

MYANMAR

REVIEW OF OPERATIONS



Sedona Hotel Yangon is a five-star hotel facing the famous Inya Lake.

Yangon - Sedona Hotel Yangon

The second phase of Sedona Hotel Yangon, the Group's first hotel in Myanmar, opened in June 1997. Another 32 serviced apartments and 30 office suites were added to the 334 rooms which had been completed earlier. This five-star deluxe hotel facing the famous Inya Lake, has become a landmark and is known to be one of the best hotels in Myanmar.

In the light of an increase in the supply of hotels in Yangon and declining tourist arrivals, Sedona Hotel Yangon introduced attractive packages such as weekend and holiday packages for locals and resident expatriates. To generate revenue, the hotel will also look into the possibility of engaging in other areas synergistic with its hotel operations.

Mandalay - Sedona Hotel Mandalay

Sedona Hotel Mandalay, the Group's second hotel in Myanmar, is situated opposite the Mandalay Palace. The 247-room hotel is just three minutes away from the city centre and 12 minutes away from the airport.

Phase 1, comprising 68 rooms and 15 serviced apartments, opened in September 1997. The remaining 152 rooms and 12 serviced apartments under Phase 2 will be completed in 1998. Similar measures as those in Yangon are being undertaken in Mandalay to increase revenue and reduce operating costs.

MARKET REVIEW

The Visit Myanmar Year 1996 which ended in November 1997 attracted only half of the expected target of 250,000 tourists. Investments have also not increased at the projected level due mainly to the sanctions imposed by the U.S. and European Union. Although the Myanmar government is trying to change its image by replacing the State Law and Order Restoration Council with the new State Peace and Development Council and the introduction of several new leaders, the regional currency and economic crisis has dampened desired results. Foreign-owned hotels in Myanmar have operated at lower occupancy rates.