

Skills and Attributes for Success

**HKICPA Conference: Hong Kong as
a World Capital Market –
Opportunities and Challenges**

27 October 2012

***George Hongchoy
Executive Director & CEO
The Link Management Limited***



Biography:

- **Council Member of HKICPA, 2008**
- **Executive Director and CEO, The Link Management Limited**
- **Director, Hong Kong Cyberport Management Company Limited**
- **Director, Hong Kong Applied Science and Technology Research Institute Company Limited**
- **Chairman, Hong Kong Chapter, Asia Pacific Real Estate Association Limited**
- **Member, Asia Executive Board of The Wharton School**
- **Faculty Advisory Committee, Faculty of Business at The Hong Kong Polytechnic University**

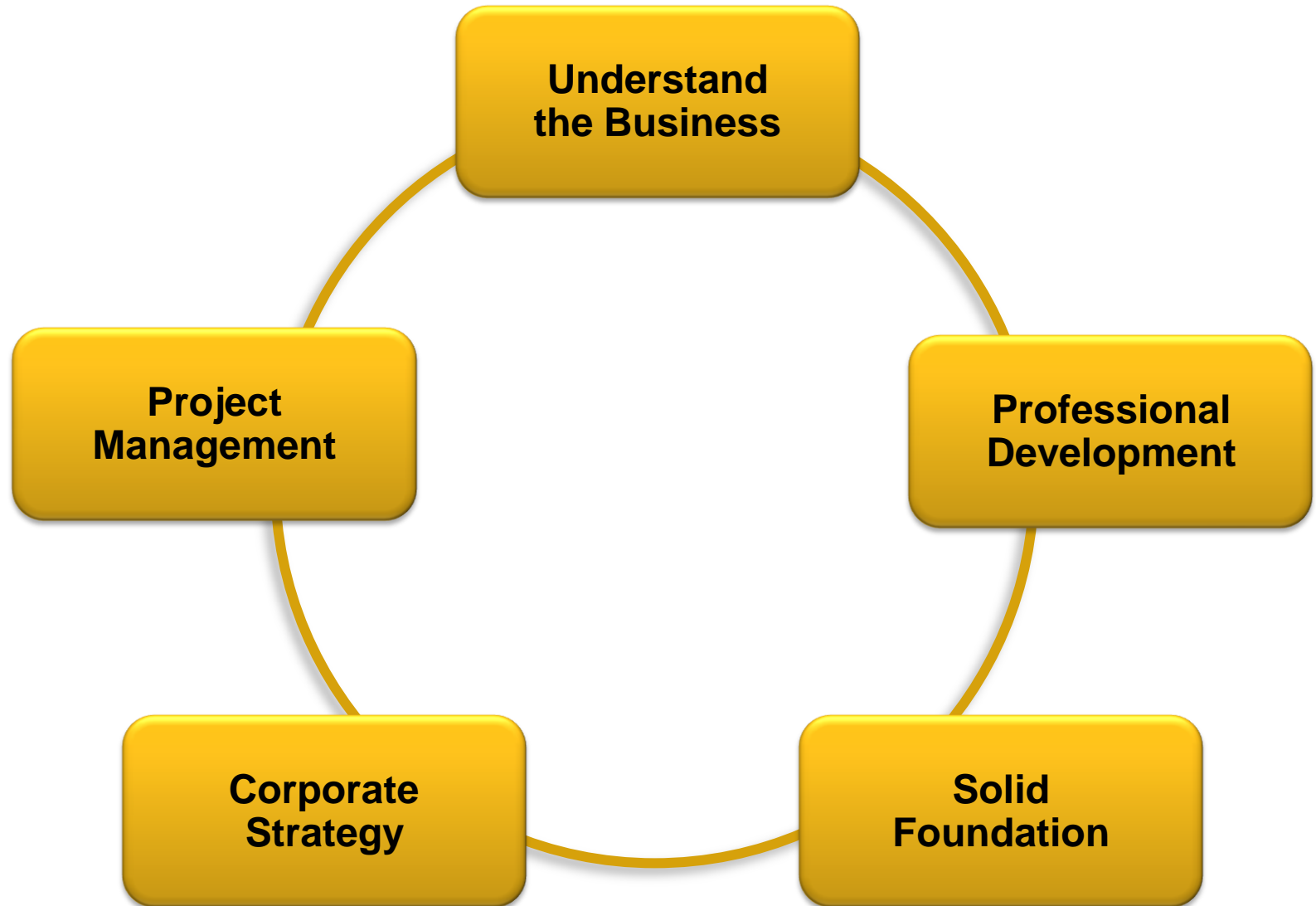
Practice:

- **Arthur Young, Auckland as Auditor**
- **Arthur Andersen & Co., Hong Kong as Consultant**

Major Transactions:

- **Advised HK Telecom on acquisition by PCCW**
- **IPO of Tracker Fund of Hong Kong**

Skills and Attributes



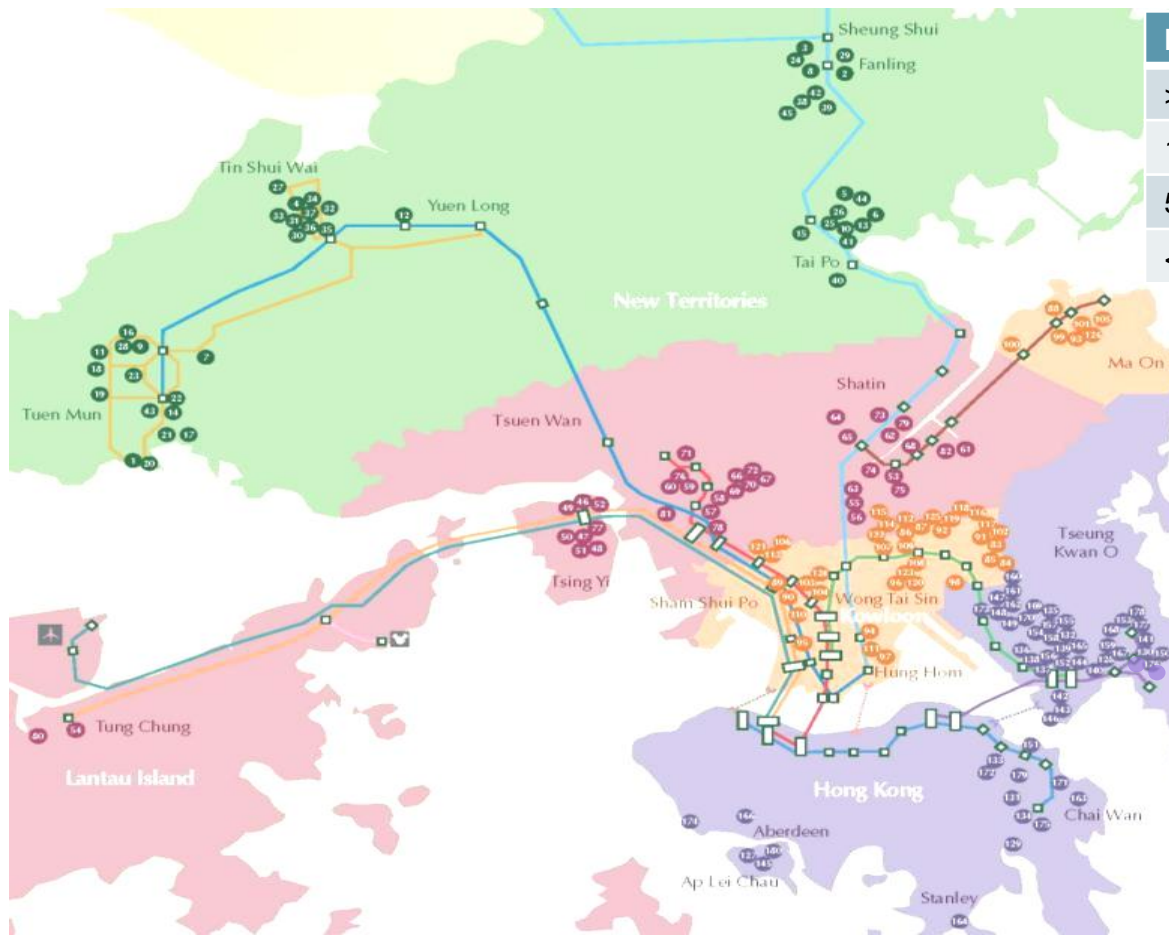
The Link REIT (Real Estate Investment Trust)

- First REIT listed in Hong Kong and currently the largest REIT in Asia in terms of market capitalization
- Owns and manages approximately 11 million sq. ft. of retail space (internal floor area) and 80,000 car park spaces



Diversified Retail Portfolio at the Doorsteps of the Majority of Hong Kong Population

The Link REIT's portfolio represents approx. 9% of Hong Kong retail facilities



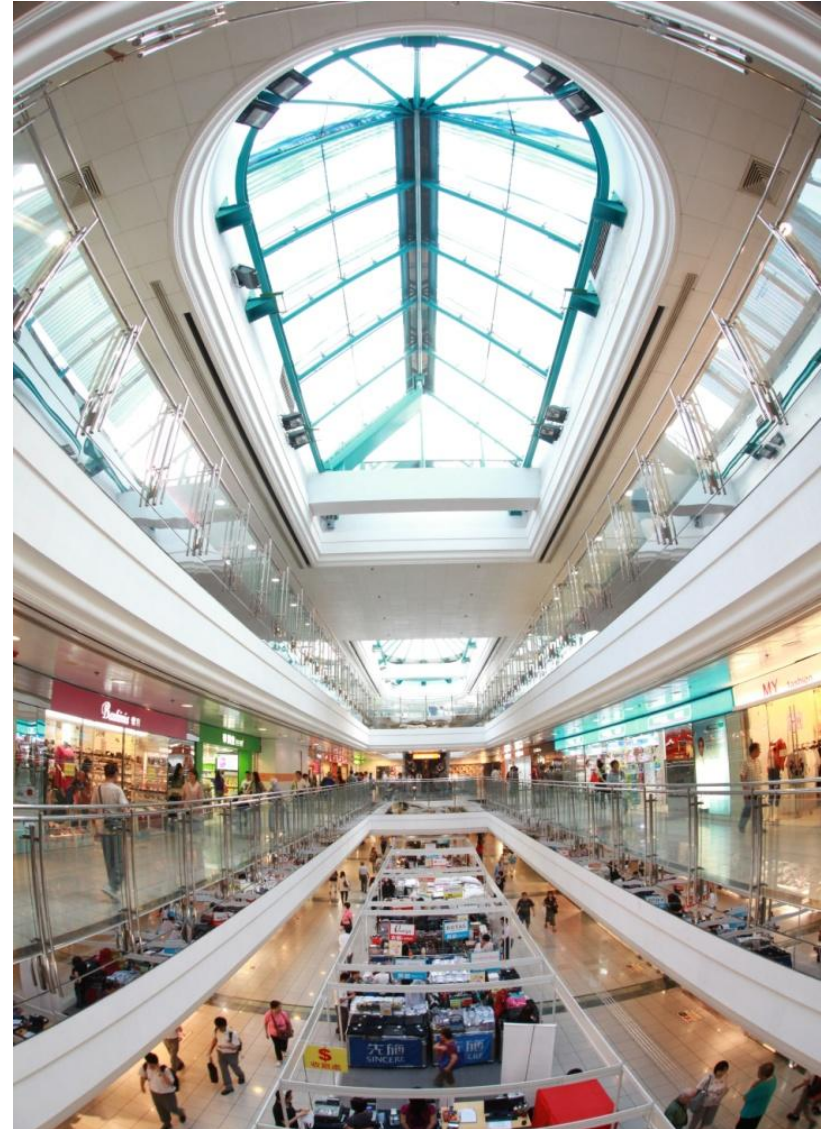
IFA (sq ft)	No. of retail facilities
>200,000	4
100,000 – 200,000	36
50,000 – 100,000	51
<50,000	Over 60



Applying Skills and Attributes to The Link

Understand the Business

- Understand The Link's position as communities shopping centres
- A key player in the communities that meet people's daily needs
- Set a clear vision: World class real estate investor and manager serving and improving the lives of those around us
- Benefit all parties around us: Tenants, shoppers, residents, staff, unitholders



Applying Skills and Attributes to The Link

Project Management

- Strengthen Asset Management and Operations teams
- Appoint experts and talents in the industry
- Focus strategically on tenant and staff sustainability
- Improve efficiency of operations
- Enhance front-line services via Mystery Shoppers Program

Lok Fu Plaza



Before



After

Stanley Plaza



Before



After

Professional Development

- Acknowledge staff as our most valued asset – alignment, motivation, performance management
- Invest substantially in training and development
- Set up The Link Staff Academy
- Cultivate high-quality service culture through Mystery Shopper Program



Applying Skills and Attributes to The Link

Corporate Strategy

- Set up Corporate Development team
- Explore opportunities of acquisition of properties to provide portfolio synergy
- Two acquisition projects completed so far



Nan Fung Plaza



Maritime Bay

Applying Skills and Attributes to The Link

Solid Foundation

- Follow highest corporate governance standards
- Run business in an open and transparent manner
- Set clear policies and procedures
- Design strategy, KPI and measurement systems with a view to achieving the company's VMV
- Incorporate control and monitoring systems into procedures
- Most transparent disclosure among Asia property companies
- Sustainability Report (GRI Level B)



BRONZE





Sustainability Framework



The Link REIT's Growth Drivers



Story telling: Tai Yuen Market Enhancement

- Pioneer fresh market AEI project
- Introduced new designs and operational concepts



Story telling: Tai Yuen Market Enhancement



- Better internal floor designs

- New, hygienic, welcoming and well appointed market

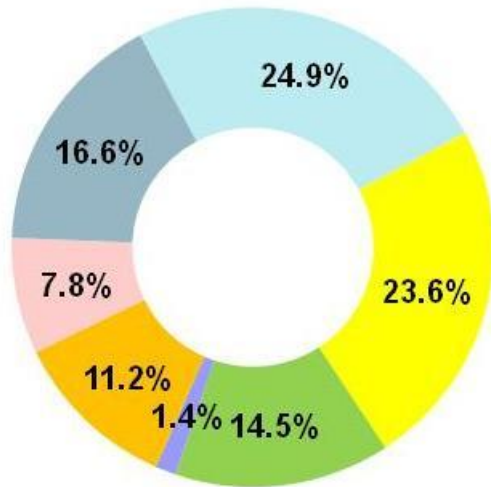


- Non-traditional layout

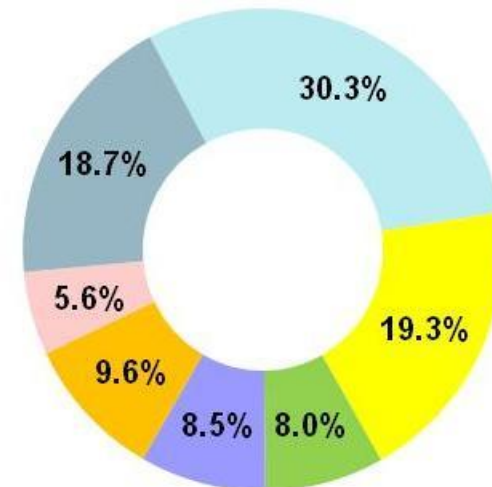


Elevator story: Stable Trade Mix

Retail Trade Mix by Monthly Rent



Retail Trade Mix by IFA



- Food and Beverage
- Supermarket and Foodstuff
- Markets/Cooked Food Stalls
- Education/Welfare, Office and Ancillary
- Services
- Personal Care, Medicine, Optical, Books and Stationery
- Others⁽¹⁾

Notes: As at 31 March 2012

(1) Including clothing, department store, electrical and household products, leisure and entertainment and valuable goods.

Retail trade mix focused on staples and daily needs

Elevator Story: Retail Sales Performance

Improving Tenants' Gross Sales Year on Year



- Steady growth in tenants' sales across portfolio
- Active leasing strategy in expanding "F&B" varieties resulting in good performance
- Stable performance in "Supermarket / Foodstuff"

Notes: As at 31 March 2012

(1) Including services, personal care, medicine, optical, books and stationery and others including clothing, department store, electrical and household products, leisure and entertainment and valuable goods.

Grow with Communities

■ Community

- ▶ Regular meetings with district councillors, politicians, resident groups and local leaders at district level
- ▶ Engage rehabilitation groups in barrier free access upgrading projects

■ Public – including Residents and Shoppers

- ▶ Customer service personnel on site
- ▶ Customer Service Hotline
- ▶ Divisional Relationship Managers and frontline Asset Management staff maintain regular communication with local district-level stakeholders
- ▶ Corporate newsletter and collaterals to deliver latest news to stakeholders

■ External Organizations

- ▶ Corporate memberships in international retail and real estate industry organizations
- ▶ Participate in recognition schemes/charter for buildings organized by government bureau/departments



Communicate, communicate, communicate

Awards

International Recognitions

Corporate Governance



HKMA Quality Award 2012



Directors of the Year Awards 2011



HK Corporate Governance Excellence Awards

Finance-related



Property Investor of the Year Award



Second in "Best Managed Company"



AsianInvestor Investment Performance Awards

Branding



Hong Kong Top Service Brand Award



Hong Kong Esteemed Brands Awards

CSR



Caring Company 2007-2012



Environmental Excellence Award



Tenth China Golden Awards for Excellence in Public Relations

Green



BEAM Platinum Standard for Stanley Plaza



BCI Asia FuturArc Green Leadership Award 2012



Distinguished Green Contribution Award