

# SEDONA HOTELS INTERNATIONAL

## REVIEW OF OPERATIONS

### *Opening of two hotels and a serviced apartment tower*

In 1997, Sedona Hotels International opened two new hotels in Indonesia and Myanmar as well as a serviced apartment tower in Vietnam.

The 230-room Hotel Sedona Makassar in Ujung Pandang, South Sulawesi, soft-opened on 18 January 1997. Situated approximately 30 minutes from the Ujung Pandang international airport, the hotel is centrally located fronting the popular Losari Beach.



*Sedona Hotel Mandalay has commenced operations.*

Sedona's second hotel in Myanmar, Sedona Hotel Mandalay, soft-opened in September 1997. The 247-room hotel is located just three minutes' away from the city centre and 12 minutes' away from the airport.

Sedona Hotels International launched its first batch of fully serviced executive residences in Saigon Centre in Ho Chi Minh City, under the brandname of Sedona Suites, on 15 January 1997. It

### **Sedona Hotels International's Portfolio as at end-April 1998**

<i>Country</i>	<i>Hotel/Resort/Serviced Apartment</i>	<i>Location</i>	<i>Number of Rooms</i>
Australia	The Crescent on Bayswater	Sydney	70
Indonesia	Hotel Sedona Makassar	Ujung Pandang	230
	Hotel Sedona Manado <sup>^</sup>	Manado	247
	Hotel Sedona Bintan Lagoon	Bintan Island	416
	Ria Bintan, the Golf Club <sup>*</sup>	Bintan Island	-
Myanmar	Sedona Hotel Yangon	Yangon	366
	Sedona Hotel Mandalay	Mandalay	247
Vietnam	Sedona Suites, Ho Chi Minh City <sup>**</sup>	Ho Chi Minh City	89
	Sedona Suites, Hanoi <sup>^***</sup>	Hanoi	175
China	Spring City Golf and Lake Resort <sup>*</sup>	Kunming	49
	Total Portfolio		<u>1,889</u>

<sup>^</sup> Not operational yet

<sup>\*</sup> Clubs and resorts

<sup>\*\*</sup> Serviced apartments

<sup>\*\*\*</sup> Serviced apartments and villas

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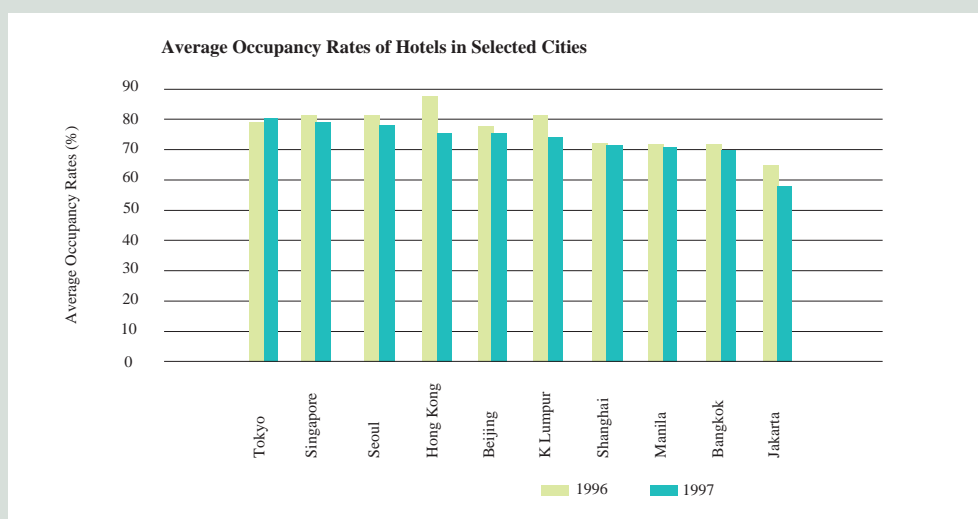
## MARKET REVIEW

### *Decline in tourist arrivals*

The tourism industry has been affected by the regional financial crisis as the depreciation of the currencies affected the propensity of Asians to travel for pleasure, while businesses affected by the regional turmoil cut back on corporate trips for executives.

Average hotel occupancy rates in Singapore fell by 3.5% to 78.5% in 1997, compared to the previous year. Occupancies in Hong Kong fell from 88% to 77% in 1997. The regional crisis, coupled with an oversupply of hotel rooms in Bangkok and Jakarta, also resulted in low occupancies in the cities.

Given the potential drop in demand resulting from slowing economic growth in the region, 1998 will see stiffer competition in the hotel industry in terms of pricing, service and carving out of niches by hotels. Asian countries are also expected to take advantage of the lower exchange rates against the US dollar to attract bargain-conscious American and European travellers.



Source : PKF Consulting Limited

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offers 89 units of one to three-bedroom apartments with full housekeeping services, a business centre and recreational facilities including a swimming pool, tennis courts, a gymnasium and an exclusive executive club.

With the addition of a serviced apartment development in Hanoi, Vietnam in 1998 and a resort hotel in Manado, Indonesia in the near future, Sedona Hotels International will have a portfolio of six hotels, two

serviced apartment developments and two clubs and resorts, with a total of 1,889 rooms.

### *Sedona Clubs and Resorts*

Sedona Clubs and Resorts, a division of Sedona Hotels International, was set up in 1997 to manage golf clubs with accommodation facilities. It currently manages Ria Bintan Golf Club in Indonesia and the Spring City Golf and Lake Resort in Kunming, China.

## REVIEW OF OPERATIONS

### *Award won by Sedona*

Hotel Sedona Makassar in Ujung Pandang became the first hotel in East Indonesia to be awarded five-star status by the Indonesian government.

### *Widening the Sedona network*

The Sedona name was further exposed to international markets through the numerous trade shows that Sedona Hotels International participated in. In 1997, it took part in six major trade shows, including the Asean Tourism Forum, the International Tourismus Borse, the European Incentive Business Travel and Meeting Exhibition, the Asian Diver Exhibition and Conference, the Tourism Indonesia Mart and Expo, as well as the World Travel Mart.

In addition, hotels under the Sedona stable participated actively in promotional tie-ups with local companies to establish their presence in the cities in which they are located. Local companies in such tie-ups include country clubs, golf clubs, major shopping centres and credit card companies.

### *Attractive packages for our guests*

During the year, Sedona Hotels International launched two packages, one targeted at business travellers and the other at leisure groups. The former offers business guests all the necessary for a rewarding, hassle-free stay while ensuring a high standard of comfort and friendly service. The latter attractively priced leisure package offers couples and families value-for money getaways at Sedona hotels and resorts.



*Hotel Sedona Bintan Lagoon is an international class resort which will comprise 416 rooms, 100 bungalows/villas and three golf courses.*