



MY HUMBLE HOUSE  
HOSPITALITY MANAGEMENT  
CONSULTING

寒舍餐旅管理顧問

2016 Investor Conference

2016/12/21

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# Outlines

1. Company Profile
2. Industry Overview and Market Analysis
3. Operational Performance and Financial Overview
4. Operating Strategy and Future Outlook

# 1. Company Profile

## 1.1 Basic Data

## 1.2 Operating Location

# Basic Data



**Company name** : My Humble House Hospitality Management Consulting Co., Ltd. (MHH)



**Stock code** : 2739



**Establishing date** : January 17, 2000



**Date of listing** : May 19, 2016



**Paid-in capital** : 1,115,260,000



**Scope of business** : International tourism hotels and catering services



**Chairperson** : Ellie Lai      **CEO** : Wilhelm Tsai



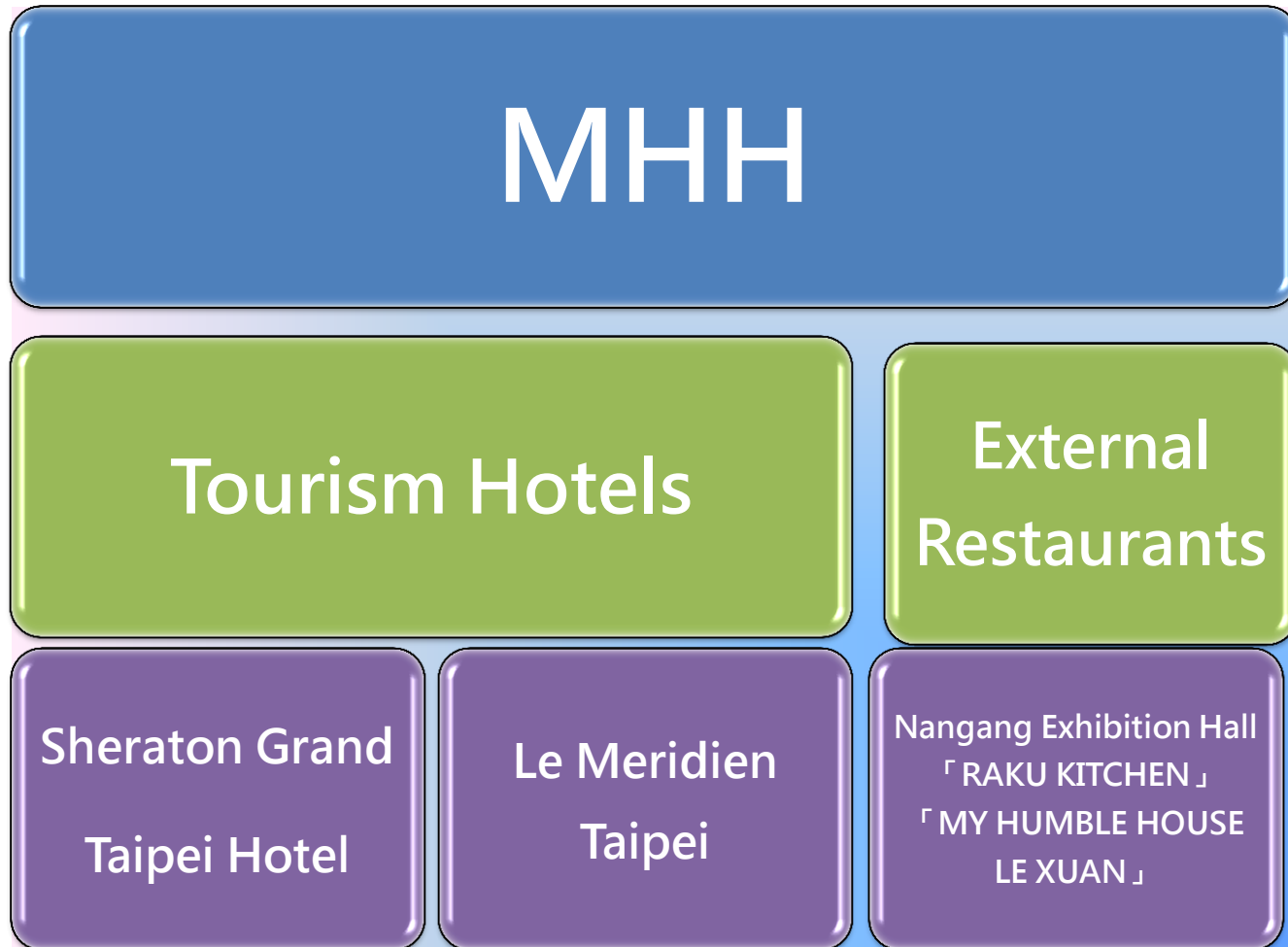
**Employees** : 1,398 persons (dated October 31, 2016)

# 1. Company Profile

1.1 Basic Data

1.2 Operating Location

# Operating Location



# 台北喜來登大飯店 SHERATON GRAND TAIPEI HOTEL

Sheraton Grand Taipei Hotel is located in the heart of Taipei's business and commercial districts. The décor blends understated Chinese cultural elements, such as meaningful Chinese totems with exquisite Chinese antiques arranged throughout the hotel, delivering an ingenious and delicate modern style. In January 2013, "Starwood Hotels and Resorts Worldwide" accredited Sheraton Grand Taipei Hotel with the highest status of its brand, "Sheraton Grand", making it the only hotel in Taiwan with this distinction.

The 688 luxuriously appointed rooms and suites offer guests a wide selection of room types. There are also three Executive floors and one Sheraton® Club lounge. With complimentary Wi-Fi access in all areas, Sheraton Grand Taipei offers High-Speed Internet Access for business and leisure. Nine unique style restaurants which offer Chinese, Western, Japanese, and Thai cuisine. With a maximum capacity of 1800 guests, Sheraton banqueting offers a rich and detailed delicious feast.



**Sheraton  
Grand**

TAIPEI HOTEL  
台北喜來登大飯店

Address : No. 12, Sec. 1, Zhongxiao E Rd.,  
Zhongzheng Dist., Taipei City, 100,  
Taiwan, ROC

Phone : (02)2321-5511

Transportation :

MRT: Exit No2, MRT Shandao Temple  
Station, MRT Bannan Line

Bus: Shandao Temple Stop



# 台北寒舍艾美酒店 LE MERIDIEN TAIPEI



*Le* **MERIDIEN**

Address: No. 38 Songren Rd.

Phone : (02)6622-8000

Transportation :

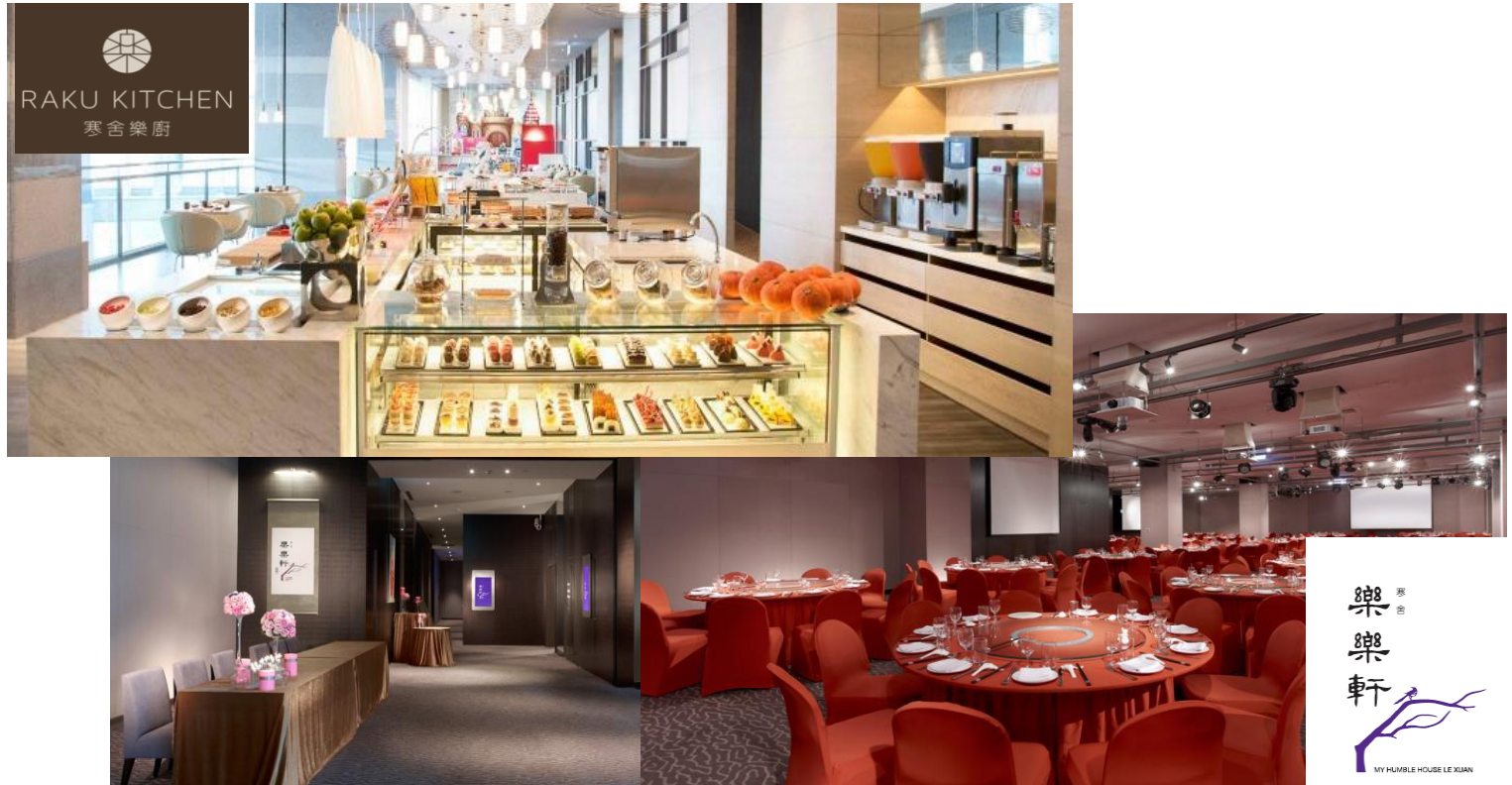
MRT: Exit No. 3, MRT Taipei City Hall  
Station, Bannan Line

Bus: Xingya Junior High School Stop

Located at Taipei' s most fashionable and culturally distinguished area—Xinyi district, offers 160 guestrooms, multifunctional banqueting venues, three restaurants and bars with unique style, and one chocolate specialty shop.

「Le Méridien」 branded from Starwood Hotels & Resorts Worldwide, Inc. Based on the exhibition planning concept for contemporary arts, Le Méridien Taipei has chosen the theme of “Light and Shadow” to harmonize with the hotel' s interior space, collection of contemporary artists from Taiwan, China, Japan, Korea, USA, UK and Belgium, nearly 700 original artworks revive guest' s sensory experience, inspiring an unprecedented visual journey in every corner.

# External Restaurant: Nangang Exhibition Hall



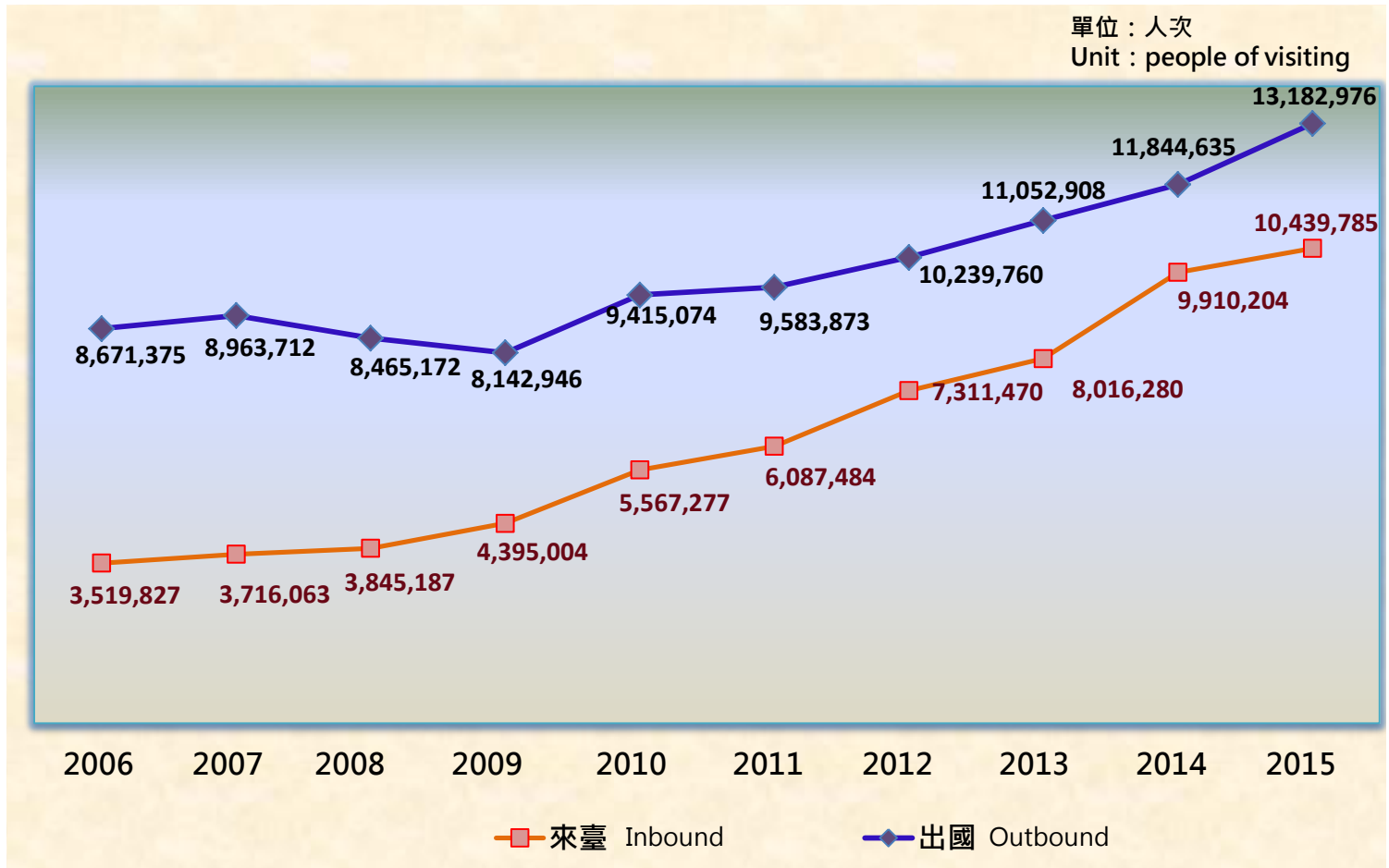
In view of the potential conference and banqueting demands at Nangang Exhibition Hall, buffet restaurant RAKU KITCHEN and function room MY HUMBLE HOUSE LE XUAN were opened in Nangang Exhibition Hall to expand into the exhibition hall restaurant territory in 2014.

## 2. Industry Overview and Market Analysis

### 2.1 Industry Overview

### 2.2 Market Analysis

# Growth of Inbound Travelers and Outbound Citizens over Past Decade



資料來源：交通部觀光局統計資料  
Source: Statistics of the Tourism Bureau, MOTC.

# Tourist Revenue Statistics for the past three years

| Statistic  | 2013                                      | 2014                                      | 2015                                      |
|--|---|---|---|
| Visitors to Taiwan<br>Total Amount                             | USD\$12.3 Billion<br>(NTD\$366.8 Billion) | USD\$14.6 Billion<br>(NTD\$443.8 Billion) | USD\$14.4 Billion<br>(NTD\$458.9 Billion) |
| Domestic Travel<br>Total Amount                                | USD\$9.2 Billion<br>(NTD\$272.1 Billion)  | USD\$10.2 Billion<br>(NTD\$309.2 Billion) | USD\$11.3 Billion<br>(NTD\$360.1 Billion) |
| Sightseeing<br>Total Amount                                    | USD\$21.5 Billion<br>(NTD\$638.9 Billion) | USD\$24.8 Billion<br>(NTD\$753.0 Billion) | USD\$25.7 Billion<br>(NTD\$819.0 Billion) |
| GDP %  | 4.20%                                     | 4.68%                                     | 4.92%                                     |
| Visitors to Taiwan /<br>Per person per day<br>spending         | 8,016,280 Visitors/<br>USD\$224.07        | 9,910,204 Visitors/<br>USD\$221.76        | 10,439,785 Visitors/<br>USD\$207.87       |
| Domestic Citizen<br>Domestic Travel/Per<br>person per spending | 142.62 Million/<br>NTD\$1,908             | 156.26 Million/<br>NTD\$1,979             | 178.52 Million/<br>NTD\$2,017             |

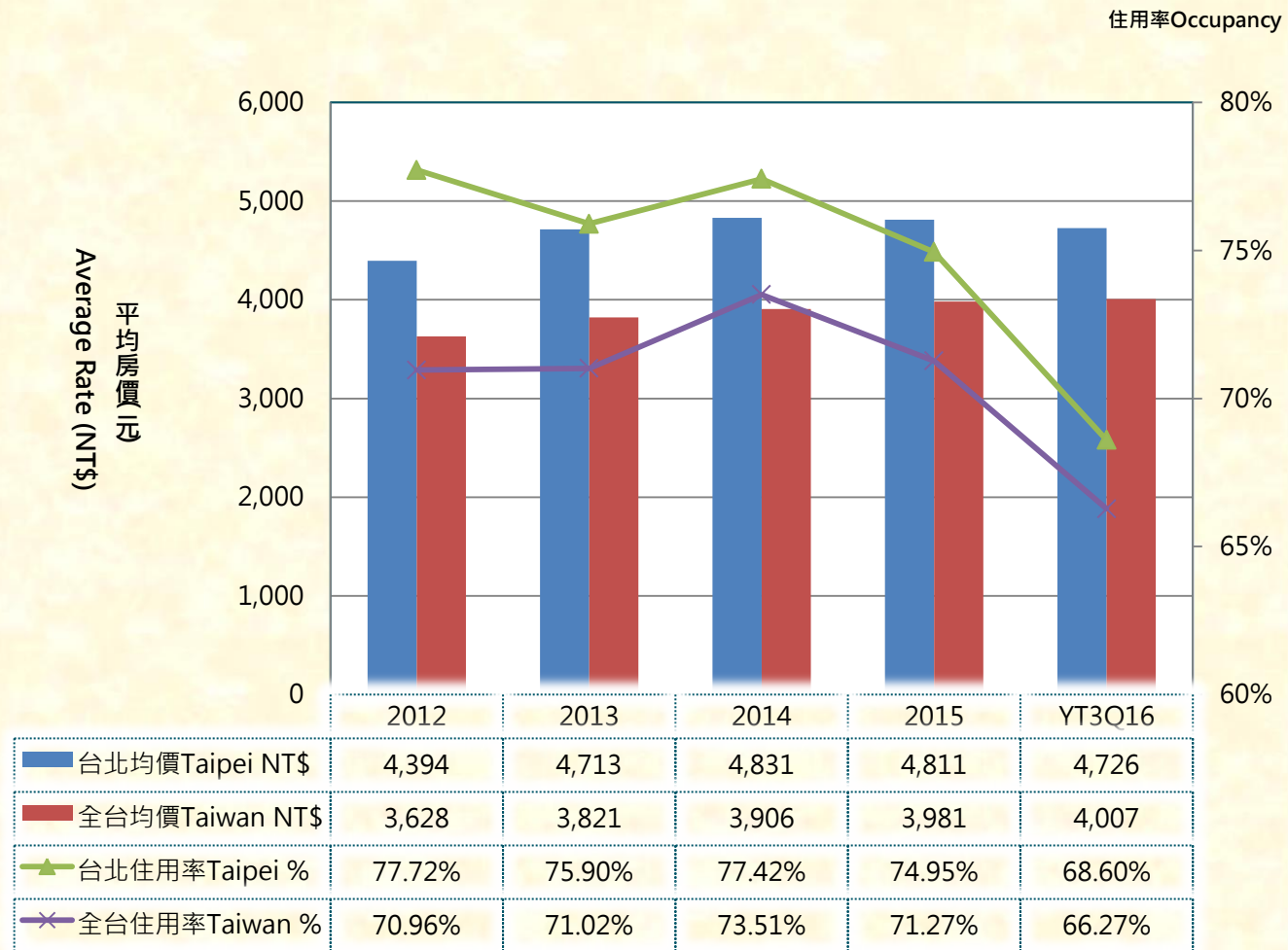
Source: Statistics of the Tourism Bureau, MOTC.

## 2. Industry Overview and Market Analysis

2.1 Industry Overview

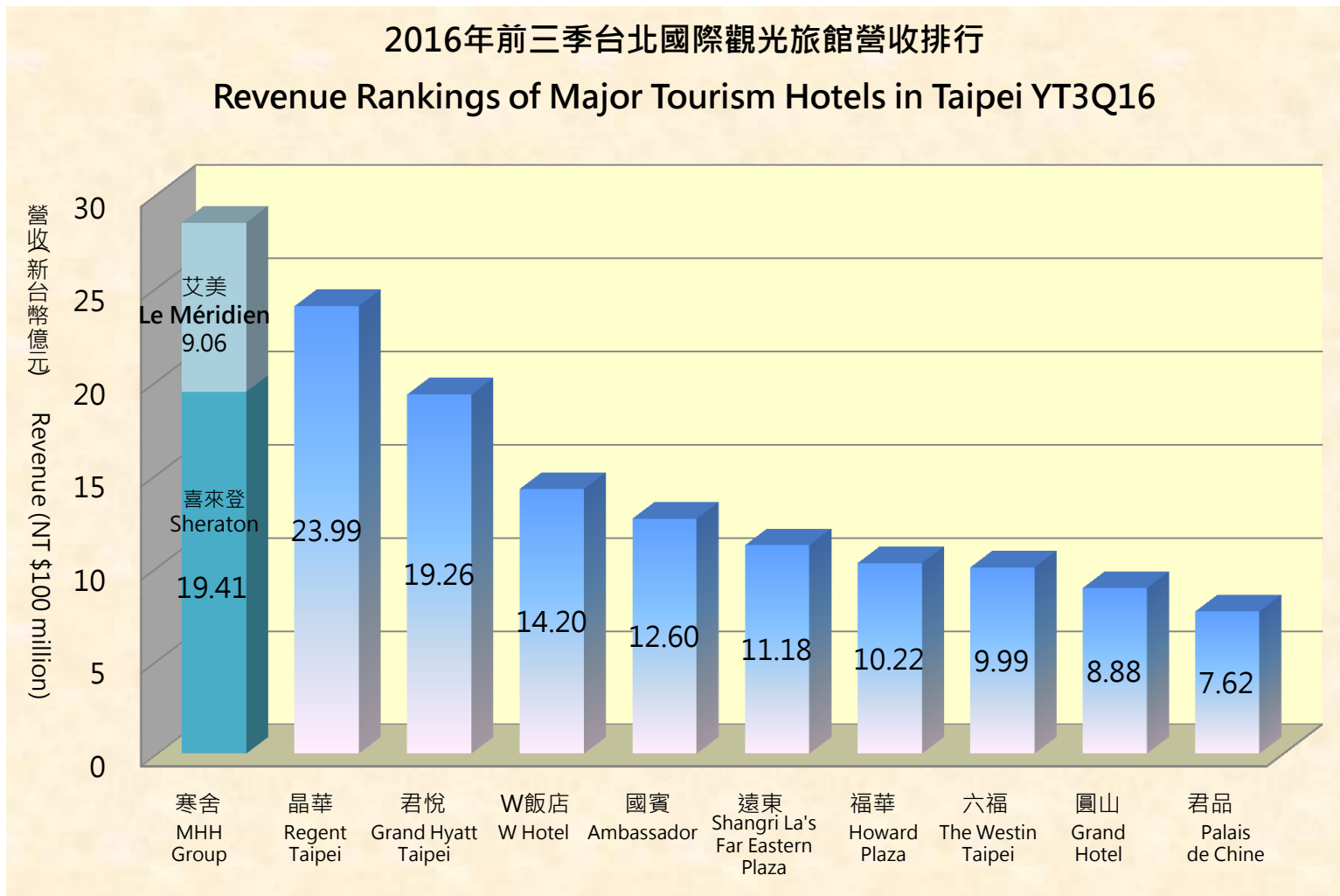
2.2 Market Analysis

# International Hotel Occupancy and Rates Taiwan vs. Taipei



資料來源：交通部觀光局統計資料  
Source: Statistics of the Tourism Bureau, MOTC.

# Revenue Rankings of Major Tourism Hotels in Taipei YT3Q16



資料來源：本公司財務資料及交通部觀光局統計資料

Source: The company financial information and statistics of the Tourism Bureau, MOTC.



# 3. Operational Performance and Financial Overview

## 3.1 Business Performance

## 3.2 Revenue Performance of Each Hotels

## 3.3 Others Investment

# Revenue Ratio of Major Products



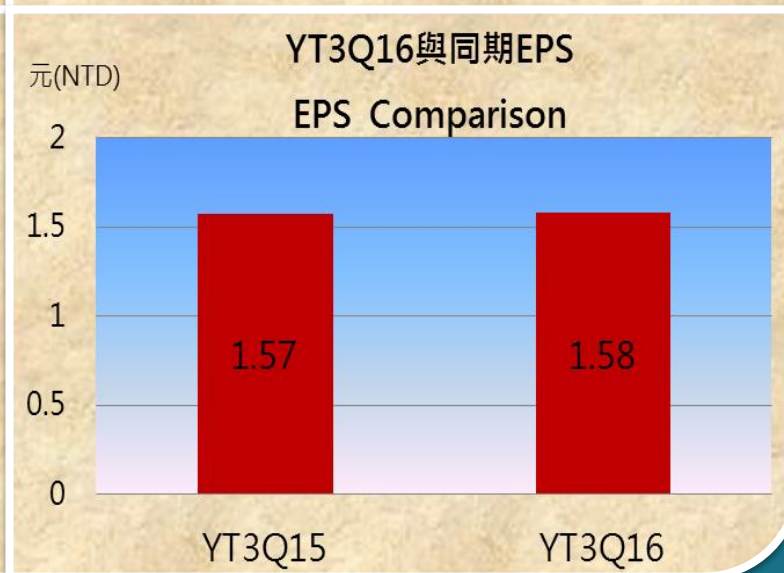
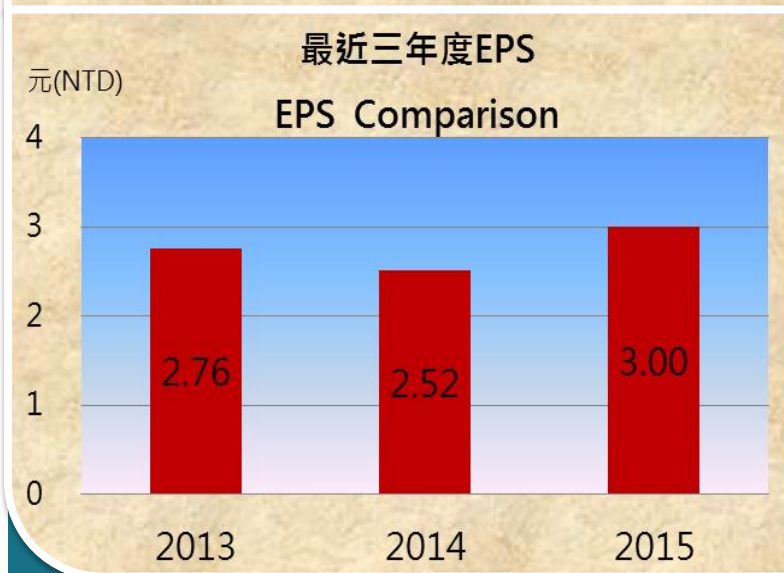
單位:新台幣億元(Unit:NT\$100million)

| 期間<br>Revenue Period | 餐飲收入<br>F&B<br>Revenue | 客房收入<br>Room<br>Revenue | 其他收入<br>Other<br>Revenue | 營收合計<br>Total<br>Revenue |
|----------------------|------------------------|-------------------------|--------------------------|--------------------------|
| 2013                 | 24.46                  | 16.07                   | 3.02                     | 43.55                    |
| 2014                 | 25.85                  | 16.86                   | 1.84                     | 44.55                    |
| 2015                 | 27.20                  | 15.56                   | 1.71                     | 44.48                    |
| Y3Q16                | 19.30                  | 10.60                   | 0.96                     | 30.86                    |

註：2013年度以後係採用IFRSs編製。

Note : IFRSs to 2013 and after.

# Profitability Analysis



註：2013年度以後係採用IFRSs編製。

Note : IFRSs to 2013 and after.

# YT3Q16 Consolidated Profit and Loss Analysis

Unit: NT \$ 1,000

| Income Statement Item                                       | YT3Q16      | YT3Q15      | % Change |
|---|-------------|-------------|----------|
| Operating revenue   | 3,085,789   | 3,233,266   | -4.6%    |
| Operating costs   | (1,870,727) | (1,948,100) | -4.0%    |
| Gross profit  | 1,215,062   | 1,285,166   | -5.5%    |
| Operating expenses  | (1,015,202) | (1,083,813) | -6.3%    |
| Other net gain and loss                                     | (16,905)    | (23,000)    | -26.5%   |
| Operating income  | 182,955     | 178,353     | 2.6%     |
| Non - operating income and expenses                         | 21,667      | 16,277      | 33.1%    |
| Profit before income tax                                    | 204,622     | 194,630     | 5.1%     |
| Income tax expense  | (36,846)    | (36,123)    | 2.0%     |
| Non - controlling interest                                  | (2)         | 1           |          |
| Net profit attributable to the owners of the parent company | 167,778     | 158,506     | 5.8%     |
| Earnings per share (NT \$)                                  | 1.58        | 1.57        | 0.6%     |

| Key Financial Ratios        | YT3Q16 | YT3Q15 | % Change |
|-----------------------------|--------|--------|----------|
| Gross margin                | 39%    | 40%    | -0.3%    |
| Operating net profit margin | 6%     | 6%     | 0.4%     |
| Current net profit margin   | 6%     | 5%     | 0.6%     |

Source: The company consolidated financial reports.

# Dividends over the Years

Unit: NTD;%

| Item                 | 2012 | 2013 | 2014  | 2015      |
|----------------------|------|------|---|-----------|
| <b>Cash Dividend</b> | 2    | 0.5  | 2.2   | 2.5447(*) |
| <b>EPS</b>           | 2.34 | 2.76 | 2.52  | 3.00      |
| <b>Payout ratio</b>  | 85%  | 18%  | 87%   | 85%       |
| <b>Remarks</b>       |      |      | Included NT\$0.595/ share capital surplus cash payment. |           |

\* : Cash dividend was NT\$2.29997937 after IPO dilution ◦

## Comparison with Major Competitors-Operation

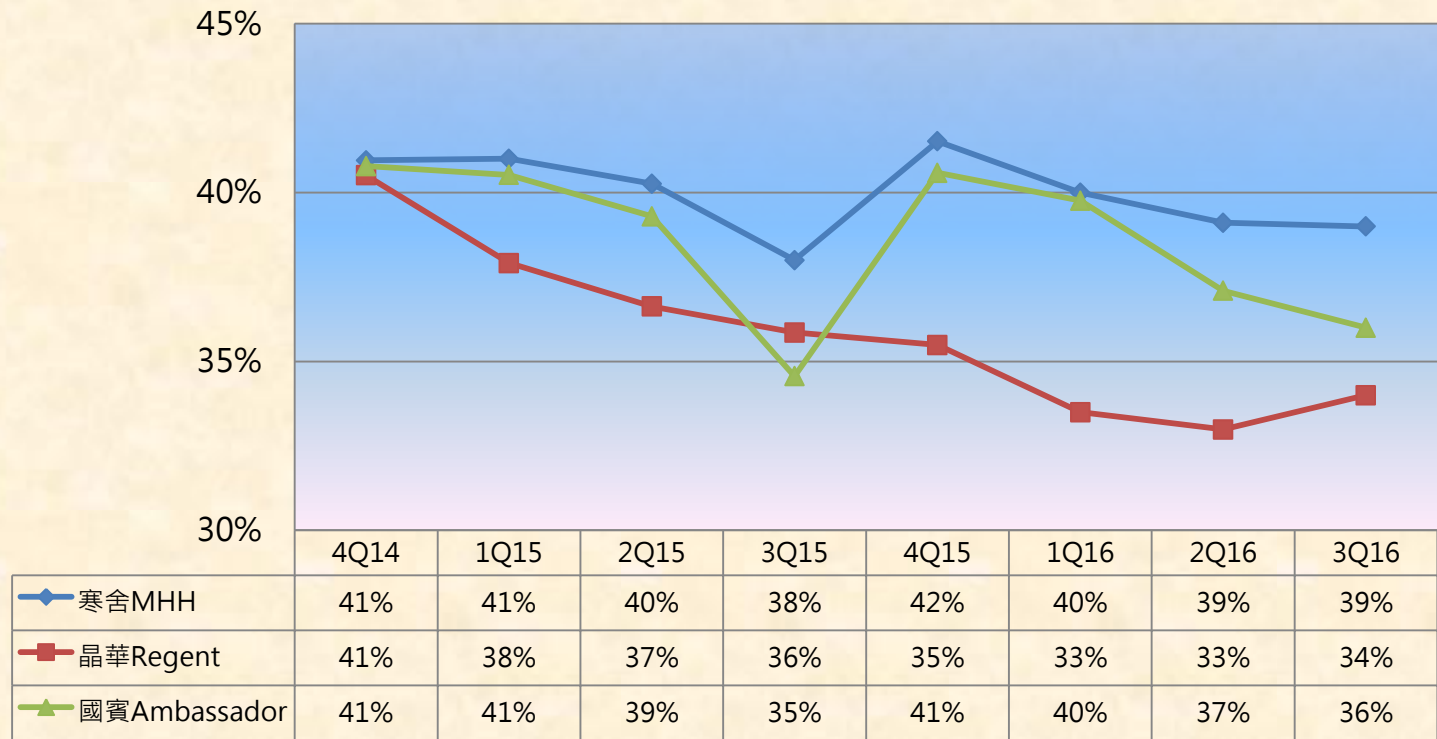
| Listed Hotel                       | MHH(2739)  | Regent (2707)  | Ambassador (2704)  |
|------------------------------------|--|--|--|
| Revenue Contribution (YT3Q16)      | F&B Revenue(63%)<br>Room Revenue (34%)<br>Other Revenue (3%) | F&B Revenue(53%)<br>Room Revenue (38%)<br>Other Revenue (9%) | F&B Revenue(61%)<br>Room Revenue (36%)<br>Other Revenue (3%) |
| Date of listing                    | 2016/5/19  | 1998/3/9   | 1982/11/10   |
| Share Capital (\$100 million NTD)  | 11.15  | 12.67  | 36.69  |
| YT3Q16 Revenue (\$100 million NTD) | 30.86  | 50.11  | 26.9   |
| Bookvalue per share(NTD)           | 16.66  | 26.73  | 25.45  |
| Recent 4Q EPS(NTD)                 | 3.04   | 7.77   | 1.1  |
| 2016 Dividend (NTD)                | 2.3  | 8.872  | 0.7  |
| 2016/11/30 Share price             | 33.1   | 170.5  | 23.5   |
| P / E Ratio                        | 10.89  | 21.94  | 21.36  |
| Cash yield                         | 6.95%  | 5.20%  | 2.98%  |
| P / B Ratio                        | 1.99   | 6.38   | 0.92   |
| 2015 ROE                           | 22.23%   | 30.92%   | 4.42%  |
| Market value (\$100 million NTD)   | 36.92  | 216.10   | 86.23  |

Source: Market Observation Post System

# Comparison with Major Competitors-Gross Profit

最近二年各季毛利率比較表

Gross Profit Comparison



資料來源：公開資訊觀測站

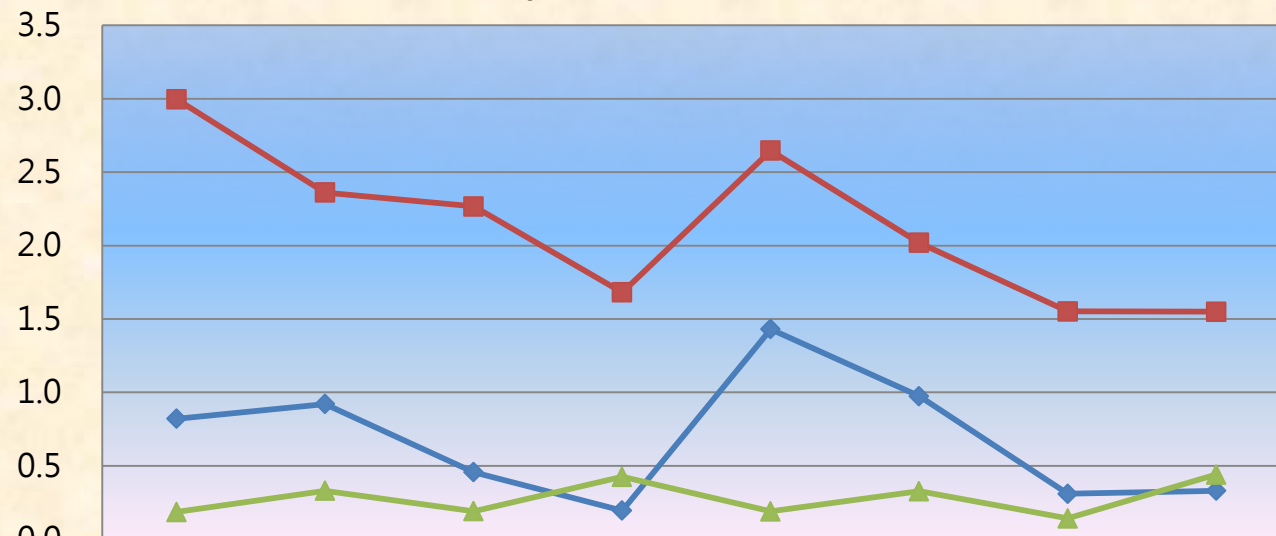
Source: Market Observation Post System

# Comparison with Major Competitors-EPS

最近二年各季EPS比較表

EPS Comparison

元



|                |      |      |      |      |      |      |      |      |
|----------------|------|------|------|------|------|------|------|------|
| ◆ 寒舍MHH        | 0.82 | 0.92 | 0.46 | 0.19 | 1.43 | 0.97 | 0.31 | 0.33 |
| ■ 晶華Regent     | 3.00 | 2.36 | 2.27 | 1.68 | 2.65 | 2.02 | 1.55 | 1.55 |
| ▲ 國賓Ambassador | 0.19 | 0.33 | 0.19 | 0.43 | 0.19 | 0.33 | 0.14 | 0.44 |

資料來源：公開資訊觀測站

Source: Market Observation Post System



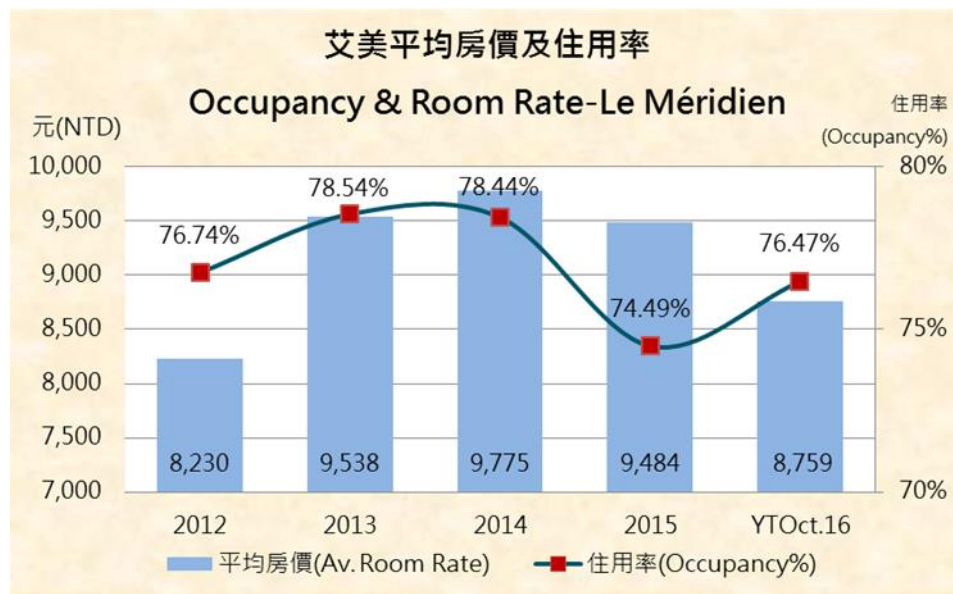
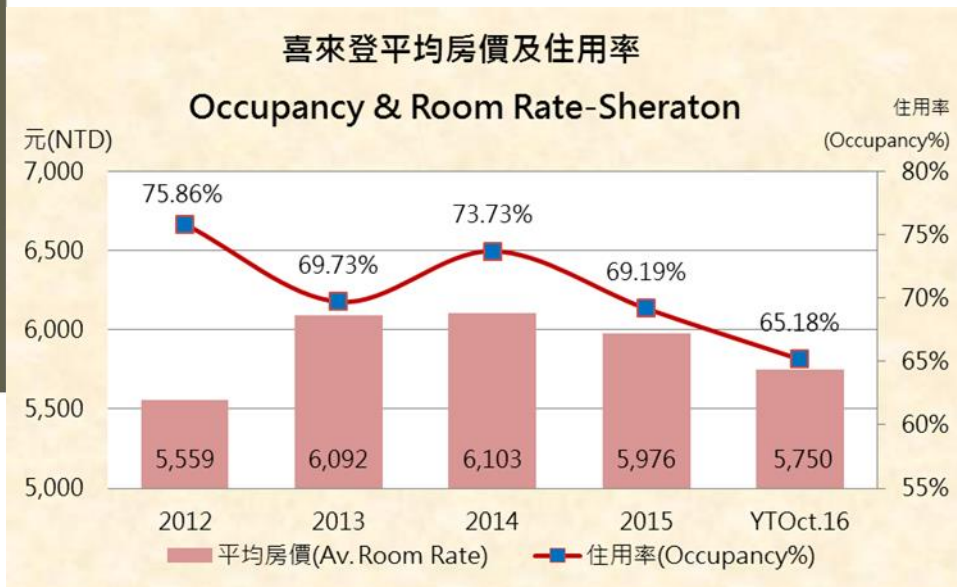
# 3. Operational Performance and Financial Overview

3.1 Business Performance

**3.2 Revenue Performance of Each Hotels**

3.3 Others Investment

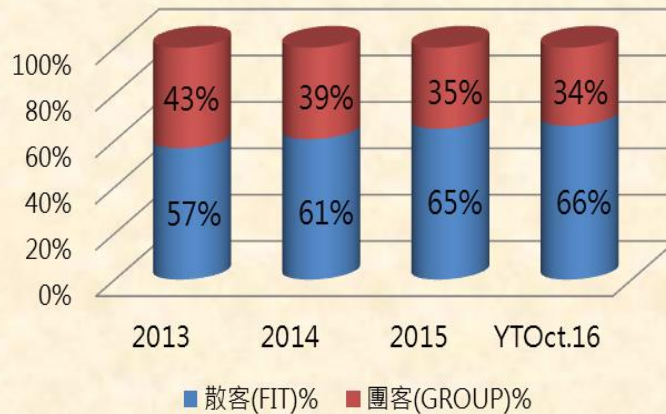
# Occupancy rate and price



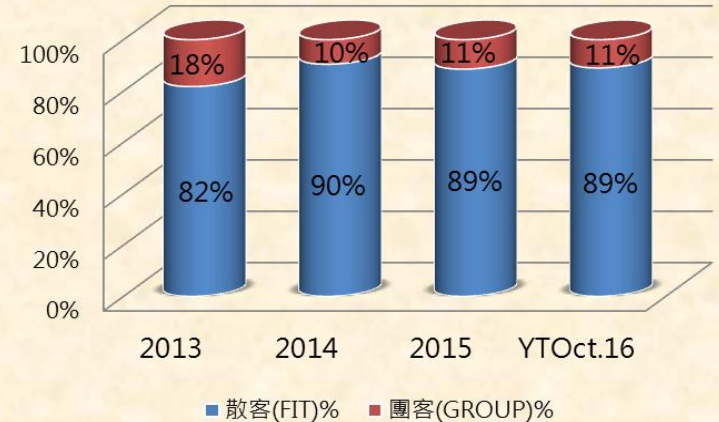
資料來源：交通部觀光局統計資料  
Source: Statistics of the Tourism Bureau, MOTC.

# Guest Segments Analysis

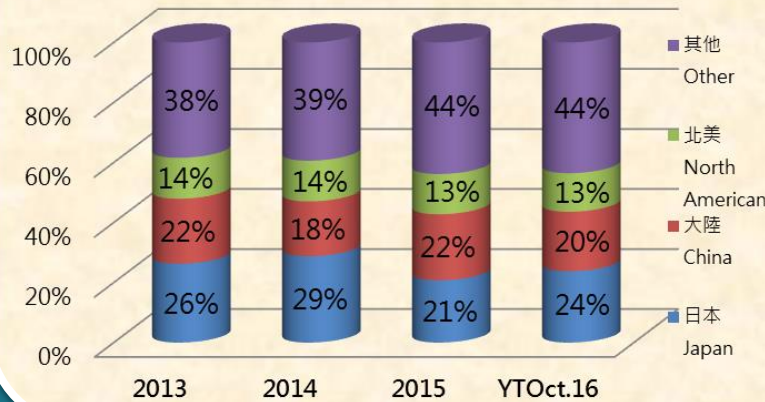
喜來登住客類別比重  
By Type-Sheraton



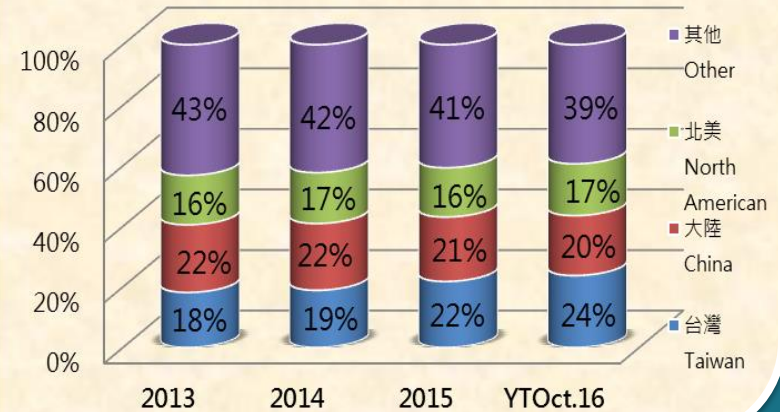
艾美住客類別比重  
By Type-Le Méridien



喜來登住客國籍比重  
By Country/Region-Sheraton



艾美住客國籍比重  
By Country/Region-Le Méridien



資料來源：交通部觀光局統計資料  
Source: Statistics of the Tourism Bureau, MOTC.









# 3. Operational Performance and Financial Overview

3.1 Business Performance

3.2 Revenue Performance of Each Hotels

**3.3 Others Investment**

# HUMBLE HOUSE TAIPEI Basic Data

-  Company name : Humble House Taipei
-  Establishing date : October 7, 2010
-  Opening date : December 27, 2013
-  Paid-in capital : NT\$200,000,000
-  Scope of business : tourism hotels and catering services
-  Operation scale : 235 guest rooms 、 2 restaurants and banquet rooms
-  Employees : 251 persons (dated October 31, 2016)
-  MHH shareholding ratio : 25%

# 寒舍艾麗酒店 Humble House Taipei



HumbleHouse

TAIPEI

寒舍艾麗酒店

Opening on Dec. 2013, Humble House Taipei represents a non-conventional aesthetic taste that blends art, culture, and living together and is the Member of Design Hotels™ in Taiwan. The hotel offers 235 rooms, an Italian restaurant that features natural elements, and the simple and stylish Grand Ballroom. Designed by Hirsch Bedner Associates Pte. Ltd. Design Consultants (HBA), a world-renowned hospitality design company, the hotel presents a simple and relaxing style, impressing our guests with the image of Gardens in the City and creating an exquisite and sophisticated environment. With displays of great artistic works made by international artists, art is delicately blended in the environment to demonstrate the philosophy “art in life, life in art.”

# MHH Investment in Humble House Taipei

Unit: NT \$ 1,000

| Subject                             | 2014   | 2015   | YT3Q16 |
|-------------------------------------|--------|--------|--------|
| Humble House Taipei Profit and Loss | -6,760 | 91,774 | 36,083 |
| MHH Investment %                    | 25%    | 25%    | 25%    |
| MHH Investment Income or Loss       | -1,690 | 22,944 | 9,021  |

Source: The company consolidated financial reports.



MY HUMBLE HOUSE  
HOSPITALITY MANAGEMENT  
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寒舍餐旅管理顧問

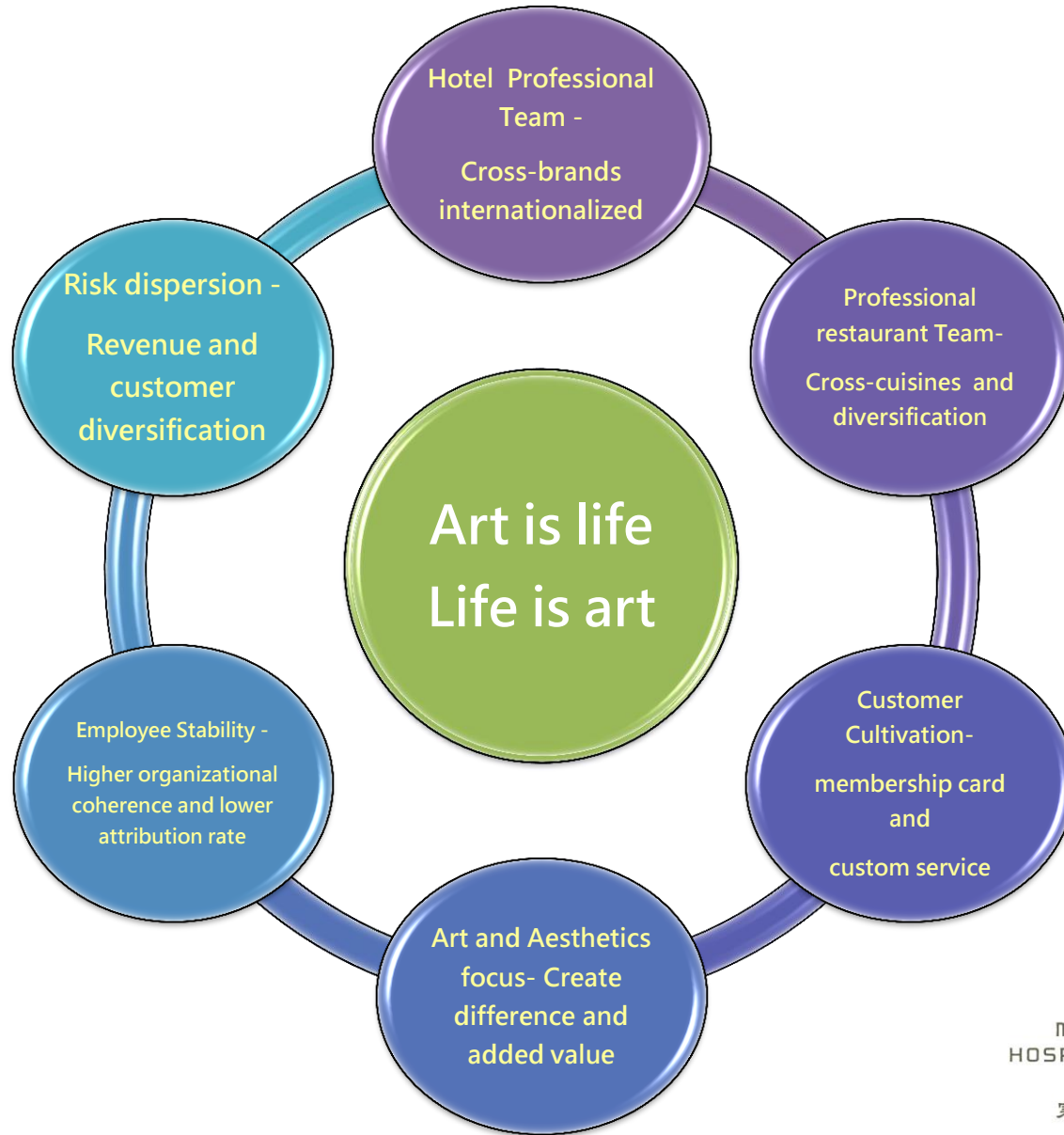
# 4. Operating strategy and Future Outlook

## 4.1 Operating Strategy

## 4.2 Future Outlook



# Business philosophy and competitive advantage



MY HUMBLE HOUSE  
HOSPITALITY MANAGEMENT  
CONSULTING

寒舍餐旅管理顧問

# Operational strategy

|                          |  |
|--------------------------|--|
| Operating assets         | <ul style="list-style-type: none"><li>• Lease focus, lower capital expenditure, accelerate investment return.</li></ul>                                    |
| Financial policy         | <ul style="list-style-type: none"><li>• Stable dividend policy and steady growth of ROE.</li></ul>   |
| Business model           | <ul style="list-style-type: none"><li>• Prudent assessment of development projects to achieve stable growth with goal of sustainable operation.</li></ul>  |
| Talent Cultivation       | <ul style="list-style-type: none"><li>• Meeting future needs of organizational development with focus on talent retention.</li></ul>                       |
| Market supply and demand | <ul style="list-style-type: none"><li>• Strengthen core competence to cope with market competitions.</li></ul>   |
| Brand development        | <ul style="list-style-type: none"><li>• In addition to international five-star brand, develop own brand.</li></ul>   |
| Operating efficiency     | <ul style="list-style-type: none"><li>• In the face of changes in government policies and industries, strengthen management efficiency response.</li></ul> |

# 4. Operating strategy and Future Outlook

## 4.1 Operating Strategy

## 4.2 Future Outlook

# Jiaoxi Hotel Development Project

|                            |   |
|----------------------------|---|
| Site location              | • Health and Leisure District, Wenquan Road, Jiaoxi Township, Yilan County. |
| Planned opening date       | • Q3, 2017  |
| Planned construction cost  | • NT\$622 million   |
| Lease period               | • 20 years  |
| Est. number of room        | • approx. 190 rooms   |
| Est. number of restaurants | • 3 restaurants and banquet rooms   |
| Hotel positioning          | • own brand 5-star hotel  |



# Jiaoxi Hotel Building Status



# Nanjing Songjiang Hotel Development Project

|                      |   |
|----------------------|---|
| Site location        | <ul style="list-style-type: none"><li>• Intersection at Songjiang Road and Nanjing East Road, Taipei City</li></ul> |
| Planned opening date | <ul style="list-style-type: none"><li>• Q4, 2019</li></ul>  |
| Lease period         | <ul style="list-style-type: none"><li>• 20 years</li></ul>  |
| Est. number of room  | <ul style="list-style-type: none"><li>• approx. 100 rooms</li></ul>   |
| Building Planning    | <ul style="list-style-type: none"><li>• Hotel and residential compound building</li></ul>                           |
| Hotel positioning    | <ul style="list-style-type: none"><li>• 5-star hotel</li></ul>  |



# Future Outlook

By the end of 2019, the revenue will be booming by the two new hotels.

Renovation of hotel rooms and restaurants is planned to further enhance market competitiveness.

Careful assessment of hotel investment opportunities in Taiwan and abroad.

Continuously strengthen the management team's management capabilities to enhance the overall operating efficiency, to meet future challenges and changes.

THANK YOU !