



The Link – Growing & Thriving with Hong Kong

16 December 2008



LINK's Strategies and Approach

Key messages



- The Link's interests are aligned with those of our Tenants and the Communities we serve -
 - ◆ LINK can only fully succeed if our Tenants succeed
 - ◆ Management is seeking to improve the overall shopping experience – recession or no recession

- Our investment and business strategies are to generate a better business environment for our Tenants and the Communities -
 - ◆ Capital expenditure programs are supporting the Hong Kong economy and our tenants
 - ◆ Customers continue to buy every day goods and services at competitive prices
 - ◆ Research with the Communities supports our enhancement initiatives
 - ◆ Range of initiatives to drive patronage and spending – increase tenants sales turnover and profit

LINK's Strategies and Approach

Key messages



- Our approach to rents –
 - ◆ benchmarking rents to market, keeping rents competitive
 - ◆ “across the board solutions” are not appropriate
 - ◆ sensitive to feedback – we are willing to work with our Tenants – directly
 - ◆ existing retailers are seeking to expand in our portfolio, and new retailers are seeking space in our properties

- Management retains a strong Corporate Social Responsibility-
 - ◆ to our Tenants
 - ◆ to the Communities we serve – 9% of retail space for welfare use at concessionary rent
 - ◆ the various Tenant and Community programs are well supported and recognized

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Upgrading our Properties for better shopping experience



- HK\$1.6 billion asset enhancement programme underway
- HK\$1.1 billion to be spent in next three years
- Spurring economic growth by creating more jobs
 - ◆ Construction: a total of 4,600 jobs
 - ◆ Retail: already created 800 ongoing jobs from the HK\$0.5 billion spent



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... and what is the customers feedback?



Independent opinion survey conducted in July 2008:

- More than 80% agreed to introduce more shops and restaurants
- About 65% agreed the change of tenants will meet customers needs in a better way
- Over 70% agreed that renovated shops and restaurants can enhance the attractiveness of the Shopping Centres
- Nearly 60% agreed that renovating the shops and restaurants will attract them to spend more



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Residents day to day necessities Available at competitive prices



Daily Necessities continue to be available at competitive prices

- Competitive Prices –
 - ◆ Independent opinion survey, covering 50 commodities, in July 08
 - ◆ Commodity price levels roughly the same between 12 Shopping Centres of The Link and 12 counterpart retail facilities
- Consistent retail-mix –
 - ◆ Daily necessities trade occupy even more spaces

Trade Mix Category (as a % of leased IFA)	IPO	Sept 2008
Food and beverage	31.1%	31.3%
Supermarket and foodstuff	17.1%	17.9%
Services	8.8%	9.3%
Education / welfare	8.8%	9.1%
Electrical and household products	6.8%	6.3%
As a % of leased IFA – top 5 categories	72.6%	73.9%

IFA – Internal Floor area

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LINK's Rental Strategy

Rents are market based



- Market Rent –
 - ◆ Strategy is to revert rents to market
 - ◆ Keep rent competitive - keep occupancies strong
 - ◆ Tenancies reviewed on case-by-case basis, consider tenants' needs
 - ◆ "Across the board solutions" are not appropriate
- Initiatives to drive foot traffic and sales
 - ◆ A more sustainable business model for Tenants
 - ◆ Assist tenants businesses
- Modest increases in rents over the past 12 months to September '08

Key metric	Variance between Sept 2007 and Sept 2008
Gross revenues	increased by 7.1%
Net property income	increased by 8.5%
Average rent / sq ft / mth	IPO in Nov 2005 \$22.60; Sep 2006 \$23.00; Sep 2007 \$24.40; Sep 2008 \$26.80
Occupancy rates	stable at 92% (net of asset enhancement vacancies)
Retention rate	stable at 76% - (ie renewal on lease expiry)
Reversion rate	Average 8.6%pa over 3 year lease cycle
Car park revenues	Increased by 6.1%

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LINK is helping our tenants

Communities are embracing these initiatives



Management is supporting tenants through difficult times – these initiatives are working

- HK\$15 million shopping incentive programme - distributing shopping coupons, cash rewards and free parking in more than 100 properties – this programme is being embraced strongly
- Results: Direct benefits for consumers, boost patronage, which, in turn, improves tenants' business turnover
 - ◆ 2 million coupon-related transactions stimulated at fresh markets over 2 weeks
 - ◆ 420,000 hours of free parking redemptions over 1 month

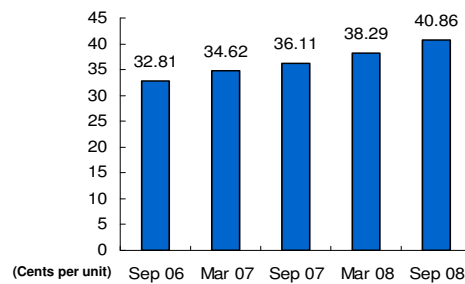


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Responsibility to our Investors



- Management is focused to act for 100% of investors – equally – irrespective of any individual unitholding percentages
- Approximately 27,000 local investors - many since the IPO
- Small investors and Pensioners rely on a consistent dividend distribution for their income



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Growing and thriving with Hong Kong



- Our interests are aligned – tenants / communities and investors
- Strategies are to generate a better business environment for our tenants and the communities
- Our approach to rents – bringing rents to market – keep rents competitive
- We are proactively assisting our Tenants – drive sales growth
- Management retains a strong corporate and social responsibility philosophy
- Management acts for 100% of investors equally – irrespective of unitholding percentages

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Attachments



- Upgrade initiatives – pictures tell a thousand stories
 - ◆ Shopping Centres
 - ◆ Cooked Food Stalls
 - ◆ Modernized Dry Markets
 - ◆ Fresh Markets

- Assistance to our Tenants

- Corporate + Social Responsibility

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Upgrading our Properties for better shopping experience



AE Projects – examples

Lung Cheung Mall – fully completed



Before



After

Chung On Shopping Centre – fully completed



Before



After

Choi Ming Shopping Centre – fully completed



Before



After

Ming Tak Shopping Centre – fully completed



Before



After

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Upgrading our Properties for better shopping experience



AE Projects – examples

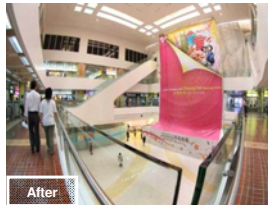
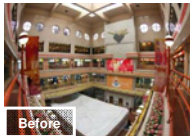
Lok Fu Shopping Centre - underway



Hau Tak Shopping Centre - underway



Cheung Fat Shopping Centre - underway



Wong Tai Sin Shopping Centre - underway



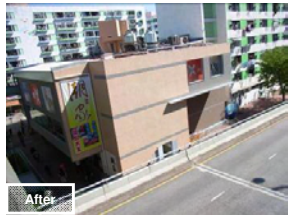
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Upgrading our Properties for better shopping experience

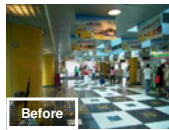


AE Projects – examples

Lek Yuen Shopping Centre - underway



Fu Tung Shopping Centre - underway



Tin Yiu Shopping Centre - underway



Tai Wo Shopping Centre - underway



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Rejuvenate Cooked Food Stalls

Local flavor and character preserved



Cooked Food Stalls – Rejuvenated with long vacant stalls filled

- Invested more than \$14 million to revitalize 8 cooked food stalls, of which 75% had previously been unoccupied for a long time
- Preserve an important part of local culture, and help it flourish
- Provide job opportunities and offer more quality and popular dining choices

Sun Chui



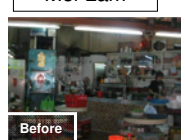
Wong Tai Sin



Lok Wah South



Mei Lam



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Modernise Dry Markets

Local flavor and character preserved



Dry Markets – Modernized with back-bone tenants growing with us

- Invested approx HK\$30 million in Lok Fu pilot project
- More than 30 well-established local shops now prosper in better environment & continue to serve the community



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Fresh Markets – Better environment, better hygiene
Local flavor and character preserved



Fresh Markets – More Bustling after Improvement

- Improvement in shopping and hygienic environment underway

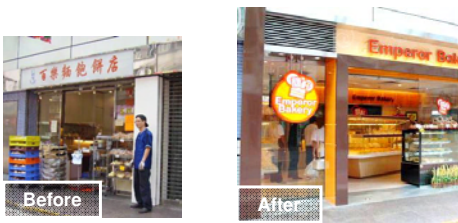


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LINK is helping our tenants
Tenants are embracing these initiatives



Tenants renovated shops



The Link Tenant Information Centre



The Link Tenant Academy



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Corporate Social Responsibility A core management initiative



Concessionary Rent

- 9% of total retail space (totaling to some 930,000 sq. ft.) at concessionary rent to non-profit-making organizations



Free Promotion Venues

- Approx. 2,700 days over the past 6 months to Sept 2008 for promotion venues provided for free for community events



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External endorsements recognize our CSR efforts



Award Winning Corporate Citizenship Project "The Link Fun Academy"



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