

# HotelManagement

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# Astudo Holdings Invests In 4 Resort Properties



*Away Resort Koh Kood, Thailand / Photo Courtesy of X2 Resorts*

*Artist's Rendering of Pool and Lobby at X2 Resort Samui  
Image Courtesy of X2 Resorts*

International property investor Astudo Holdings today announced that it had invested in 4 resort properties during the year, totally over Baht 670mn. The company's CEO Anthony McDonald said that the company was very optimistic with the Thai hotel and resort property market and recently decided to focus part of its international portfolio in this sector.

Previously the company had focused its investments in Australia and the United Kingdom. Success in these markets over the last 10 years created a strong capital base for the company, but since 2006 the company made a decision to slow investments in these mature

markets and focus in markets (like Thailand) where opportunities are potentially greater he said.

Mr. McDonald said "that after researching the various property sectors of the Thai market, Astudo concluded that the resort and hotel sector was more attractive than residential, commercial or industrial properties." Since that time the firm has undertaken an interesting and unique approach to its investments.

"Typically investors will partner with overseas chains to manage their hotel properties. Astudo decided instead to create its own brand and chain, with the help of local hotel consultants. This

creates greater opportunity for the company to increase the value of its investments as it will also own the brands under which its properties are managed," said Mr. McDonald. To date Astudo owns and operates the resorts under the names Le Bayburi, X2 Resorts (pronounced "cross-two") and Away Resorts.

The company currently has four properties in Thailand; Samui, Kui Buri, Koh Kood and Pranburi. Astudo plans to invest an additional Baht 600-700mn next year to expand resorts in the Phuket and Krabi area, and build another resort on existing Koh Kood land, according to Mr. McDonald.

When asked about the expected returns and profits from the investments Mr. McDonald confirmed that "we are a very long term investor, and have no intention to ever sell the properties. Our key objective is the long term accumulation of quality real estate, whereby we make our money from capital appreciation and cashflows generated by the operations of the resorts, and not by selling the properties". He added that "in the past Astudo had achieved an average annual return on equity of 40%, and saw no reason why that should not continue for the future years".