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## **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)**

### **JOINT VENTURE IN A PRIME OFFICE PORTFOLIO**

### **ACQUISITION OF A 49.9% INTEREST IN A TRUST WHICH OWNS INTERESTS IN PRIME OFFICE PROPERTIES IN AUSTRALIA**

On 9 February 2022, the Buyer and the Buyer Guarantor, being indirectly wholly-owned special purpose vehicles of Link, entered into the Unit Sale Agreement with the Seller and the AOFI I Trustee, pursuant to which, subject to satisfaction or waiver of certain Conditions, the Buyer conditionally agreed to acquire, and the Seller conditionally agreed to sell, the Sale Units, at the Purchase Price. The Sale Units represent 49.9% of all fully paid ordinary units in the capital of AOFI I Trust, a trust constituted by a trust deed under Australian laws. AOFI I Trust is principally engaged in the business of owning and operating the Target Portfolio which will consist of interests in five prime office properties located in central business districts in Sydney and Melbourne respectively in Australia following completion of the Reorganisation.

At Completion, the Buyer will also enter into the Unitholders' Agreement with the Seller and AOFI I Trustee, for the purposes of regulating the Buyer's and the Seller's investment in AOFI I Trust, governing their relationship as unitholders of AOFI I Trust and certain aspects of the business of AOFI I Trust. Further, AOFI I Trustee will enter into the Investment Management Agreement in relation to the engagement of AOFI I Manager as investment manager.

Upon Completion, AOFI I Trust will be held as to 49.9% by the Buyer and 50.1% by the Seller. The Purchase Price (subject to Completion Adjustment) for the Acquisition is AUD596.1 million. As at the date of this announcement, the Buyer has paid the Deposit in the amount of AUD30 million to the Escrow Agent. The Buyer will pay the balance of the Purchase Price in the amount of AUD566.1 million to the Seller at Completion, and the Escrow Agent will release the Deposit to the Seller pursuant to the instructions of the Seller and the Buyer at Completion.

**The Unit Sale Agreement is subject to fulfilment or waiver of certain Conditions. Completion of the Acquisition is subject to the Buyer's and Seller's compliance with each of their obligations as provided under the terms of the Unit Sale Agreement, and may or may not take place. Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units, and are recommended to seek independent professional advice if they are in any doubt about their position(s) and as to the actions that they should take.**

The Manager will make a further announcement upon Completion, or alternatively, if Completion does not take place due to the non-satisfaction of the Conditions. The Manager will also announce any adjustments made by the Buyer or the Seller to the Purchase Price.

This announcement is made pursuant to 10.3 and 10.4(ga) of the REIT Code since the Purchase Price will be more than 1% of the gross asset value of Link. As one of the applicable percentage ratios exceeds 5% and all percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of Link under Chapter 14 of the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code). Upon Completion, as Link will not have majority ownership and control of the AOFI I Trust, Link's interests in the Portfolio Properties indirectly held via its 49.9% interest in the AOFI I Trust joint venture will be treated as "Non-qualified Minority-owned Properties" as permitted under the REIT Code.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the counterparties to the Transaction Documents and their respective ultimate beneficial owners are Independent Third Parties. Accordingly, the transactions contemplated under the Transaction Documents do not constitute connected party transactions of Link under the REIT Code and no Unitholders' approval is required under the REIT Code, the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code) and the Trust Deed to enter into the Transaction Documents.

## SECTION I. OVERVIEW

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The Board is pleased to announce that on 9 February 2022, the Buyer and the Buyer Guarantor, being indirectly wholly-owned special purpose vehicles of Link, entered into the Unit Sale Agreement, pursuant to which, subject to satisfaction or waiver of certain Conditions, the Buyer conditionally agreed to acquire, and the Seller conditionally agreed to sell, the Sale Units, in consideration for the Purchase Price. The AOFI I Trust is a trust constituted by a trust deed under Australian laws. AOFI I Trust is principally engaged in the business of owning and operating the Target Portfolio which will consist of interests in five prime office properties located in central business districts in Sydney and Melbourne respectively in Australia following the Reorganisation.

Upon Completion, AOFI I Trust will be held as to 49.9% by the Buyer and 50.1% by the Seller.

## SECTION II. KEY TERMS OF THE TRANSACTION DOCUMENTS

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### 1. KEY TERMS OF THE UNIT SALE AGREEMENT

The key terms of the Unit Sale Agreement are summarised as follows:

- (A) Date: 9 February 2022
- (B) Parties:
- (i) Link IGO Sub Pty Limited as trustee of the Link IGO Sub Trust as the Buyer;
  - (ii) Link Australia Holdings Pty Ltd as trustee of the Link Australia Holdings Trust as the Buyer Guarantor;
  - (iii) Investa Listed Funds Management Limited as trustee of the OPG Office I Trust as the Seller; and
  - (iv) Davidson Hughes Developments Pty. Ltd. as trustee of the AOFI I Trust.
- (C) Subject of the Acquisition: The Seller will, upon Completion, sell the Sale Units to the Buyer for the Purchase Price, free from all encumbrances and with all rights, including voting and distribution rights, which are attached or accruing to them on and from Completion. The Buyer Guarantor will guarantee the due and punctual performance by the Buyer of all its obligations under the Unit Sale Agreement.

The Sale Units comprise 49.9% of all fully paid ordinary units in the capital of AOFI I Trust, a trust established in Australia principally engaged in the business of owning and operating the Target Portfolio which will consist of interests in five prime office properties located in central business districts in Sydney and Melbourne respectively in Australia following completion of the Reorganisation.

- (D) Deposit: The Deposit in the amount of AUD30 million shall be held by the Escrow Agent and will be directed to an interest-bearing account at an authorised bank in Australia in the joint names of the Seller and the Buyer in accordance with the Escrow Deed. As at the date of this announcement, the Deposit has been fully paid by the Buyer to the Escrow Agent.
- The Deposit and accrued interest thereto must be returned to the Buyer if Completion does not occur for any reason other than default or breach of the Buyer, and the Buyer or the Seller lawfully terminates the Unit Sale Agreement.
- If Completion does not occur due to a default or breach of the Buyer then the Deposit and accrued interest thereto will be paid to the Seller.
- If the Deposit is held by the Escrow Agent on 30 June 2022, the interest accrued on the Deposit up to such date shall be paid in equal shares to the Buyer and the Seller.
- (E) Purchase Price: The Purchase Price for the Acquisition is AUD596.1 million, subject to Completion Adjustment.
- The Buyer will pay the balance of Purchase Price in the amount of AUD566.1 million to the Seller at Completion, and the Escrow Agent will release the Deposit and any accrued interest to the Seller pursuant to the written instruction given by the Seller and the Buyer at Completion.
- The Purchase Price is based on the Estimated NAV together with adjustments in relation to financing arrangements to be entered into post-signing (“**Other Adjustments**”) and was agreed between the Buyer and the Seller after arm’s length commercial negotiation and having taken into account a number of factors including the Appraised Value, the quality of the Portfolio Properties, and prevailing market conditions.
- (F) Completion Adjustment: Following Completion, the Purchase Price is subject to further adjustments, (i) such that if there is a difference between the Estimated NAV and the Actual NAV, the absolute value of such difference will be payable by the Buyer (if the Actual NAV exceeds the Estimated NAV) or the Seller (if the Actual NAV is less than the Estimated NAV), as the case may be, and (ii) Other Adjustments, after agreement or determination of such difference by the Seller and the Buyer, in accordance with the terms and procedures as set out in the Unit Sale Agreement.

Further announcement(s) will be made pursuant to the REIT Code in relation to any adjustments to the Purchase Price as and when appropriate.

(G) Conditions precedent:

Completion will be conditional upon the following conditions being satisfied or waived on or prior to the Sunset Date in accordance with the Unit Sale Agreement:

- (a) the FIRB Approval having been obtained on terms acceptable to the Buyer;
- (b) the Seller having received all required consents from third parties in connection with the transactions contemplated under the Unit Sale Agreement, including the Acquisition and the Reorganisation; and
- (c) the Seller having completed the Reorganisation.

(H) Completion:

Completion will take place after satisfaction of all Conditions thereto.

If the date on which all the Conditions are satisfied or waived:

- (a) is less than five (5) Business Days before the last Business Day of a month, Completion will take place on the first Business Day of the second following month; or
- (b) is five (5) Business Days or more before the last Business Day of a month, Completion will take place on the first Business Day of the first following month.

Upon Completion, AOFI I Trust will be held as to 49.9% by the Buyer and 50.1% by the Seller.

(I) Termination:

In the event that the Conditions are not satisfied on or before the Sunset Date, any party not in breach of the Unit Sale Agreement may terminate the Unit Sale Agreement by notice in writing to the other parties.

The Unit Sale Agreement may also be terminated under the following circumstances:

- (a) if either the Buyer or the Seller fails to complete on the Completion Date and after notice is given by the other party requiring Completion to take place, in accordance with the terms of the Unit Sale Agreement, by the written notice provided by the non-defaulting party to the defaulting party; or
- (b) by the Seller if the Buyer Guarantor fails to perform a material obligation under the Unit Sale Agreement; or
- (c) if either the Buyer or the Seller becomes insolvent, by written notice provided by the other party to the insolvent party.

(J) Warranties and indemnities: The Unit Sale Agreement contains representations, warranties, indemnities and undertakings given by the Seller in customary terms for transactions of this scale and nature.

(K) Governing Law: The laws of New South Wales, Australia

## 2. KEY TERMS OF THE UNITHOLDERS' AGREEMENT

Based on the form of the Unitholders' Agreement as agreed between the parties to the Unit Sale Agreement, the key terms of the Unitholders' Agreement that will be entered into at Completion are summarised as follows:

- (A) Date: To be executed on the Completion Date
- (B) Parties:
- (i) Link IGO Sub Pty Limited as trustee of the Link IGO Sub Trust as the Buyer;
  - (ii) Investa Listed Funds Management Limited as trustee of the OPG Office I Trust being the Seller; and
  - (iii) Davidson Hughes Developments Pty. Ltd. as trustee of the AOFI I Trust.
- (C) AOFI Investor Advisory Committee: The AOFI I Unitholders will agree to establish a committee comprising two of their respective representatives for the purposes of considering and making determinations in respect of recommendations of the AOFI I Trustee or the AOFI I Manager on material matters relating to the business and operation of AOFI I Trust, including, among others, its budget, business plan, distribution policy, financing arrangements and investment strategy from time to time (namely, the "**AOFI Investor Advisory Committee**").
- (D) Commitments and funding: The AOFI I Unitholders will agree to fund contributions in relation to AOFI I Trust in proportion to the AOFI I Units held by them in AOFI I Trust, namely 49.9% for the Buyer and 50.1% for the Seller as at the commencement of the Unitholders' Agreement, in accordance with the budget and business plan unanimously approved by the AOFI Investor Advisory Committee from time to time.

The AOFI I Unitholders will not be under any obligation to provide funding not called in accordance with the budget and the business plan unanimously approved by the AOFI Investor Advisory Committee from time to time in accordance with the Unitholders' Agreement, other than in the context of emergency funding situations or when unanimously approved by the AOFI Investor Advisory Committee, in which case, AOFI I Unitholders will provide funding in proportion to the AOFI I Units held by them in AOFI I Trust from time to time.

(E) Governance: The AOFI I Unitholders will agree that AOFI I Trustee will retain day-to-day control over the operation of AOFI I Trust, while AOFI I Manager will provide investment management services to the AOFI I Trustee pursuant to the Investment Management Agreement.

The AOFI Investor Advisory Committee will review and approve the investment strategy of the AOFI I Trust on an annual basis. The AOFI I Manager will be responsible for monitoring and reviewing AOFI I Trust and AOFI I Trust Group's respective adherence to the investment strategy as approved by the AOFI Investor Advisory Committee, making recommendations to the AOFI Investor Advisory Committee accordingly and implementing actions in accordance with such investment strategy.

(F) Reserved matters: The Unitholders' Agreement will provide that certain material matters relating to the AOFI I Trust will be subject to special majority or unanimous approval by the AOFI Investor Advisory Committee from time to time, including but not limited to the budget and business plan, approval of business opportunities, changes in investment strategy, approval of refinancing arrangements and revision of the distribution policy, each of which will require the unanimous approval of the AOFI Investor Advisory Committee.

(G) Distributions: A minimum of 100% of the net income of the AOFI I Trust will be distributed to each AOFI I Unitholder in proportion to the AOFI I Units held by them in the AOFI I Trust in accordance with distribution guidelines of the AOFI I Trust.

(H) Lock-in period and minimum holding: AOFI I Unitholders may not dispose of their units in the AOFI I Trust or permit a change in control to occur in respect of itself during a lock-in period of thirty eight (38) months after the commencement of the Unitholders' Agreement (other than to members of their own Unitholder Group), unless the unanimous consent of all the other AOFI I Unitholder(s) at such relevant time has first been obtained.

Following expiry of the lock-in period referred to above, AOFI I Unitholders have the first right of offer over AOFI I Units proposed to be sold by each other AOFI I Unitholder.

AOFI I Unitholder must either dispose of its unitholding in whole or dispose specific proportions of such unitholdings as stipulated in the Unitholders' Agreement, provided that if the Buyer sells a certain proportion of its unitholding, the Seller will also have the right to sell a certain proportion of its unitholding, in accordance with procedures set out in the Unitholders' Agreement.

- (I) Other material terms: The Unitholders' Agreement will also contain provisions in relation to rights of first refusal for transfers of units, resolution of disputes and deadlock events, and exit mechanisms for AOFI I Unitholders in connection with the outcome of liquidity reviews, in customary terms for transactions of this scale and nature.
  
- (J) Governing law: The laws of New South Wales, Australia

At Completion, the AOFI I Trustee will also enter into the Investment Management Agreement in relation to the provision of investment management services by the AOFI I Manager to the AOFI I Trustee on the terms as set out therein. The Investment Management Agreement is on arm's length and normal commercial terms agreed by all AOFI I Unitholders.

## SECTION III. INFORMATION ON THE AOFI I TRUST

### A. FINANCIAL INFORMATION ON THE AOFI I TRUST GROUP

AOFI I Trust is a trust constituted by a trust deed under Australian laws, and it is intended that, following Completion, the AOFI I Trust may apply to qualify as a managed investment trust and to avail itself of the concessional managed investment trust withholding tax rate pursuant to Australian laws. It is principally engaged in the business of owning and operating the Target Portfolio which will consist of interests in five prime office properties located in central business districts in Sydney and Melbourne in Australia following completion of the Reorganisation.

Based on the consolidated unaudited accounts of AOFI I Trust, the financial information of AOFI I Trust Group for each of the years ended 30 June 2020 and 30 June 2021 was as follows:

	For the year ended 30 June	
	2021	2020
	AUD'million	AUD'million
Revenue	71.6	62.4
Total income <sup>Note</sup>	206.2	176.8
Profit before taxation	131.8	89.0
Profit after taxation	131.8	89.0

*Note: Total income includes, amongst other things, revenue, share of profit from equity accounted investments and unrealised fair value gain on properties and financial instruments*

Based on the consolidated unaudited accounts of AOFI I Trust for the year ended 30 June 2021, the AOFI I Trust Group had total assets and net assets of approximately AUD1,996.8 million and AUD959.6 million, respectively as at 30 June 2021. For the avoidance of doubt, the above figures do not take into account the Reorganisation to be conducted and completed prior to Completion and thus do not represent the financial position of the AOFI I Trust post Completion.

### B. INFORMATION ON THE PORTFOLIO PROPERTIES

As at 31 December 2021, based on the Valuation Reports, the Appraised Value was AUD1,131.1 million. The average occupancy rate of the Target Portfolio was 92.6% with a weighted average lease expiry period of 5.8 years. As at 31 December 2021, the Net Passing Income of 49.9% of the Target Portfolio amounted to AUD49.6 million with tenants in professional services and financial services sectors contributing over 70% of rental income.

The details of the Portfolio Properties, as based on the Valuation Reports, are as follows:

#### (1) 151 Clarence Street, Sydney

This property, also known as Barrack Place, is an A grade office completed in 2018. The property comprises 16 levels of office space, a mezzanine floor, a ground floor and a lower ground retail, as well as 41 parking spaces over 4 basement levels with total net lettable area of 21,891 sq.m. This property has a 5.5-star NABERS Energy rating and a 4.5-star NABERS Water rating. As at 31 December 2021, the primary tenants of this property include, among others, Arup and Mills Oakley.

AOFI I Trust Group holds a 100% interest in 151 Clarence Street.

**(2) 126 Phillip Street, Sydney**

This property, also known as Deutsche Bank Place, is a premium grade office completed in 2005. The property comprises 31 levels of office space, a ground floor retail, a four-storey commercial-use pavilion, and 84 parking spaces over 1 basement level with total net lettable area of 42,131 sq.m.. This property has a 5-star NABERS Energy rating and a 4.5-star NABERS Water rating. As at 31 December 2021, the primary tenants of this property included, among others, Deutsche Bank and Allens.

AOFI I Trust Group holds a 25% interest in 126 Phillip Street. The remaining interest is held by an Investa-managed fund and a sovereign wealth fund.

**(3) 388 George Street, Sydney**

This property is an A grade office completed in 1976, with major refurbishments including the addition of a 5-storey mixed-use pavilion building completed in 2020. The main office tower of this property comprises 28 levels of office space, a mezzanine floor, a ground floor and a lower ground retail, and 73 basement parking spaces over 2 basement levels. The total net lettable area of the main office tower and the pavilion building is 41,255 sq.m. This property is targeting a 5-star NABERS Energy rating and a 4-star NABERS Water rating. As at 31 December 2021, the primary tenants of this property included, among others, QBE and Aware Super.

AOFI I Trust Group holds a 50% interest in 388 George Street. The remaining interest is held by an alternative investment management company.

**(4) 347 Kent Street, Sydney**

This property is an A grade office completed in 1992 and with a major refurbishment having been completed in 2020. The property comprises 20 upper levels of office space, a ground floor and a lower ground floor retail, as well as 74 parking spaces over 3 basement levels with total net lettable area of 26,819 sq.m.. This property has a 5-star NABERS Energy rating and a 4.5-star NABERS Water rating. As at 31 December 2021, the primary tenants of this property included, among others, IOOF and Zurich.

Following completion of the Reorganisation, AOFI I Trust Group will hold 100% interest in 347 Kent Street.

**(5) 567 Collins Street, Melbourne**

This property is a premium grade office completed in 2015. The property comprises 23 upper levels of office space, a ground floor retail, gymnasiums on 2 levels, and 156 parking spaces over 3 basement levels with total net lettable area of 55,052 sq.m.. This property has a 5.5-star NABERS Energy rating and a 5.5-star NABERS Water rating. As at 31 December 2021, the primary tenants of this property include, among others, Jemena and Corrs Chambers Westgarth.

AOFI I Trust Group holds a 50% interest in 567 Collins Street. The remaining interest is held by an Investa-managed fund.

## **SECTION IV. FEES AND EXPENSES**

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No fee or charge is payable to the Manager as a result of the Acquisition.

No fee or charge is payable to the Trustee as a result of the Acquisition, apart from the Trustee's remuneration under the Trust Deed which is based on prescribed percentages per annum of the Property Values (as defined in the Trust Deed).

## **SECTION V. FINANCIAL IMPACT AND FUNDING OF THE ACQUISITION**

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The Purchase Price for the Acquisition (approximately HKD3,310.2 million) together with the Expenses (approximately HKD85.3 million) will be funded from Link's internal cash resources and debt facilities. The Acquisition is not expected to have any material adverse impact on the financial position of Link as compared with that as at 30 September 2021.

Upon Completion, based on the consolidated financial position of Link as at 30 September 2021 (as disclosed in the 2021/2022 Interim Report), the ratio of total debt to total assets of Link would increase from approximately 23.6% (after adjusting for the impact of the interim distribution declared on 10 November 2021 and paid on 31 December 2021, the acquisition of 75% interest in two modern logistics assets in Guangdong Province which was completed on 27 October 2021, the acquisition of 50% interest in the Sydney core business district retail portfolio which was announced on 7 November 2021, and the acquisition of two institutional grade car park/car service centres and godown buildings in Hong Kong which was completed on 31 December 2021) to approximately 24.6% (assuming a drawdown of HKD3,395.5 million on Link's debt facilities to finance the Acquisition and including the value of Link's interest in AOFI I Trust) as if the Acquisition took place on 30 September 2021.

According to the Unitholders' Agreement to be entered into between the Buyer, the Seller and the AOFI I Trustee at Completion, the Buyer shall contribute funding to the AOFI I Trust in accordance with the budget and business plan to be unanimously determined by the AOFI Investor Advisory Committee from time to time. Based on the current intentions of the Buyer and the Seller in respect of the Target Portfolio, it is expected that other than normal and recurring maintenance in relation to the Portfolio Properties in proportion to the investment held in each of them, there should be no significant capital expenditure in relation to the investment in AOFI I Trust in the immediate future.

## **SECTION VI. REASONS FOR THE ACQUISITION**

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The Acquisition contributes to the geographical and asset diversification of Link's existing portfolio, complements Link's other acquisitions in Australia and is in line with Link's current investment strategy to invest in yield-accretive and income producing real estate which has potential for long-term growth. The Manager believes the Acquisition to be in the best interests of the Unitholders and that the key benefits of the Acquisition are as follows:

### **1. QUALITY OFFICE PORTFOLIO LOCATED IN THE HEARTS OF SYDNEY AND MELBOURNE CORE BUSINESS DISTRICTS**

The Target Portfolio comprises interests in five quality commercial offices of which two are Premium-grade offices and the remaining three are Grade A offices. Each of the Portfolio Properties is located at various prime locations within the respective core business districts of Sydney and Melbourne and benefits from convenient access to public transport networks and infrastructure within the locality. All of the Portfolio Properties are either recently completed or have undergone recent major refurbishments, therefore no material capital expenditure is expected in the near term.

The Portfolio Properties are operating with market leading environmental credentials and have achieved or plan to achieve at least NABERS Star Rating of 5 for Energy and 4.5 for Water. With the prime locations of the Portfolio Properties and premium asset quality, the Portfolio Properties are well positioned to benefit from the emergence of the current "flight to quality" trend for office occupiers which is partially driven by the COVID-19 pandemic.

### **2. STABLE INCOME WITH SUPPORTIVE MARKET FUNDAMENTALS**

The Target Portfolio is 92.6% occupied with a weighted average lease expiry of over 5.8 years. It has a diversified income base backed by tenants with strong financial covenants, as evidenced by the close to full collection rate on office income in 2021. In addition, annual rental escalations at approximately 4% have been built-in which may mitigate the impact of inflation over the lease tenor.

The Australian economy remains resilient and retail spending is expected to pick up as the pandemic situation improves. The Reserve Bank of Australia is forecasting a gross domestic profit growth of around 4.25% in 2022. Meanwhile, Australia's labour market has recovered strongly with its unemployment rate declining to 4.2% in December 2021, and such unemployment rate is also forecasted to fall below 4% in 2022. The positive economic outlook is expected to drive business confidence and support office demand.

### **3. ALIGN WITH LINK'S BUSINESS STRATEGY OF DIVERSIFICATION FOR LONG-TERM SUSTAINABLE RETURNS**

The Acquisition is consistent with the investment strategy of Link in making yield accretive acquisitions in global gateway cities and the Manager's objective of growing returns for Unitholders. The Acquisition is in line with Link's Vision 2025 to pursue portfolio diversification to drive sustainable income and portfolio growth.

#### **4. STRATEGIC PARTNERSHIPS WITH OXFORD AND INVESTA**

The beneficial owner of OPG Office I Trust (being our joint venture partner upon Completion) is Oxford, a leading global real estate investor, manager and developer which has assets under management worth nearly CAD80 billion. AOFI I Trust has been and will continue to be managed by Investa, an industry leading developer, operator and manager of office properties in Australia with close to AUD12 billion assets under management.

Under the terms of the Transaction Documents, there will be inorganic growth opportunities offered by Oxford to the joint venture. Link will work closely with Oxford and Investa on this joint venture to capture both organic and inorganic growth opportunities.

#### **SECTION VII. RISK FACTORS**

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The Manager does not expect the Acquisition to result in a material change to the overall risk profile of Link.

##### **1. RISK OF INVESTMENT IN NON-MAJORITY OWNED PROPERTIES**

Like any other arrangements for non-majority owned properties, the Acquisition may involve certain risks which are inherent in investments with joint ownership arrangements, including the Manager having only joint control and oversight over the daily operations and financial condition of the Target Portfolio, reliance on the AOFI I Manager to manage the Target Portfolio and interests in the Portfolio Properties, and the potential for an exit by or disputes with Seller and the other stakeholders of the Portfolio Properties (as applicable) or their successors or transferees. Disputes with the Seller and the other stakeholders of the Portfolio Properties (as applicable) or their successors or transferees may lead to legal proceedings, and serious disputes may also lead to Link prematurely disposing of its full or partial interests in the AOFI I Trust (for example, in the event that a deadlock with the Seller or its successors or transferees cannot be resolved), and there is no assurance that Link will be able to dispose of its interests in AOFI I Trust at fair market value under such circumstances, which in turn may negatively impact the value of Link's investment. Also, there is no assurance that the Seller or their successor(s) or transferee(s) will not commit a default under the Unitholders' Agreement. The Manager's risk is mitigated given the Unitholders' Agreement requires that certain material matters are subject to special majority or unanimous approval by the representatives of the AOFI I Unitholders and that the Unitholders' Agreement also contains mechanisms for resolving any dispute or deadlock and (if necessary) effecting any exits or buy-outs upon default by any AOFI I Unitholders pursuant to the terms of the Unitholders' Agreement.

## **2. COVID-19 AND OTHER PANDEMICS**

COVID-19 and other pandemics, which are beyond Link's control, may materially and adversely affect the economy, infrastructure and livelihood of tenants in Australia. In particular, the outbreak of COVID-19 across the world may continue to result in prolonged measures to contain the spread of COVID-19, such as regulatory lock-downs, quarantines of people, suspension of operations or delayed resumption of work and production, and travel restrictions imposed by Australia and/or other regions. COVID-19 could continue to potentially affect tenants' ability to pay rent and impact rental income of the Portfolio Properties. In addition, market uncertainties can lead to potential volatilities in interest rates, operating costs, real estate prices as well as exchange rates. This may negatively impact the distributable income from, and valuation of, the Target Portfolio.

## **SECTION VIII. OPINION OF THE BOARD**

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The Board (including the independent non-executive Directors), having taken into account the Manager's duties under the Trust Deed and the REIT Code, is satisfied that: (i) the terms of the Transaction Documents and the respective transactions contemplated thereunder are at arm's length, on normal commercial terms, fair and reasonable and in the interests of Link and the Unitholders as a whole; (ii) the Acquisition and the transactions contemplated under the Transaction Documents are consistent with Link's investment policy and in compliance with the REIT Code and the Trust Deed; and (iii) no Unitholders' approval is required under the REIT Code and the Trust Deed for the Buyer to enter into the Transaction Documents and the transactions contemplated thereunder.

## **SECTION IX. CONFIRMATIONS BY THE MANAGER**

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The Manager has conducted, and is satisfied with the results of, due diligence in respect of AOFI I Trust, the Target Portfolio and Portfolio Properties, and no material irregularities or non-compliance issues have been noted. Such due diligence has been carried out in accordance with the relevant provisions of the REIT Code, the Manager's compliance manual and the Practice Note on Overseas Investments by SFC-authorized REITs contained in the REIT Code. The Manager is of the view that the terms of the Transaction Documents sufficiently protect the interests of Link and the Unitholders as a whole.

The Manager confirms that, in relation to the Acquisition, the Practice Note on Overseas Investments by SFC-authorized REITs contained in the REIT Code has been complied with.

The Manager also confirms that it has the requisite competence, experience and effective internal controls and risk management system for investing in and managing the Target Portfolio via its 49.9% interest in AOFI I trust, notwithstanding its location in Australia, having regard to (among other things) the nature of the Target Portfolio, the provision of property management services by the Property Managers (being professional property management companies) and the engagement of AOFI I Manager by AOFI I Trustee to provide investment management services in AOFI I Trust.

## **SECTION X. OPINION OF THE TRUSTEE**

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Based on and in sole reliance on the opinion of the Board, the information in this announcement and confirmations provided by the Manager, and having taken into account its duties under the REIT Code and the Trust Deed, the Trustee has confirmed that (i) the Acquisition and the transactions contemplated under the Transaction Documents are consistent with Link's investment policy and in compliance with the REIT Code and the Trust Deed; (ii) no Unitholders' approval is required under the REIT Code and the Trust Deed for the Buyer to enter into the Transaction Documents and the respective transactions contemplated thereunder; and (iii) it has no objection to the Acquisition and the transactions contemplated under the Transaction Documents.

## **SECTION XI. REGULATORY IMPLICATIONS**

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### **NON-QUALIFIED MINORITY-OWNED PROPERTIES**

Upon Completion, as Link will not have majority ownership and control of the AOFI I Trust, the Manager will treat Link's interests in the Portfolio Properties indirectly held via its 49.9% interest in the AOFI I Trust joint venture as "Non-qualified Minority-owned Properties" as permitted under the REIT Code.

Under the REIT Code: (i) the value of Link's holding of a Non-qualified Minority-owned Property shall not exceed 10% of the gross asset value of Link at all times; and (ii) the combined value of all Relevant Investments, Non-qualified Minority-owned Properties, other ancillary investments of Link, and Property Development Costs together with the aggregate contract value of uncompleted units of real estate, shall not exceed 25% of the gross asset value of Link. The Manager will comply with these REIT Code requirements, as well as other requirements applicable to Non-qualified Minority-owned Properties, having regard to any relevant guidance published by the SFC, as well as the terms of the Trust Deed.

### **OTHER REQUIREMENTS**

This announcement is made pursuant to 10.3 and 10.4(ga) of the REIT Code since the Purchase Price is more than 1% of the gross asset value of Link. As one of the applicable percentage ratios exceeds 5% and all percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of Link under Chapter 14 of the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the counterparties under the Transaction Documents and their respective ultimate beneficial owners are Independent Third Parties. Therefore, the transactions under the Transaction Documents do not constitute connected party transactions of Link under the REIT Code and no Unitholders' approval is required under the REIT Code, the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code) and the Trust Deed to enter into the Transaction Documents.

## **SECTION XII. GENERAL**

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### **1. INFORMATION ON LINK, THE BUYER AND THE BUYER GUARANTOR**

Link is a collective investment scheme authorised by the SFC whose Units are listed on the Main Board of the Stock Exchange (stock code: 823). Link, managed by the Manager, currently has a diversified portfolio which primarily comprises retail and office properties and car parking spaces in China (both Mainland and Hong Kong), Australia and the United Kingdom. HSBC Institutional Trust Services (Asia) Limited is the trustee of Link.

The Buyer is a company incorporated in Australia and an indirectly wholly-owned special purpose vehicle of Link, which acts as trustee of the Buyer Trust. The Buyer Trust is a unit trust constituted under the laws of Australia. The Buyer Trust will solely be used to hold Link's 49.9% interest in AOFI I Trust upon Completion.

The Buyer Guarantor is a company incorporated in Australia which is an indirectly wholly-owned special purpose vehicle of Link, acting in its capacity as trustee of the Link Australia Holdings Trust.

### **2. INFORMATION ON THE SELLER**

According to information provided by the Seller, as at the date of this announcement, the Seller is a limited liability company incorporated under the laws of Australia which is principally engaged in property investment, development, and management whilst upholding the highest ESG standards in creating high performance places for its investors, businesses, and communities.

### **3. FURTHER ANNOUNCEMENT**

**The Unit Sale Agreement is subject to fulfilment or waiver of certain Conditions. Completion of the Acquisition is subject to the Buyer's and Seller's compliance with each of their obligations as provided under the terms of the Unit Sale Agreement, and may or may not take place. Unitholders and potential investors of Link are advised to exercise caution when dealing in the Units, and are recommended to seek independent professional advice if they are in any doubt about their position(s) and as to the actions that they should take.**

The Manager will make a further announcement upon Completion, or alternatively, if Completion does not take place due to the non-satisfaction of the Conditions. The Manager will also announce any adjustments made by the Buyer or the Seller to the Purchase Price.

## SECTION XIII. DEFINITIONS

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In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

<b>126 Phillip Street</b>	the property located at 126 Phillip Street, Sydney, New South Wales, Australia, one of the Portfolio Properties
<b>151 Clarence Street</b>	the property located at 151 Clarence Street, Sydney, New South Wales, Australia, one of the Portfolio Properties
<b>347 Kent Street</b>	the property located at 347 Kent Street, Sydney, New South Wales, Australia, one of the Portfolio Properties
<b>388 George Street</b>	the property located at 388 George Street, Sydney, New South Wales, Australia, one of the Portfolio Properties
<b>567 Collins Street</b>	the property located at 567 Collins Street, Melbourne, Victoria, Australia, one of the Portfolio Properties
<b>2021/2022 Interim Report</b>	Link's interim report for the six months ended 30 September 2021
<b>Acquisition</b>	the acquisition of the Sale Units under the Unit Sale Agreement
<b>Actual NAV</b>	the actual NAV of 49.9% of the Target Portfolio as at Completion, to be computed following Completion in accordance with the Unit Sale Agreement
<b>AOFI Investor Advisory Committee</b>	the investor advisory committee to be established upon the signing of the Unitholders' Agreement comprising two representatives of each of the Buyer and the Seller, as further described in Section II in this announcement
<b>AOFI I Manager</b>	Investa Investment Management Pty Ltd or such other replacement manager of AOFI I Trust as appointed from time to time
<b>AOFI I Trust</b>	Australia Office Fund Investment I Trust, a trust constituted by a trust deed under Australian laws and 49.9% of the ordinary units in which is the subject of the Acquisition
<b>AOFI I Trust Group</b>	AOFI I Trust together with its Subsidiaries
<b>AOFI I Trustee</b>	Davidson Hughes Developments Pty. Ltd (ACN 005 752 910), being the trustee of AOFI I Trust

<b><i>AOFI I Unitholder</i></b>	a holder of AOFI I Units
<b><i>AOFI I Units</i></b>	ordinary units in AOFI I Trust
<b><i>Appraised Value</i></b>	the amount of AUD1,131.1 million, being the aggregate appraised value of 49.9% of the Target Portfolio pursuant to the Valuation Reports
<b><i>AUD</i></b>	Australian dollar, the lawful currency of Australia
<b><i>Australia</i></b>	the Commonwealth of Australia
<b><i>Board</i></b>	the board of Directors
<b><i>Brookfield Commercial</i></b>	Brookfield Commercial Operations Pty Ltd, the property manager of 388 George Street
<b><i>Business Day(s)</i></b>	a day which is not a Saturday, Sunday or bank or public holiday in Sydney, Australia
<b><i>Buyer</i></b>	Link IGO Sub Pty Limited (ACN 656 535 287), a company incorporated in Australia which is an indirectly wholly-owned special purpose vehicle of Link, in its capacity as trustee of Buyer Trust
<b><i>Buyer Guarantor</i></b>	Link Australia Holdings Pty Ltd (ACN 638 066 878), a company incorporated in Australia which is an indirectly wholly-owned special purpose vehicle of Link, acting in its capacity as trustee of the Link Australia Holdings Trust
<b><i>Buyer Trust</i></b>	Link IGO Sub Trust, a unit trust constituted under the laws of New South Wales, Australia, being an indirectly wholly-owned special purpose vehicle of Link
<b><i>CAD</i></b>	Canadian dollar, the lawful currency of Canada
<b><i>Completion</i></b>	Completion of the Acquisition in accordance with the terms of the Unit Sale Agreement and “Complete” shall be construed accordingly
<b><i>Completion Adjustment</i></b>	the adjustments to the Purchase Price following Completion (in proportion to the interests held in the Portfolio Properties by AOFI I Trust and the unitholding to be held by the Buyer in AOFI I Trust upon Completion) based on the difference between the Estimated NAV and the Actual NAV and Other Adjustments as computed in accordance with the Unit Sale Agreement following Completion

<b>Completion Date</b>	the date on which Completion takes place
<b>Conditions</b>	the conditions precedent to Completion under the Unit Sale Agreement
<b>Deposit</b>	the deposit paid by the Buyer upon exchange of the Unit Sale Agreement in the amount of AUD30 million
<b>Directors</b>	the directors of the Manager
<b>Escrow Agent</b>	Ashurst Australia, being the escrow agent appointed to hold the Deposit in escrow pending Completion
<b>Escrow Deed</b>	the deed dated on or around the date of signing of the Unit Sale Agreement between the Buyer, the Seller and the Escrow Agent in respect of the appointment of the Escrow Agent as escrow agent for the Deposit
<b>Estimated NAV</b>	the estimated NAV of a 49.9% interest in the Target Portfolio as agreed between the Buyer and the Seller for the purpose of the Acquisition
<b>Expenses</b>	expenses in the aggregate amount of approximately HKD85.3 million payable by the Buyer mainly for professional services fees in connection with the Acquisition
<b>FIRB Act</b>	Foreign Acquisitions and Takeovers Act 1975
<b>FIRB Approval</b>	either (i) the Treasurer (or his delegate) providing a written no object notification; or (ii) following notice of the transactions contemplated under the Unit Sale Agreement having been given by the Buyer to the Treasurer under the FIRB Act, the Treasurer ceasing to be empowered to make any order under the FIRB Act because the applicable time limit on making orders and decisions under the FIRB Act has expired; in each case in respect of the Unit Sale Agreement and the transactions contemplated thereunder
<b>GST</b>	Goods and Services Tax
<b>HKD</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People's Republic of China

<b><i>Independent Third Parties</i></b>	third party(ies) independent of Link and connected persons of Link
<b><i>Investa</i></b>	Investa Property Group
<b><i>Investa Asset Management</i></b>	Investa Asset Management Pty Ltd, a member of the Investa group and existing property manager of 126 Phillip Street, 151 Clarence Street, 347 Kent Street and 567 Collins Street
<b><i>Investment Management Agreement</i></b>	the agreement to be entered into between AOFI I Trustee and AOFI I Manager upon Completion in relation to the provision of investment management services by AOFI I Manager as regards AOFI I Trust to the AOFI I Trustee
<b><i>Link</i></b>	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), whose Units are listed on the Main Board of the Stock Exchange (stock code: 823)
<b><i>Listing Rules</i></b>	Rules Governing the Listing of Securities on the Stock Exchange
<b><i>Manager</i></b>	Link Asset Management Limited, a company incorporated under the laws of Hong Kong, in its capacity as the manager of Link
<b><i>NABERS</i></b>	National Australian Built Environment Rating Scheme
<b><i>NAV</i></b>	net assets value
<b><i>Net Passing Income</i></b>	with reference to any particular date and in the context of any particular property(ies), means the annualised rental income receivable on that property(ies) as at such date
<b><i>Non-qualified Minority-owned Property</i></b>	bears the meaning as defined in the REIT Code
<b><i>OPG Office I Trust</i></b>	OPG Office Fund Holdings I Trust, a trust established in Australia, which is ultimately owned by Oxford
<b><i>Oxford</i></b>	Oxford Properties Group

<b><i>Portfolio Properties</i></b>	collectively, 126 Phillip Street, 151 Clarence Street, 347 Kent Street, 388 George Street and 567 Collins Street
<b><i>Property Development Costs</i></b>	bears the meaning as defined in the REIT Code
<b><i>Property Managers</i></b>	Brookfield Commercial and Investa Asset Management
<b><i>Purchase Price</i></b>	the purchase price payable by the Buyer to the Seller under the Acquisition in the amount of AUD596.1 million (equivalent to approximately HKD3,310 million), which is subject to Completion Adjustment and which is exclusive of GST
<b><i>REIT Code</i></b>	the Code on Real Estate Investment Trusts published, and as may be amended or supplemented from time to time, by the SFC
<b><i>Relevant Investments</i></b>	bears the meaning as defined in the REIT Code
<b><i>Reorganisation</i></b>	the internal reorganisation to be conducted by the Seller Group subsequent to which AOFI I Trust Group will only hold interests in Portfolio Properties, which is subject to, among others, the Reorganisation FIRB Approval
<b><i>Reorganisation FIRB Approval</i></b>	the approval of the Foreign Investment Review Board of the Commonwealth of Australia in relation to the Reorganisation
<b><i>Sale Units</i></b>	the units in AOFI I Trust representing 49.9% of all its ordinary units in issue
<b><i>Seller</i></b>	Investa Listed Funds Management Limited (ACN 149 175 655), a company incorporated in Australia, in its capacity as trustee of the OPG Office I Trust
<b><i>Seller Group</i></b>	the Seller's Unitholder Group
<b><i>SFC</i></b>	the Securities and Futures Commission of Hong Kong
<b><i>sq.m.</i></b>	square metre(s)
<b><i>Stock Exchange</i></b>	The Stock Exchange of Hong Kong Limited

<b><i>Subsidiary</i></b>	has the meaning ascribed to it under the Corporations Act 2001 of Australia, provided that a trust, limited partnership or any other entity that is not a body corporate but would otherwise be regarded as a subsidiary in this context will also be regarded as a Subsidiary for the purposes of this definition
<b><i>Sunset Date</i></b>	30 June 2022 or such later date as may be agreed by the Buyer and the Seller in writing
<b><i>Target Portfolio</i></b>	collectively all of the interests held by AOFI I Trust in the Portfolio Properties, as further set out in Section III in this announcement
<b><i>Transaction Documents</i></b>	collectively, the Unit Sale Agreement, the Escrow Deed, the Unitholders' Agreement, and the Investment Management Agreement
<b><i>Treasurer</i></b>	the Treasurer of Australia
<b><i>Trust Deed</i></b>	the second amending and restating deed dated 30 July 2021 modifying the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, (as amended, supplemented and/or restated by 15 supplemental deeds/amending and restating deeds)
<b><i>Trustee</i></b>	HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link
<b><i>Unit Sale Agreement</i></b>	the unit sale agreement entered into on 9 February 2022 by the Buyer as buyer, the Seller as seller, AOFI I Trustee as the trustee of AOFI I Trust and the Buyer Guarantor as guarantor in relation to the sale of the Sale Units by the Seller to the Buyer as further set out in Section II in this announcement
<b><i>United Kingdom</i></b>	the United Kingdom of Great Britain and Northern Ireland
<b><i>Unitholder Group</i></b>	in relation to an AOFI I Unitholder, being that AOFI I Unitholder together with its ultimate holding company, fellow Subsidiaries, any affiliate of that AOFI I Unitholder for the purposes of the Unitholders' Agreement and the custodian, trustee, responsible entity or general partner that instructs or directs any of the foregoing
<b><i>Unitholder(s)</i></b>	holder(s) of Unit(s)

<b><i>Unitholders' Agreement</i></b>	the unitholders' agreement to be entered into by the Buyer, the Seller and AOFI I Trust upon Completion, as further set out in Section II in this announcement
<b><i>Unit(s)</i></b>	unit(s) of Link
<b><i>Valuation Reports</i></b>	the valuation reports in respect of the Portfolio Properties dated 4 February 2022 issued by Colliers International (Hong Kong) Limited, being the independent principal valuer of Link

*The HKD equivalent of AUD disclosed in this announcement is based on the exchange rate of AUD1: HKD5.553 for reference purposes only.*

By order of the Board  
**Link Asset Management Limited**  
**(as manager of Link Real Estate Investment Trust)**  
**Kenneth Tai Lun WONG**  
*Company Secretary*

Hong Kong, 9 February 2022

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

*Chairman (also an Independent Non-Executive Director)*

Nicholas Charles ALLEN

*Executive Directors*

George Kwok Lung HONGCHOY (*Chief Executive Officer*)

NG Kok Siong (*Chief Financial Officer*)

*Non-Executive Director*

Ian Keith GRIFFITHS

*Independent Non-Executive Directors*

Christopher John BROOKE

Ed CHAN Yiu Cheong

Jenny GU Jialin

Lincoln LEONG Kwok Kuen

Blair Chilton PICKERELL

Poh Lee TAN

Peter TSE Pak Wing

Nancy TSE Sau Ling