

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 Manpower
Legislative Council Secretariat,
Legislative Council Building,
8 Jackson Road, Central,
Hong Kong.
(Attn. : Mrs. Sharon Tong)

By fax and despatch

Fax : 2509 0775
Your Ref. : CB2/PL/MP

26 May 2006

Dear Mrs. Tong,

**Joint meeting of the Panel on
Housing and Manpower on 5 June 2006**

I refer to your letter of 23 May 2006 and advise that Ms. Rachel MS Miu, Corporate Communications Manager will accompany the undersigned to attend the captioned meeting.

For ease of discussion, I have summarized the issues raised by the respective panels and our response in the subsequent paragraphs.

Panel on Housing

The Panel expressed concerns about the Link Management Limited (LML)'s rent-setting mechanism, voluntary agencies' temporary use of venues, policy on single operator, and LML's provision and management of facilities in meeting the tenants' needs.

We follow prudent private sector commercial practices in leasing matters. Any rent adjustment is a matter for the landlord and the tenant or his representative concerned. We do not, therefore, comment on individual cases for commercial reasons. Since the listing of The Link REIT, we have not encountered any major problems in tenancy renewal with existing tenants.

Whilst our charges for the temporary use of venues take into account market rates, we have guidelines to reduce or even waive such charges if the venues are to be used for charitable, civic education or other community building purposes. We welcome potential applicants to visit our website or contact our promotion venue booking hotline @ 2306 1239 or 2506 1139.

Our portfolio of properties serves mainly the nearby public rental housing (PRH) tenants. They are our customers, and we are mindful of their needs. As stated in the Offering Circular on the listing of The Link REIT, we are pursuing business strategies which include the provision of high quality services, improvement in the operating environment for our tenants and better trade mix and access for our shoppers, i.e. mainly the tenants of the nearby PRH estates. A wide range of various improvement measures has been and will continue to be implemented progressively to deliver attractive shopping and leisure destination on the door step of our shoppers, which better suits their needs, tastes and affordability. Meanwhile, we maintain regular dialogues with the various stakeholders (customers / tenants) concerned.

Panel on Manpower

The Panel expressed concerns about the employment of non-skilled workers engaged to provide services contracted out by LML.

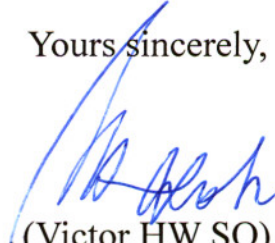
With an aim to enhance management quality and customer services, LML is in the process of re-grouping our property management service contracts, requiring relevant property management contractors to make appropriate manpower arrangements according to the facility's shopper traffic patterns and needs, and to provide their employees with reasonable remuneration. Based on these principles, the contractors are devising various

manpower proposals for our review.

Given our commitment to better service quality, positions currently provided by the property management contractors, including cleaning and security personnel, will receive at least similar remuneration which they are receiving now. Work-shift systems will remain largely the same. We will closely monitor that contractors adhere to the wages levels indicated in their manpower plans. Workers may also call our customer services hotline @ 3168 0080 should they have any enquiries. The operating hours of the hotline are from 9:00 a.m. to 8:00 p.m., Monday to Sunday.

The number of workers required is a matter for the contractors concerned to ensure that they meet the stipulated quality of services required, with reference to the market norm. It is noted that, in order to deliver quality of service, the relevant property management contractors have kicked off a joint recruitment exercise for Customer Service personnel, which received very positive feedback. As regards other property management issues peculiar in the evening, for example hawker control and security matters, LML will even make separate arrangements to strengthen dedicated security patrols at night time. However, as some centres are currently over-staffed, there will inevitably be some reduction of employees. The above arrangements are made to secure professional management services of higher quality, which would benefit our shoppers and tenants.

Yours sincerely,



(Victor HW SO)

Chief Executive Officer

cc : Hon LAU Chin-shek, JP (Chairman of the Panel on Manpower)
Hon CHAN Kam-lam, SBS, JP (Chairman of the Panel on Housing)
Miss Joey LAM (Housing, Planning and Lands Bureau)