

香港特別行政區政府
房屋及規劃地政局局長



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**SECRETARY FOR HOUSING,
PLANNING AND LANDS**
Government of the Hong Kong
Special Administrative Region

6 September 2005

The Honourable CHAN Kam-lam, SBS, JP
Chairman, LegCo Panel on Housing
Legislative Council Building
8 Jackson Road
Central
Hong Kong

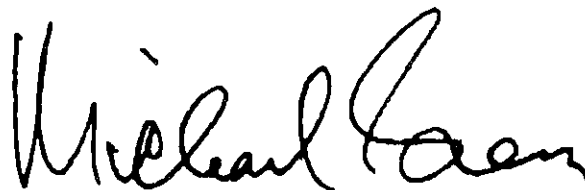
Dear Mr Chan,

Divestment of Housing Authority's retail and carparking facilities

The Housing Authority will later today announce a decision to re-launch the global offering of units in a Real Estate Investment Trust to implement the Authority's decision (made on 24 July 2003) to divest its retail and car parking facilities. I attach an advance copy of the public announcement for your information.

Preparatory work for a re-launched global offering has continued since the lapse of the previous offering in December 2004. It is intended that, subject to satisfying all regulatory and approval requirements, an offering circular for the re-launched offering will be issued in November 2005 and that a listing of units on The Stock Exchange of Hong Kong will be completed before the end of 2005.

We would be pleased to brief the Panel on the latest progress of the divestment project on the request of members of the Panel.



(Michael M Y SUEN)
Secretary for Housing, Planning and Lands

cc : All other LegCo Members

Encl : Global Announcement (dated 7 September 2005)

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Advance copy



Hong Kong Housing Authority

Re-launch of Global Offering

RE-LAUNCH OF GLOBAL OFFERING

The Supervisory Group on Divestment of the Hong Kong Housing Authority ("Housing Authority") today decided to re-launch the global offering of units in a Real Estate Investment Trust ("REIT") to implement the Housing Authority's decision (made on 24 July, 2003) to divest its retail and car parking facilities.

Preparatory work for a re-launched global offering has continued since the lapse of the Previous Offering. It is intended that, subject to satisfying all regulatory and approval requirements, an offering circular for the Re-launched Offering will be issued in November 2005 and that a listing of units on The Stock Exchange of Hong Kong Limited ("SEHK") will be completed before the end of 2005.

It is intended that The Link Management Limited ("Manager") will be re-appointed to act as the manager of the REIT.

PROPERTIES TO BE DIVESTED

The same Properties that formed the basis of the Previous Offering (namely 149 being integrated retail and carpark facilities, two being standalone retail facilities and 29 being standalone carpark facilities) will be divested under the Re-launched Offering. On completion of the Re-launched Offering the Housing Authority will cease to own the 140 Properties. The Properties are listed below.

After the meeting of the Supervisory Group on Divestment of the Housing Authority, the Housing Authority entered into agreements for the transfer of the Properties for the purposes of the Re-launched Offering, subject to the closing of the Re-launched Offering.

THE MANAGER

As part of the preparatory work for a re-launched offering, the Manager (currently a wholly-owned subsidiary of the Housing Authority) has undertaken the day-to-day management of the majority of the Properties.

For those Properties it manages, the Manager is currently:

- (a) responsible for: (i) collection of rents, rates and other fees and charges; (ii) marketing, promotion and public relations services; (iii) maintenance of the Properties; (iv) monitoring of property management services contractors; and (v) capital improvement programmes;
- (b) acting as leasing agent of the Housing Authority for all new and renewed lettings; and
- (c) carrying out a range of minor asset enhancement works to certain Properties.

The strategic partner of the Manager is Capitaland Limited.

FURTHER INFORMATION

The REIT will require authorisation from the Securities and Futures Commission ("SFC") under the Securities and Futures Ordinance. An application for authorisation was submitted to the SFC today. Following the prescribed procedures in the listing rules of the SEHK, an application for listing of the units in the REIT on the SEHK will be made subsequently.

The Joint Global Co-ordinators and Listing Agents for the Re-Launched Offering are Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited and UBS Investment Bank.

J.P. Morgan Securities (Asia Pacific) Limited is the Financial Adviser to the Housing Authority for the Re-Launched Offering.

Further announcements with respect to the progress and timing of the Re-launched Offering will be made in due course as appropriate.

DEFINITIONS

- "2004 Offering Circular" the offering circular published on 25 November, 2004 for the global offering of units in an investment trust known as The Link REIT which was made during November and December, 2004;
- "Re-launched Offering" a global offering of units in the REIT which offering is proposed to be made with closing, and listing of the units on the SEHK, to occur before the end of 2005;
- "Previous Offering" the global offering of units made pursuant to the 2004 Offering Circular; and

"Properties"

the retail and carpark facilities listed below (such list also being available on the Housing Authority's web-site (www.housingauthority.gov.hk) and available for inspection at the Housing Authority's Headquarters at 33 Pui Kwong Street, Ho Man Tin, Kowloon during office hours).

Mr. Leung Chin-man
Director of Housing

Hong Kong, 6 September, 2005

The Previous Offering lapsed and unit certificates issued pursuant to the Previous Offering do not and will not constitute valid evidence of title. The 2004 Offering Circular has no legal effect as regards the Re-launched Offering.

LIST OF THE PROPERTIES

1. The integrated retail and carpark facilities located at the following estates and courts:

Ap Lei Chau Cheung On Choi He	Butterfly Cheung Wai Chui Ming	Chaung Sai Choung Wang Choi Wan I	Cheung Hang Ching Wah Choi Yuen	Cheung Hung Choi Fui Chuk Yuen (South)	Fu Hong Fung Wah Kung Tin Hon Fu
Chun Shek Fu Sha Hui Tak II Hing Tung	Chung On Fu Yai Hong On Hing Wai I	Fortuna Fu Yung (Ho Keng Ho Lai)	Fu Cheung Fung Tak Hing Man Ho Man Tin (Ma Man Tin Plaza)	Ka Fuk Kin Sang Kwai Hing Lai Kok Leung King Leng Ping Mei Lam	
Hong Pak Kai Tin Kiao Loh Kwai Shing East Lau On Lok Fu Lower Wong Tai Siu II (Wang Tai Sin Shopping Ctr)	Hing Shui Kai Yip Ko Chui Kwong Fuk Lei Cheung Uk Lok Nga Luog Hang	Hong Yat Kam Yai Ko Yee Kwong Tin Lei Cheung Uk Lok Wah (North) Ma Hang (Sunley Plaza)	Hung Him Kun Ying Kwai Peng Kwong Yuen Lok Yee Lok Wah (South) Mei Chung	On Ting Fu Tai Shu Kuk Shuk Yuen Siu Hee Sun Chui Tai Wo Hou Tia Ma	
Ming Tak On Yam Pu Tin Shun King Sheung Tak Siu Lun Sui Tai Wai Tai Yuen	Nam Cheung Ping Tai Sam Shing Shuk Lei I Shun Lee Siu On Tui Ming Tuk Tin	Oi Man Po Lam Sau Mau Ping Shuk Lei II Shun On Siu Siu Wan Tui Ping Tui Chak	Oi Tung Po Nga Sau Mau Ping III Shuk Wai Kok Shun Tin Siu Wo Tai Wo Tui Cheung (Cheung Fu Shopping Ctr)	Tia Wah Tung Ming Tui Chung Un Chiu	
Tin Ping Tin Wan Ting Yi Tsz Lok (Tsz Wan Shun Shopping Ctr) Upper Wong Tai Sin (Lung Cheung Mall) Wan Tsui	Tsz Shing Tin Wang Tsz Lam Tsz Oi	Tiu Shui II Tin Yai Tsz Ping (North) Tung Hei	Tiu Tin Tin Yiu I Tsz Wan Tung Tau II	Wan Tau Tung Yan Ming Ying Puk	
Yan Shing Yiu On	Wah Kwai Wah Ming Wah Sum Yan Ming	Wah Kwai Wah Ming Wah Sum Yan Ming	Wah Kwai Wah Ming Wah Sum Yan Ming	Yan Ming Ying Puk	

2. The standalone retail facilities located at the following estates and courts:

Po Hai	Yau Mei and Ko Cheung (Lai Yue Mun Plaza (Yau Tong))
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3. The standalone carpark facilities located at the following estates and courts:

Ching Wang	Chok Yuen (North)	Fung Lai	Hung Keung	Ka Tin
Kum On Lower Wong Tai Siu I San Wai Tsz Ping South	Kim Ming Ming Nga Siu I Sau Mau Ping I Tsz Mao	King Lai Ning Fung	Kwai Hong Pang Ching	Lai On Pa Ioi
Yau Kuk	Yee Nga	Ying Ming	Yue On	Tui Yuen Wang Puk