

SHKP Offices Focus on Top Quality Through Spread-out Network

World's Third Tallest Building to Trigger Development in Kowloon

Sun Hung Kai Properties (SHKP) new 118-storey landmark skyscraper will transform the area surrounding Kowloon Station into a thriving business district, according to the leading property developer.

The new building, International Commerce Centre (ICC), is currently under construction atop Kowloon Station on the Airport Express.

Sun Hung Kai Centre, one of Wanchai's first Grade-A office buildings, helped change Wanchai North from reclaimed land to a preferred choice for multinationals, mainland companies and local Hong Kong companies alike. Together with Central Plaza, another SHKP landmark structure, the two buildings anchor the location. Other examples of this catalysing effect can be found in Kwun Tong, revitalised by the Millennium City, as well as Metroplaza in Kwai Chung and in Shatin, home of Grand Central Plaza and New Town Tower.

Millennium City first began escalating the development of Kwun Tong, traditionally an industrial district, when its first phase was launched in 1998. The project will expand by the end of 2007 with the 400,000 square feet Millennium City 6.

Spread-out network grows by identifying strategic locations

To SHKP, the key is identifying areas that have an unmet need for premium office space - a need which is not always obvious from the surface. SHKP's office portfolio consists of premium buildings including those located at different districts in the territory, forming an extensive network and is the popular address for both local and foreign enterprises.

Companies with strong interests in mainland China, for example, will tend to choose offices along the main transportation corridors such as the KCR line. SHKP's Landmark North, in Sheung Shui just next to the border, houses many premier Hong Kong companies with manufacturing facilities in the north. Conversely, mainland companies which seek to establish a presence outside their home territories want to showcase their best selves to the rest of the world via their Hong Kong office - making super-premium office space in a major business district a priority. IFC and Central Plaza are popular among mainland companies for this reason.

"SHKP's iconic office buildings, widely distributed around various strategic locations in Hong Kong, have sparked development wherever they are built"

Lo King-wai
Deputy General Manager,
Sun Hung Kai Real Estate Agency Ltd.
(Office Leasing Department)

On the other hand, trading companies such as those from Japan or Taiwan often choose buildings such as Grand Century Place in Mongkok, which provide access both to Hong Kong's central business districts, as well as to cross-border transportation links.

Often, the existing location will have a large number of offices operating in buildings designed for industrial use, such as in Kwun Tong district, but tenants are dissatisfied with the quality that these older buildings are providing.

Mr. Lo continues, "As heavy industry has moved to China, tenants have been putting their offices, their showrooms, and their marketing departments in multiple-use buildings, known as industrial-commercial. But the real need is for quality office space, and that quality makes the difference."

BIZ - The Key is Here

To clearly identify its premium developments, SHKP has created a network-wide brand, "BIZ - The Key is Here". The characteristic logo is styled after the ancient Greek character "ϙ" which is associated with commerce, and is designed to reinforce the concept that SHKP's offices offer tenants the key to a thriving business.



SHKP's major completed office projects in Hong Kong			
Completion	Project	GFA [sq. ft.]	Location
Hong Kong			
1998	One International Finance Centre	785,000	Central
2003	Two International Finance Centre	1,130,000	Central
1982	Sun Hung Kai Centre	850,000	Wan Chai
1983	Harbour Centre	390,000	Wan Chai
1992	Central Plaza	1,400,000	Wan Chai
1976	World Trade Centre	426,000	Causeway Bay
Kowloon			
2005	Millennium City	2,010,000	Kwun Tong
1997	Grand Century Place	475,000	Mongkok
New Territories			
1984	New Town Tower	107,000	Shatin
1995	Grand Central Plaza	632,000	Shatin
1998	Grand City Plaza	108,000	Tsuen Wan
1995	Landmark North	376,000	Sheung Shui
1991	Metroplaza	569,000	Kwai Chung
2005	Millennium Trade Centre	77,000	Kwai Chung
Total		9,335,000	

Grade-A Standard Means More Than Just Size

One aspect of "quality" for SHKP is in the location and large structural features that create a building's individual personality. ICC feature a purpose-built observation deck, one of the world's few, along with the Sears Tower in Chicago and the Empire State Building in New York. The observation deck is expected to provide an additional attraction on the Hong Kong tourist route.

An office tower designed with every one of the tenants in mind, rather than just the boss, will be the location of choice for tenants who care about quality. "Of course it's the boss who makes the decision about where to locate the office, but it's not only one person. It's the people who will work there every day. Both men and women go to work, but usually it's the women who

are taking care of the shopping for the family at the same time. And that's why every building we construct needs to

have, at the very least, places to have lunch, places to buy groceries for dinner - in short, places where I can get my

stuff," says Mr. Lo. However, according to Mr. Lo, the little things matter just as much - down to the level of the building's everyday facilities such as washrooms. "In a normal building, you will find the hand-dryer in the washroom far away from the sink basin. This makes the floor wet and annoys both the tenants and the maintenance staff. But we pay attention to little things like this and put the hand dryer close to the basin. It's just one more way we show quality." Tenants tend to choose office buildings according to a complex interaction of quality and location. In its new development at ICC, SHKP hopes to hit the development jackpot with a location suitable for companies with cross-border needs, but with a Grade-A quality standard.



Mr. Lo says, "At the centre of Company's philosophy is a focus on maintaining open lines of communication with tenants."

Quality - Take it In-House

Wholly-owned management, construction allow consistent service across multiple locations

No matter how well-constructed a building is, if it is not maintained well, breakdowns will inevitably occur. Likewise, no matter how well-trained building management staff are, their good humour will not be able to reverse fundamental design problems.

For this reason, despite outsourcing trends are becoming more prevalent across numerous industries, SHKP is running counter to accepted wisdom by constructing, designing and managing its office buildings all in-house.

The Group's premium office portfolio throughout Hong Kong covers a wide choice of rents, areas and locations, most of which are highly-accessible locations along major rail

lines like the Airport Express, MTR and KCR.

However, maintaining this level of service is a challenge given the wildly varying needs among different companies, tenants, and locations. Mr. Lo says, "Each individual person has a different tolerance level. We need to look at all of the little things and make sure that they are all in place."

Property management staff receive extensive customer service training, while designers use key lessons from other properties in the group to make its buildings people-friendly. Except for aspects such as overall architectural design, every step in the property chain from investment to management is

performed by SHKP employees.

At the centre of the Company's philosophy is a focus on maintaining open lines of communication with tenants. Mr. Lo continues, "We make sure that we start making ourselves available right from the beginning, so that if there is a problem, the tenants feel comfortable coming to us. We know from our experience in all of our properties that the management needs to be visible and open to hearing what tenants need. This can sometimes be very simple - for instance, we've learned through experience that the name badges need to be large enough for the tenants to read the staff names and feel comfortable addressing them."

SHKP Network Expands to China

SHKP's mainland China property investments are expanding rapidly. One complex, the Sun Dong An Plaza, occupies a 220,000 square feet site in Wangfujing, the busiest commercial and retail district in Beijing, with a gross floor area of 2.1 million square feet, with 1.3 million square feet of prime retail space and 430,000 square feet of office premises.

Its landmark Shanghai investment, Shanghai Central Plaza is a 588,000 square feet commercial complex located in one of Shanghai's most popular shopping and commercial districts, and is Shanghai's foremost landmark in terms of location, design and quality.

Meanwhile, the Shanghai IFC, one of SHKP's wholly-owned office properties in the mainland, will at its completion be a commercial complex of about four million square feet in Pudong's Lujiazui financial centre overlooking the Huangpu River. The offices will be built to the same standard as IFC in Hong Kong, with panoramic views and comprehensive communications and IT infrastructure.



The Shanghai IFC located at a prime site in the heart of Pudong financial and trade zone.

A high-end shopping mall will house international brand-name retailers plus a hotel and service apartments run by world-renowned hospitality operators.

SHKP's strategy to maintain quality by managing in-house will become more important as SHKP expands its office

portfolio into mainland China. The company is optimistic about the prospects for mainland China in light of continued economic expansion, and is focusing on property in major centres like Beijing, Shanghai, Guangzhou and the Pearl River Delta.

BIZ - THE KEY IS HERE

Icon buildings. Building icons.

Central: One IFC • Two IFC • Wan Chai: Sun Hung Kai Centre • Central Plaza • Harbour Centre • Causeway Bay: World Trade Centre
Kowloon Station: ICC • Kwun Tong: Millennium City • Mongkok: Grand Century Place
Kwai Chung: Metroplaza • Millennium Trade Centre • Tsuen Wan: Grand City Plaza • Shatin: New Town Tower • Grand Central Plaza • Sheung Shui: Landmark North

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