

The Link Management Limited 領匯管理有限公司

Manager of The Link REIT

Victor H.W. So MBE JP
蘇慶和
Chief Executive Officer
行政總裁

Clerk to the Panel on Financial Affairs
Legislative Council Secretariat,
Legislative Council Building,
8 Jackson Road, Central,
Hong Kong.
(Attn. : Miss Salumi Chan)

By fax and despatch

Fax : 2869 6794
Your Ref. : CB1/PL/FA

25 May 2006

Dear Miss Chan,

Honourable James To's Letter A

I refer to your letter of 8 May 2006 and **attach** our response to the questions raised in the captioned letter.

Yours sincerely,



(Victor HW SO)

Chief Executive Officer

cc : Hon Bernard CHAN, JP (Chairman)
Hon James TO Kun-sun
Secretary for Housing, Planning and Lands (Fax : 2537 5139)
Secretary for Financial Services and the Treasury (Fax : 2147 3873)

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Reply to Honourable James To's Letter A

Question 1

After the HA had obtained Mr Paul Cheng's acceptance in principle, the Link Management Limited (LML) Board on 15 March 2005 approved the appointment of Mr Paul Cheng as Chairman, LML with effect from 1 April 2005. The appointment letter was subsequently issued to Mr Cheng on 24 March 2005 and he accepted the appointment on the same date.

Questions 2 - 5

- (a) Mr Paul Cheng telephoned and informed the Secretary of the LML Board in late March 2005 that he had (verbally) informed and received no objection from the former Director of Housing's – Mr C M Leung – to accept the appointment as DB's adviser with effect from 1 April 2005. No written record of the verbal notification was kept. Subsequent to Mr Cheng's notification, the adviser position with Deutsche Bank (DB) was included in his bio-data on LML's website on 1 April 2005.
- (b) No details of the nature of the DB adviser position was provided to the LML Board because the question of potential conflict of interest between Mr Cheng's adviser position with DB and his responsibilities as Chairman, LML did not arise. DB did not provide any services to LML and it was not involved in the Link REIT IPO process.

Question 6.

Mr Paul Cheng informed the LML Board about his remuneration as DB's adviser at the Board meeting on 5 January 2006.

Question 7

See (a) in the reply to Questions 2-5 above. Mr Paul Cheng telephoned and informed the LML Board Secretary in late March 2005 about his appointment as DB's adviser with effect from 1 April 2005.

Questions 8 and 9

For HPLB.