

Yoma signs deal to develop five-star hotel in Yangon

Joint venture with The Hongkong and Shanghai Hotels

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YOMA Strategic Holdings, which is looking to build itself a portfolio of diversified businesses in Myanmar, has moved ahead with its plans to develop a five-star hotel out of the former Burma Railway Company building in Yangon.

It said it has signed a heads of agreement with The Hongkong and Shanghai Hotels Limited (HSH) to jointly redevelop the building into a Peninsula hotel.

Hong Kong-listed HSH is known for its ownership, development and management of hotel, commercial and residential properties around the world, including The Peninsula hotels in Hong Kong, Shanghai, New York, Beverly Hills (California) and Paris.

The parties are now working on each side's financial

commitment with respect to the purchase of the land development rights of the site and its redevelopment costs, ahead of the signing of the binding agreements.

Yoma had earlier proposed – with the approval of its shareholders – to buy an 80 per cent stake in Meeyahta International Hotel Limited (MIHL). MIHL holds the rights to the economic benefits of the land development rights for a 10-acre, mixed-use development project in the Pabedan township in Yangon, which includes the heritage Burma Railway Company building.

Yoma bought the stake from its executive chairman Serge Pun's privately held Serge Pun & Associates (SPA Group), which retains a 20 per cent stake in MIHL.

MIHL has applied to the authorities in Myanmar for a new leasehold title to be issued for this new development, located at 372 and 380 Bogyoke Aung San Road in Pabedan.

Under the heads of agreement, HSH has agreed to



UPCOMING PROJECT

Artist's impression of the Peninsula hotel after it's developed out of the former Burma Railway Company building

subscribe for a 70 per cent majority interest in the joint venture to be set up; Yoma and SPA have agreed to subscribe for the remaining 30 per cent in the joint venture, in proportion to their respective interests in MIHL, that is 80 per cent and 20 per cent respectively.

In addition to this five-star hotel, Yoma has announced plans to build a four-star hotel, a luxury condominium building, a serviced-apartment complex, two office towers with more than 700,000 sq ft of gross floor area and a retail podium with more than 400,000 sq ft of gross floor area in the Pabedan project.

Yoma also has other ventures in Myanmar, including projects in apartment construction, the luxury tourism sector and the automotive industry.

It has also joined up with First Myanmar Investment, a unit of SPA, to bid for a mobile-phone licence in Myanmar. It announced last week that the consortium it is a part of has pre-qualified to apply for one of two new telecommunications licences in Myanmar expected to be awarded later this year.

The consortium comprises YSH Finance Ltd (80 per cent owned by Yoma and 20 per cent by SPA), Digicel Group Limited and Quantum Strategic Partners Ltd.

Yoma is widely viewed as the company with the purest exposure to Myanmar. Its shares closed yesterday 1.5 cents up at 81 cents apiece yesterday.