment Properties”, any decrease in the valuation of The Link REIT’s investment properties will result in non-cash charges to the profit and loss account, and may give rise to a substantial decline in annual consolidated net profit for the year. Such a decline could result in lower levels of Total Distributable Income and may significantly affect distributions to Unitholders. Under the Trust Deed, Total Distributable Income is the consolidated audited net profit after tax attributable to Unitholders of The Link REIT and each subsidiary owned by the Trustee on trust for and on behalf of The Link REIT for the relevant financial year, adjusted to eliminate the effects of certain Adjustments (as defined in the section headed “Distribution Policy” in this Offering Circular) which have been recorded in the profit and loss account for the relevant financial year. Therefore, pursuant to the definition of Total Distributable Income set out in the Trust Deed, a decrease in the valuation of investment properties will result in a decrease in Total Distributable Income. However, an increase in the valuation of investment properties will not result in an increase in Total Distributable Income.

With respect to the impact of unrealised property revaluation losses (which is not an Adjustment (as defined in the section headed “Distribution Policy” in this Offering Circular) for the purpose of calculating Total Distributable Income), the Manager intends to include in its annual distribution calculations such amounts equivalent to any unrealised property revaluation losses and fair value losses on financial instruments. However, the Manager’s policy is subject to, and may be constrained by, compliance with the gearing level prescribed by the REIT Code (see “There are limitations on The

Link REIT's ability to leverage" above). The REIT Code limits The Link REIT's borrowings to no more than 45% of The Link REIT's total gross asset value. If, as a result of a property revaluation, The Link REIT's total gross asset value falls such that The Link REIT's borrowings are above 45%, the Manager would be required to: (i) retain funds that would otherwise be distributable to Unitholders so as to increase The Link REIT's total gross asset value; (ii) pay down any debt to restore the borrowing level to below 45%; or (iii) cease the making of any further drawdowns if the LTV exceeds 40% or prepay the Loan Facility in compliance with the LTV Prepayment Covenant (see the section headed "Material Contracts and Other Documents and Information" in this Offering Circular for a description of the Facility Agreement). As a result, this restriction may result in the Manager not being able to realise its intention to include such amounts in its distribution and accordingly, such losses, if significant, could substantially reduce the amount available for distribution to Unitholders.

Property yield on real estate to be held by The Link REIT is not equivalent to yield on the Units

Generally speaking, property yield depends on the amount of net property income (calculated as the amount of revenue generated by the properties concerned, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties). Yield on the Units, however, depends on the dividends payable on the Units as compared with the purchase price of the Units. While there may be some correlation between these two yields, they are not the same and will vary accordingly for investors who purchase Units in the secondary market at a market price that differs from the Offer Price.

The NAV of the Units will be diluted if further issues are priced below the NAV

The Trust Deed contemplates that new issues of Units may occur, the issue price for which may be above, at or below the then current NAV of The Link REIT. Where new Units are issued at less than NAV, the NAV of existing Units will be diluted.

There may be risks associated with the future sales of Units

No prediction can be made as to the effect, if any, that future sales of Units, or the availability of Units for future sale, will have on the market price of the Units. Upon completion of the Global Offering (assuming that the Offer Price is at the bottom of the price range), it is expected that the Strategic Partner will own 6.8% (based on a subscription amount of US\$180 million) and HKHA will own 9.9% (assuming the Over-allotment Option is not exercised in full) of the then outstanding Units. Although each of the Co-operation Agreement and the Underwriting Agreements contain restrictions on the disposal of Units held by the Strategic Partner and HKHA, respectively, there can be no assurance that sales of substantial amounts of Units by other parties will not occur or that the Strategic Partner or HKHA will not dispose of their respective Units upon the lapse of such restrictions.

Sales of substantial amounts of Units in the public market following the Global Offering, or the perception that such sales could occur, could adversely affect prevailing market prices for the Units.

The Takeovers Code does not apply to Unit acquisitions and there may be limited information in relation to the interests held by significant holders and other connected persons of The Link REIT

Unitholders' rights differ from, and may be less protective in certain respects than, those granted to shareholders of public companies in Hong Kong. The Hong Kong Code on Takeovers and Mergers does not apply to acquisitions of units in REITs, which means (among other things) that a person may acquire any number of Units without being required to make a general offer to acquire the Units held by other Unitholders. Accordingly, Unitholders may not benefit from a possible premium price and may not receive equal prices for Units sold.

In accordance with the REIT Code, interests in the Units held by connected persons of The Link REIT are required to be disclosed in the annual report of The Link REIT. However, as there is nothing in the SFO which states that the rules on disclosure of interests set out in Part XV of the SFO apply to

the Units, and the provisions of the Trust Deed requiring Unitholders to disclose their interests in The Link REIT do not have the force of law, this may render it difficult for the Manager to enforce such provisions. Accordingly, the amount of publicly available information concerning holders of significant numbers of Units may be limited and complete disclosure of the interests of connected persons cannot be assured.

Certain rights in relation to Units in which a person has an interest or is deemed to have an interest may be suspended under the provisions of the Trust Deed

The Trust Deed contains provisions that require relevant persons to disclose to the Manager information in relation to the acquisition or disposal of interests in the Units. If the Manager believes a person has not complied with the disclosure of interest provisions in the Trust Deed, irrespective of whether such person is a holder of Units, the Manager may, in its absolute discretion, take certain actions in respect of all or a part of the Units in which such person holds or is deemed to hold an interest. Such actions may include suspending the voting rights of such Units, suspending the payment of distributions on such Units, suspending the transfer and registration of such Units and imposing a daily administrative fee payable in relation to each such Unit.

The Units may be delisted from the Hong Kong Stock Exchange

The Hong Kong Stock Exchange imposes certain requirements for the continued listing of securities, including the Units, on the Hong Kong Stock Exchange. Investors cannot be assured that The Link REIT will continue to meet the requirements necessary to maintain the listing of Units on the Hong Kong Stock Exchange or that the Hong Kong Stock Exchange will not change the listing requirements. The Link REIT may be terminated if the Units are delisted from the Hong Kong Stock Exchange.