



LANDMARKS

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IN THE COMMUNITY

Asian Pacific Group has been busy getting involved with community activities and supporting a variety of charities.

This has included platinum sponsorship in conjunction with Art Series Hotel Group of Let's Beat Bowel Cancer's 'Annual Golf Classic' which assists in raising funds to alert Australians to the major risk of bowel cancer as well as My Room Children's Cancer Centre's 'My Room

Ball' which raises funds towards clinical research and providing much needed support to children with cancer and their families.

The employees at Asian Pacific Corporate Services have also participated in a variety of fund raising activities including Australia's Biggest Morning Tea, Jeans for Genes Day, RSPCA Cup Cake Day, Red Cross Big Bake Day and Movember.



The Art Series Hotel team at the Let's Beat Bowel Cancer Annual Golf Classic (Photo courtesy of Gary Lisbon)



The Asian Pacific Corporate Services team at their Jeans for Genes Day Morning Tea



MESSAGE FROM THE CEO

With uncertainty around the world's economy the focus for Asian Pacific Group has been a 'heads down and bum up' approach to all of our businesses. The Australian market has been very resilient and we are extremely happy to report that all of our business units have been exceeding forecasts and budgets.

Kings Business Park (31,000m2 office complex) is now at 100% occupancy. Our hotel division has seen very strong occupancies and has benefited from strong corporate travel, Spring Racing Carnival and the President Cup Golf Tournament and has also been able to assist those affected by the recent grounding of the QANTAS fleet.

Asian Pacific Corporate Services is going from strength to strength under the outstanding leadership of Matthew Toms and ABC has sold over 87 properties since 1 July.

Jono Deague and his team have had an outstanding year selling over 250 properties and achieving over \$101 million in settlements across a range of properties including The Blackman, 616 Glenferrie Road Hawthorn and House and Land packages across Australia. They can also report a huge flight from the stock market to property with extreme volatility in the equity markets.

We have now started construction on our Frankston asset and are in the initial branding and planning phase for our Adelaide project which we look to launch next year. This development will include 260 apartments located on the banks of the Torrens River in Walkerville, one of Adelaide's most prestigious suburbs.

We are currently spending approximately \$3.5 million on the Green Building Upgrade at Kings Business Park which will be completed by December 2011 and we thank our 52 tenants for their ongoing patience and support.

In what is an exceptional achievement from the team at the Art Series Hotel Group, The Blackman Hotel has held the position of #1 Hotel in Melbourne as voted by customers on Tripadvisor.com for over 6 months after opening only 12 months ago. The hotels are becoming known as 'celebrity' hotels due to the patronage from touring artists and TV personalities.

We are proud to have been the platinum sponsor of the 'Lets Beat Bowel Cancer' Golf Day for the 7th year running as well as various other charities that Asian Pacific Group, Asian Pacific Corporate Services and the Art Series Hotel Group supports.

I would like to take the opportunity to thank all of our staff, clients and customers for another great year. We have very exciting times ahead and I wish everyone a relaxing Christmas holiday break with their family and friends.



Will Deague



EXCHANGE TOWER - GREEN BUILDING FUND

Exchange Tower at 530 Little Collins Street recently underwent a Melbourne Sustainable Building Upgrade in order to improve the energy performance of the building services and receive a National Australian Built Environment Rating System (NABERS).

Located in the heart of the Melbourne CBD, Exchange Tower already has ideal conditions in terms of transport under the Green Star Rating Systems due to being situated close to main arterials and public transport links including Southern Cross and Flinders Street Stations as well as a variety of tram routes.

The upgrade works included:

- Replacement of the original PE chillers with two of the latest turbo chillers with variable speed drives. These chillers have a coefficient performance that is over 200% better than the previous chillers, requiring much less electrical energy to produce the same amount of cooling.
- Installation of a new building energy management control system providing optimal chiller control together with total control of the entire heating, ventilation and control system including energy monitoring.
- Retrofitting of energy efficient lamps throughout the majority of common areas to the current low voltage halogen and T5 fluorescent lamps, reducing the energy use of down lights by up to 90%. Retrofit T5 lighting is a state of the art technology which allows the use of energy efficient T5 lamps without replacement of the fittings.

In order to minimise water consumption the building also underwent several changes including:

- Extensive analysis of cooling towers which were then optimised to reduce water consumption
- Existing dual flush toilets adjusted to use even less water
- Flow restrictions placed on all taps
- Showerheads in the gym replaced with three star efficient models
- Leaking plumbing was fixed and a program of maintenance was devised to ensure the building's plumbing operated more efficiently

Since these changes have taken place Exchange Tower's energy consumption has decreased by in excess of 38% with the Owners Corporation Committee and Melbourne Facilities Management continuing to show their commitment to reducing the building's carbon foot print and Exchange Tower's operating costs. A full assessment of the results will be completed in December 2011 by Enman-Energy Consulting.



MCOSL UPDATE

As we approach the end of the calendar year, market activity will cool once the Christmas season beckons. However, for Melbourne Commercial Office Sales & Leasing (MCOSL), the clock continues ticking as our sales and leasing consultants strive to secure as many leases as possible into the new year.

With the recent rate cut by the RBA, we should see some renewed market interest in the commercial sector for 2012. In light of this, our marketing team have launched new campaigns and online initiatives to maximise our presence, with a focus on maintain our excellent occupancy levels and further reducing remaining office vacancies.

Our focus for 2012 will be to further enhance our relationships and personalised service to our landlords and tenants as well as further advance our vast marketing initiatives and employee empowerment and training. This is in order to deliver an outstanding property management service and achieve the best possible result for our client's property investments.

The team at MCOSL would like to wish everyone a safe and wonderful festive season.

Hsiu Chen Senior Portfolio Manager
Melbourne Commercial Office Sales & Leasing



ART SERIES NEWS



As they say, a rolling stone gathers no moss. There's no truer statement for The Cullen right now. Things have been a rockin' and a rollin' firmly positioning The Cullen as 'the cool kid on the block'.

The muse himself, Adam Cullen has made a couple of exciting appearances. The first to unveil his impression of the endangered Tassie Devil – [Tumorless Map of Tassie]. Adam has painted the 1.5m squared artwork to raise funds to help save the iconic little critter. The artwork is currently hanging at The Cullen and pledges are being taken until the end of this month. As well as donating all the funds raised from the sale, The Cullen is collecting over the counter donations from guests and visitors. Interstate travellers are being urged to Stay & Save the Tassie Devil, including a trip to Healesville to see at Devil in a Cullen smart car and a \$20 donation to the appeal.

Adam has also been busy painting handmade ceramics to be sold exclusively at The Cullen. Well known ceramist Lyn Hart has collaborated with Adam to create something truly inspiring. Drop by and have a look.

Melbourne Fringe took a detour via Prahran this year with Uta Uber Kool Ja performing her risqué improv show in The Cullen suite. Ambitious, outrageous and a bit of a name-dropper, Uta Uber Kool Ja was simply fabulous. Taking out the Melbourne Fringe Tour Ready Award, we were chuffed to have her to stay.



Adam Cullen helps Save the Tassie Devil



The Olsen continues to be all things for fashion and glamour. As the destination for new season showings and parties, we are sitting pretty on Chapel Street.

We've had contestants from Project Runway and The Block sleeper. No doubt you've seen flashes of Olsen artworks pass by your television.

Melbourne Fringe made an appearance at The Olsen in September with the Future of the Arts panel discussion. Chaired by Australian Business Arts Foundation CEO Jane Haley, six panellists debated government funding, arts curriculum, the impact of the digital age and the strength of the Aussie dollar on the Australian arts industry. The event was such a success, that we'll be rolling out another one soon.

The relaunch of The Olsen's signature restaurant is just around the corner. We've taken over ownership, so stop by for a coffee or a vino and say hi to the new team.

The likes of Schweppes, Walt Disney, Red Bull and KPMG have all held conference and events at The Olsen over the past few months. The bright rooms, fresh air and art inspired spaces make for the perfect backdrop. Christmas is beckoning as is the plethora of Christmas parties set to roll out.

The Olsen scooped best Hotel Interior Design award at the annual Hotel Management Awards. Up against Hayman Island's new refurb, Crown Metropol, Emporium in Brisbane and more, Olsen's lyrical inspiration shone through.



QANTAS Ambassador Mark Webber @ The Olsen



Sweeping penthouse views at The Blackman

The Blackman has spent a large part of this year as the Number 1 Hotel in Melbourne on Trip Advisor. A very hearty accolade, the latest hotel of the Art Series group has been rewarded with a Penthouse refurbishment. Due to be finished by the end of the year, keep an eye out for summer events on the new deck.

Speaking of events, The Blackman has been central to the race that stops the nation. With many travellers to Melbourne choosing to dress up and head out to Flemington from St Kilda Road with their fascinators, race books, bubbles and smiles.

The Blackman has had its fair share of conference and events in its Galleries over the past months. Cricket Victoria, Peter Alexander and Seek are just a few on the long list of companies choosing The Blackman as an extension of their business. With Christmas party bookings streaming through our doors, the Conference and Events team are busy little beavers.

Another VIP event for Melbourne Recital Centre was held at The Blackman penthouse. This time for Paul Lewis who handled an insightful Q&A session with MRC CEO Mary Vallentine. The life and love of one of the world's best pianists was beautifully told. Funnily enough, Paul said he doesn't travel with his piano.

For reservations please call 1800 278 468 or visit artserieshotels.com.au



BELL CITY NEWS

Bell City has experienced a challenging quarter despite an ever changing market.

In the hotel space, the period began with an unusually strong leisure patronage in the latter part of winter. Surprisingly, this fell short of expectations over the AFL grand finals and spring carnival period. On the positive side, the corporate market has been performing well with excellent gains made in this area. The hotel's international market at Sleep & Go is mostly Chinese dependant and despite a major Chinese holiday in early October, guests were less likely to travel weary of the impact of the AFL and NRL finals. The conference market is growing at BC and November is testament to our strongest conference period including conferences for Westpac, ANZ, Arcare, Victoria Police and Victoria State Emergency.

The hotel sales team are focusing on corporate tenders for the coming year to provide us year round base hotel business and the conference sales team are seeking request for proposals to ensure longer lead

business is in place for the new year. Interstate sales trips to Sydney, Canberra and Brisbane during the quarter have helped us seek further opportunities with potential clients.

In an effort to further build client relationships during the crucial tender period, the hotel sales team hosted 32 high producing clients at Oaks day. They were entertained with a champagne brunch at CHILL Restaurant and then taken to the Carbine marquee to enjoy a spectacular day's racing.

In the residence space of Rydges Residences and 205 Bell Living, there have been new activities under way to counteract a tougher than normal rental market. The residence sales executives have undertaken cold call training, revised their site inspection closing and changed their follow up call techniques. Advertising has been reviewed to include specific open for inspection times and more classified listings in the Herald Sun, along with property gallery features on Domain. Discussions are in place to partner with a key national real estate agency to explore further sale opportunities. Le Student 8 is holding well with a dozen bookings already in place for the start of 2012. An active sales presence

at university open days and conducting regular agent sales calls has been the key to achieving this result.

Over the last ten months, Bell City has been focusing on e-commerce activities to gain an improved on-line presence. After months of work, sleepandgo.com.au has been overhauled and now offers on-line bookings for Sleep & Go Budget other than phone reservations. Other sites sporting a new look with essential SEO information and a greater call-to-action including rydgesresidencs.com.au, bellcityapartments.com.au and 205bell.com.au.

There have been some valuable new recruits to the Bell City event team. Naresh Teeluck joins us from Melbourne Park as Conference & Event Services Manager. Dilhara Thomas joins us from Arinex (professional conference organiser) as Senior Event Services Executive. Sarah McClean joins us from Novotel as Event Supervisor.

We look forward to a busy close to the first half of the year with strong Christmas holdings in place.



KINGS BUSINESS PARK UPDATE

2011 has been a fantastic year for Kings Business Park with all five buildings currently at 100% occupancy. This can be attributed to the great premises as well as the variety of marketing activities carried out in order to advertise the building which included the filming of an online video earlier this year. This video was placed on a variety of internal and external websites and also emailed to prospective tenants.

In addition to our ongoing commitment to improve our buildings and with the support of the government initiatives our Green Building Fund works are well under way with upgrading the mechanical air-conditioning systems in the complex with the assistance of a government contribution.

This process will greatly enhance the efficiency and quality of the air-conditioning and upgraded controls which allow Melbourne Facilities

Management to adjust and regulate the temperature in tenancies remotely in order to provide better client comfort. Once this upgrade is completed, Asian Pacific Group will have their NABERS Energy Efficiency Star Rating Reporting quantified, which is a 12 month process.

Kings Business Park courtesy Smart Car was also introduced earlier in the year which has been beneficial for many tenants, making it an easier commute to the Melbourne CBD where parking is available for free in the Asian Pacific Car Parks at 480 Collins Street and 530 Little Collins Street.

I'd like to take this opportunity to wish you all a Merry Christmas and to thank you for your ongoing support through 2011.

Gianni Brugaletta Senior Property Manager – Kings Business Park



ST KILDA ROAD TOWERS

St Kilda Road Towers has had an extremely successful year with occupancy at its highest and enquiries for both commercial leases and serviced offices remaining very strong. With Melbourne CBD's ongoing traffic congestion many companies are looking to CBD fringe locations for ease of commuting and parking, making St Kilda Road Towers an attractive option.

An online tenant survey and follow up focus group was recently held in order to gain a better understanding of tenant's views of the building and why they chose an office at St Kilda Road Towers. The responses received highlighted many positives with the majority of tenants commending the employees from our serviced based companies on the high quality of their customer service. Other feedback included the tenant's appreciation for a personalised service that could tailor an office solution specifically for their needs, a great range of onsite facilities that allowed tenants to make the most of their working day and an ideal CBD fringe location. Feedback also showed that tenants believed the building was closely aligned with their branding.

With a promising outlook for 2012 now is a great time for owner occupiers to investors to consider this location as a viable purchasing option and for tenants to secure either a serviced or commercial leasing office.



UPCOMING PROJECTS FRANKSTON DEVELOPMENT

On the 1st September we started work on our latest development at 435 Nepean Highway Frankston. Asian Pacific Group has owned this landmark building more commonly known as the 'Peninsula Centre' since 2009 and the development will include 150 apartments of which approximately 80% will be operated as a five star hotel. It will also include 1000m2 of serviced offices and an exciting ground floor retail area fronting the Nepean Highway.

The project is due for completion in 2012 and we have engaged a brand management company known for their work in developing the Crown Metropol brand to reposition the property.

With a very proactive council and recent upgrades to the transport infrastructure in the area Asian Pacific Group believes this is the right time to be launching this exciting multi-purpose project.



ASIAN PACIFIC CORPORATE SERVICES (APCS) UPDATE

2011 has been an exciting, challenging and incredibly productive year for Asian Pacific Corporate Services. We have identified our true strengths and weaknesses and made the required cultural and staff changes so that we have a solid foundation for business expansion and continued profitable growth. With the successful introduction and implementation of our Scorecard Values and instrumental feedback from our staff, we are now collectively developing a centralised culture of one united approach, open and honest communication and giving 100%, 100% of the time. Through this approach, coupled with the introduction of many and varied internal and external training programs we continue to empower and develop our team to confidently set APCS up for a highly effective 2012.

Financially APCS continues to generate very strong returns which is a reflection of our properties occupancy, innovative product development, improving our quality of service and our continued business development strategies.

Our Vision for 2012 is to further develop the notion of APCS being one centralised business ensuring that our colleagues, tenants and landlords are provided the best possible service in the market. By focusing on a more personalised service across the group, stronger proactive communication, enhanced marketing activities and continuing to invest in product development, leadership development and internal and external business development 2012 is shaping up to be an incredibly successful year.



ASIAN PACIFIC BUSINESS CENTRES UPDATE

Over the past few months the Business Centres have seen a number of structural changes to ensure growth for our staff and the service we provide.

Our Team Leaders / Client Services Managers at 4 of our Business Centre locations are now responsible for the sales and leasing of tenancies within their buildings. They're able to utilise their existing rapport with current clients to create more deals and nurture the relationship with the clients resulting in more renewals and upgrades as well as Virtual Office deals should they choose to vacate.

Virtual Offices continue to be an extremely strong point of growth for the Business Centres with the implementation of a Virtual Office Manager. It was identified that there was a need for additional packages to ensure no deal was lost. A recent addition of 2 Virtual Office options (6 packages in total) ensures our personally tailored package range allows clients to choose the business support services that they require, specific to their business needs.

Within the Asian Pacific Group we have been working closely alongside internal departments including MCOSL and MFM to improve the office experience for our tenants. This has resulted in an increase of Serviced Office tenancies, most evident at 1 Queens Road. We currently manage close to 1100 workstations across all sites and run at an average occupancy rate of 97.3%.

apbusinesscentres.com
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AUSTRALIAN OWNERS CORPORATION MANAGEMENT (AOCM) UPDATE

AOCM have had another very successful year. With the imminent introduction of the carbon tax and a public and commercial focus on environmentally sustainable buildings AOCM have been working with our Owner Corporation members to roll out LED lighting throughout our managed buildings.

Although the initial outlay for these projects is substantial, payback is expected in less than 2 years with savings both light globe replacement and energy consumption. The resale value of apartments is also affected by the NABERS (energy efficiency) rating of buildings with owner occupiers and investors both seeing the value in Green buildings and preferring to purchase in such properties.

Professional Owners Corporation Managers play a vital role in ensuring that managed properties stay modern, fresh and in touch with updated legislation, environments and ideals to protect our members' investments.

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ASIAN PACIFIC TELECOMMUNICATIONS (APT) UPDATE

APT recently began its migration to a new Cisco Call Manager platform to further deliver on its feature rich VoIP platform. With a large number of clients demanding mobile and remote features APT has committed significant funds to bring all sites and services onto a single and resilient environment.

The feedback thus far from clients is that APT's voice offering is an enterprise level product that provides far superior features to the traditional phone systems. Voicemail to email, remote VPN phones and call conferencing are some of the exciting features available on this new platform. These were recognised recently by a client that provisioned remote VPN phones at staff houses to support working from home and after hours support.

With a vision for green initiatives and cloud systems APT's main focus is delivering value add and cost effective services for companies in APT provisioned buildings, external commercial buildings or an array of residential premises.

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MELBOURNE FACILITIES MANAGEMENT (MFM) UPDATE

Throughout 2011 Melbourne Facilities Management has been taking on feedback to actively improve the great services already on offer. This has incorporated a focus on ad-hoc works for tenants, expanding our ever growing stable of suppliers, and ensuring compliance across all aspects of MFM.

Our involvement with various Green Building Fund projects has also incorporated a strong 'green' / environmental awareness within MFM. This follows successful project completion at 530 Lt Collins St resulting in a much more energy efficient mechanical air conditioning system, as well as improved LED lighting throughout. Various works of the same ilk are being implemented at our other properties, inclusive of 1 Queens Road and Kings Business Park. Our involvement on these projects has helped us increase our focus on this very important aspect of our properties; we envisage further 'green' projects to be rolled out to benefit both our Owners Corporates and tenants/owner occupiers who utilise the facilities in the months and years to come.

As always, no matter what your maintenance or facility needs are, please contact us to see what we can offer and how we can help your business.

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