



MY HUMBLE HOUSE
HOSPITALITY MANAGEMENT
CONSULTING

寒舍餐旅管理顧問



Disclaimer

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Company Profile





Basic Data

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

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 : 1,439 persons (dated June 30, 2017)



Operating Location



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Tourism Hotels



**Sheraton
Grand**
TAIPEI HOTEL
台北喜來登大飯店

Le **MERIDIEN**
TAIPEI
台北寒舍艾美酒店



礁溪寒沐酒店
JIAO XI HOTEL
Taiwan



RAKU KITCHEN
寒舍樂廚





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.



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

Tel : (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

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.



Address: No. 38 Songren Rd. ., Taipei City, 100, Taiwan , ROC

Tel : (02)6622-8000

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

Bus: Xingya Junior High School Stop



礁溪寒沐酒店 MU JIAO XI HOTEL

My Humble House has extended beyond the Taipei Metropolitan area to Yilan county Jiao Xi Township, launching our own leisure resort hotel brand! Inheriting My Humble House's unique taste on aesthetics, culture and art, MU JIAO XI HOTEL commissions Taiwanese artists and world-renowned LTW hotel design team to integrate contemporary art into local culture, curating an elegant, relaxing and tasteful space.

MU JIAO XI HOTEL and MU JIAO XI RESERVE, 2 architectural styles, featuring 6 room types, totaling 190 guest rooms, featuring outdoor hot springs, children's play area, outdoor pool and fitness center. A full range of facilities provides an array of exquisite services, offering a relaxing vacation for guests.



Address: No.1, Jiankang Rd., Jiaoxi Township, Yilan County

Tel : (03)905-8077

Transportation : 《Freeway No 5》 Exit TOU CHENG Interchange



礁溪寒沐酒店 MU JIAO XI HOTEL



Guestrooms

Every guestroom is outfitted with a private hot springs tub, and 174 guestrooms have an extended deck area. The open space design invites warm sunlight into the room, rejuvenating the body and soul.



礁溪寒沐酒店 MU JIAO XI HOTEL



Leisure facilities

On the 6F 【MU CLUB】 , guests will find a fitness center, hot springs and outdoor pool, equipped with water slides, a favorite with kids.



礁溪寒沐酒店 MU JIAO XI HOTEL



Leisure facilities

A range of facilities, including MU JIAO XI RESERVE 1F 【ONSEN】 outdoor pool that showcases a painting-like reflection of the green vistas in the daytime. As night falls, the water ripples as if collecting the moon and stars. Located on MU JIAO XI HOTEL 1F 【PLAY GROUND】 uses grass turf to connect indoor and outdoor spaces, creating a joyous playground.



Conference and Events

MU JIAO XI HOTEL 3F Grand Ballroom is an exquisite, grand space with a total area of 161-pings and a 6-meter high ceiling. The flexible banquet venue has 4 halls and 5 multipurpose conference rooms to accommodate all kinds of conference and event needs.



礁溪寒沐酒店 MU JIAO XI HOTEL



Food and Beverage

MU JIAO XI HOTEL, continuing the culinary excellence of My Humble House, has created 3 unique restaurants, sourcing fine local ingredients from Yilan, offering exciting taste experiences.

MU BAR (MU JIAO XI HOTEL 1F)

Appreciate the scenic beauty while sipping a cup of freshly brewed tea; enjoy signature cocktails and unwind with good company as the lights and shadow take stage in the starry nightfall.

MU TABLE (MU JIAO XI HOTEL 2F)

Offering all-day buffet service, our executive chef selects fresh local ingredients for a wide selection of specialty dishes from around the world. A satisfying dining experience awaits you!

VARVE (MU JIAO XI RESERVE 2F)

When exquisite cuisine meets local flavor, a new taste is created. The restaurant has two private dining rooms, offering privacy and comfort for diners.



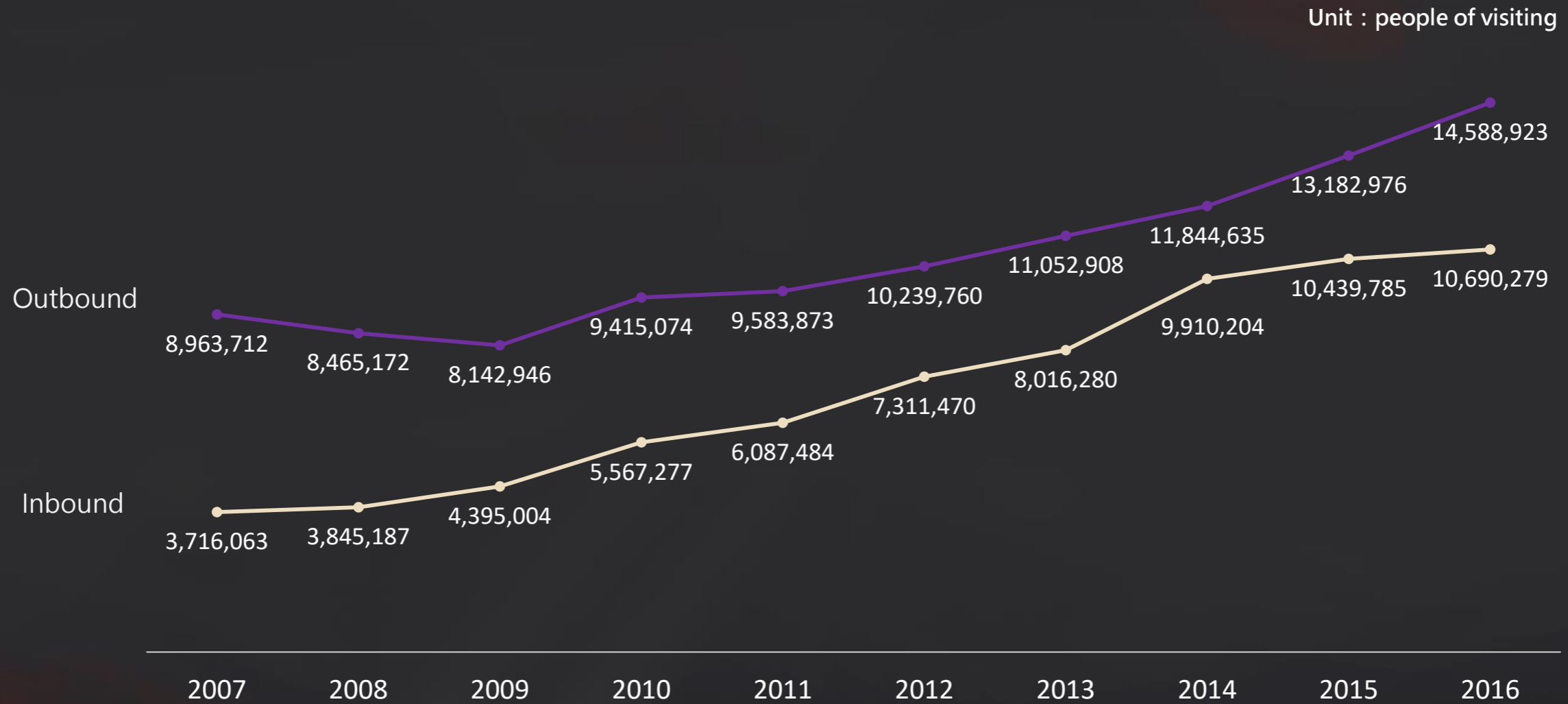
Industry Overview and Market Analysis





Industry Overview

Growth of Inbound Travelers and Outbound Citizens over Past Decade



Source: Statistics of the Tourism Bureau, MOTC.



Industry Overview

Tourist Revenue Statistics for the past three years

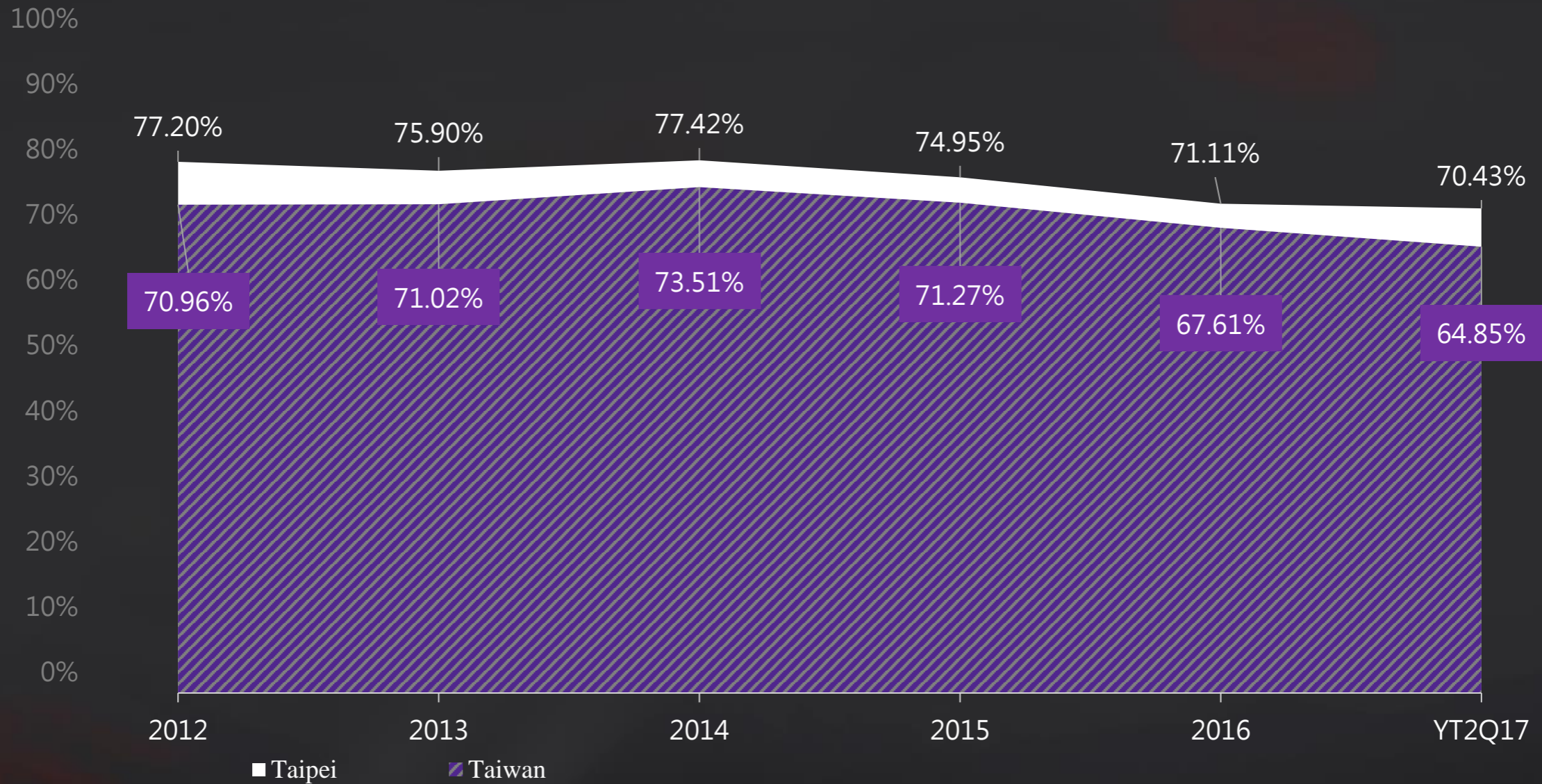
Statistic	2014	2015	2016
Visitors to Taiwan total Amount	USD\$146.15 Billion NTD\$4,438 Billion	USD\$143.88 Billion NTD\$4,589 Billion	USD\$133.74 Billion NTD\$4,322 Billion
Domestic Travel total Amount	USD\$101.96 Billion NTD\$3,092 Billion	USD\$113.41 Billion NTD\$3,601 Billion	USD\$122.97 Billion NTD\$3,971 Billion
Sightseeing total Amount	USD\$248.11 Billion NTD\$7,530 Billion	USD\$257.29 Billion NTD\$8,190 Billion	USD\$256.71 Billion NTD\$8,293 Billion
GDP %	4.68%	4.92%	4.84%
Visitors to Taiwan / Per person per day spending	9,910,204 Visitors/ USD\$221.76	10,439,785 Visitors/ USD\$207.87	10,690,279 Visitors/ USD\$192.77
Domestic Citizen Domestic Travel / Per person per spending	15,626 Million/ NTD\$1,979	17,852 Million/ NTD\$2,017	19,038 Million/ NTD\$2,086

Source: Statistics of the Tourism Bureau, MOTC.



Market Analysis

International Hotel Occupancy Taiwan vs. Taipei

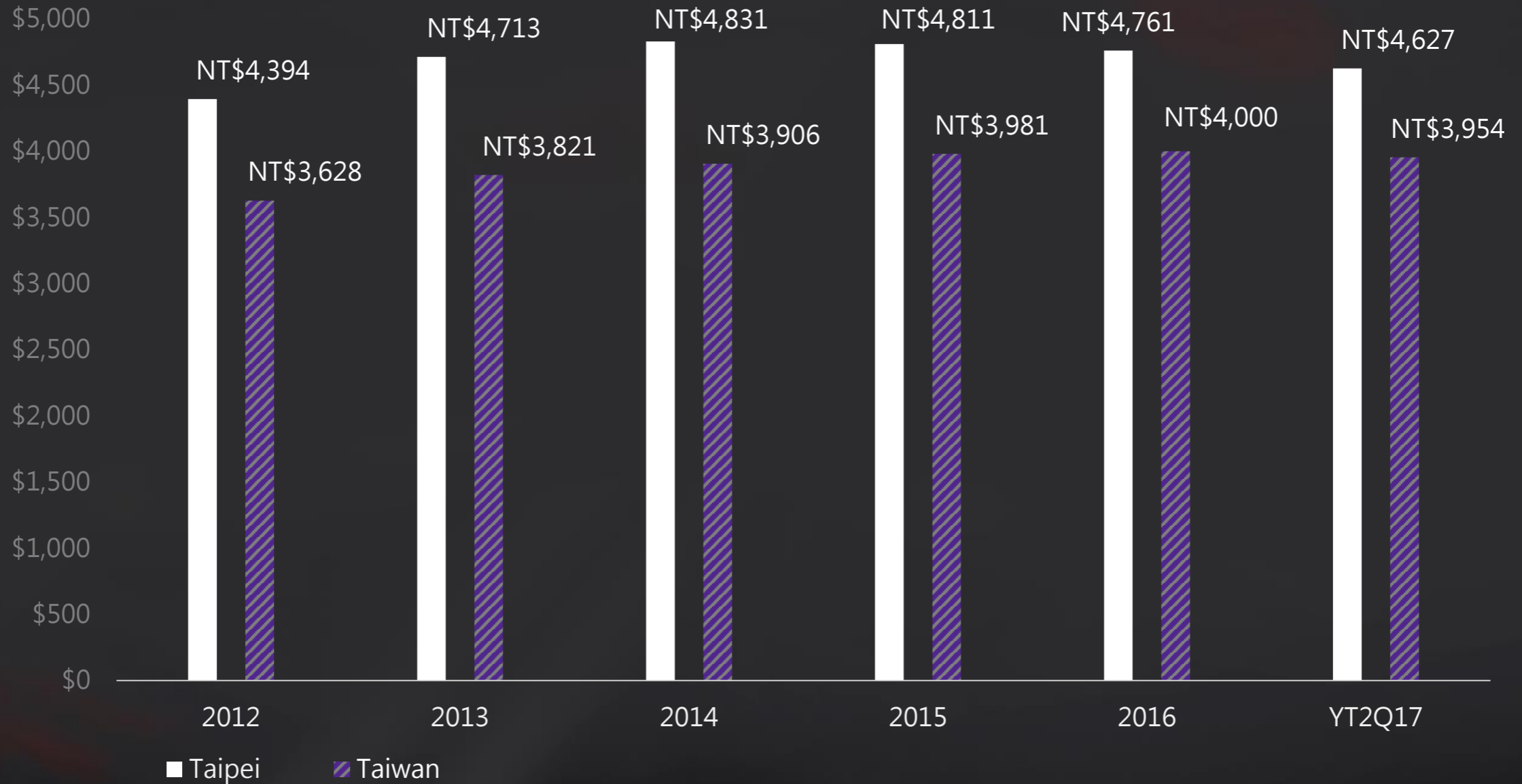


Source: Statistics of the Tourism Bureau, MOTC.



Market Analysis

International Hotel Average Rate Taiwan vs. Taipei

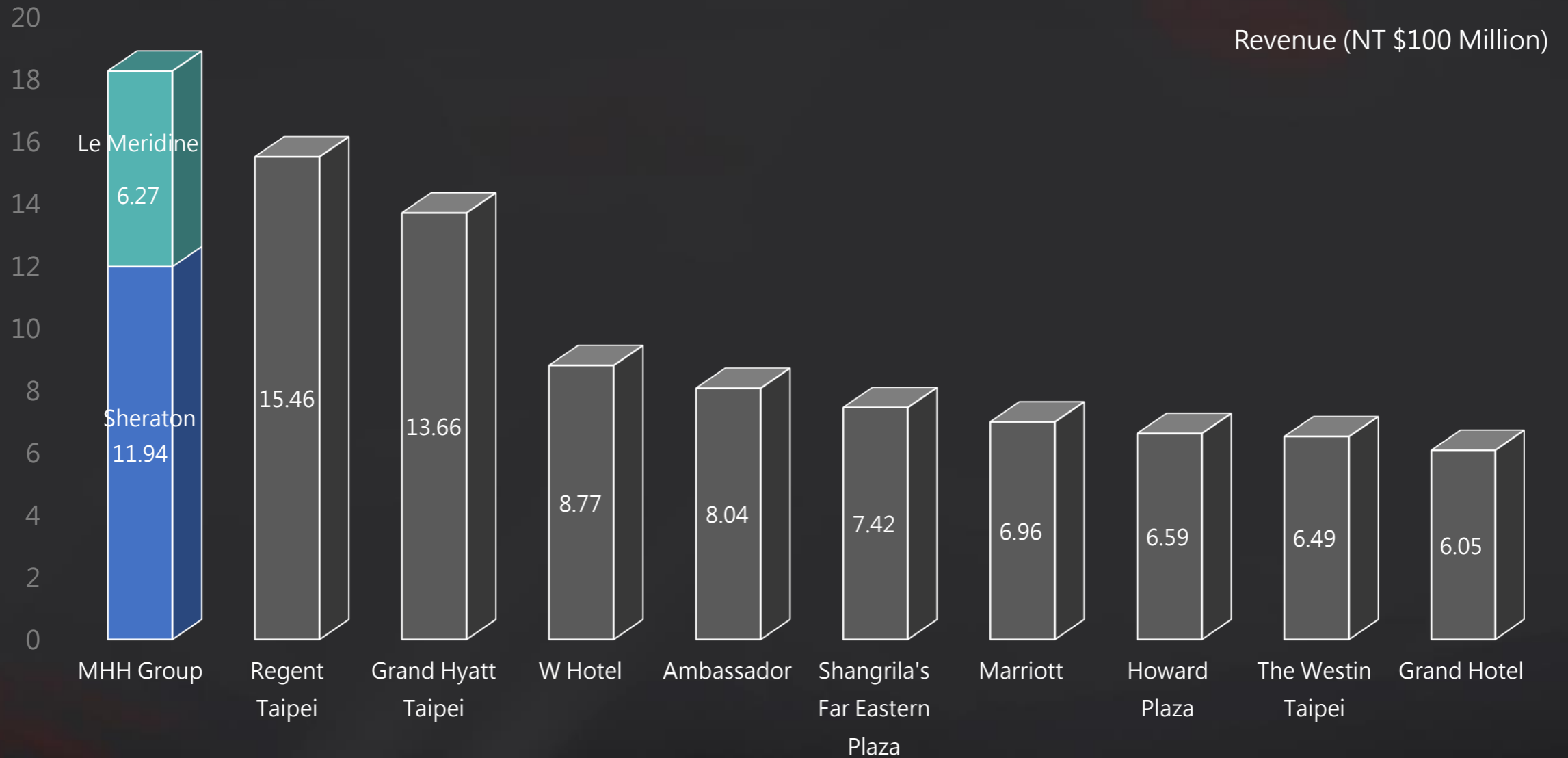


Source: Statistics of the Tourism Bureau, MOTC.



Market Analysis

Revenue Rankings of Major Tourism Hotels in Taipei YT2Q17



Source: Statistics of the Tourism Bureau, MOTC.

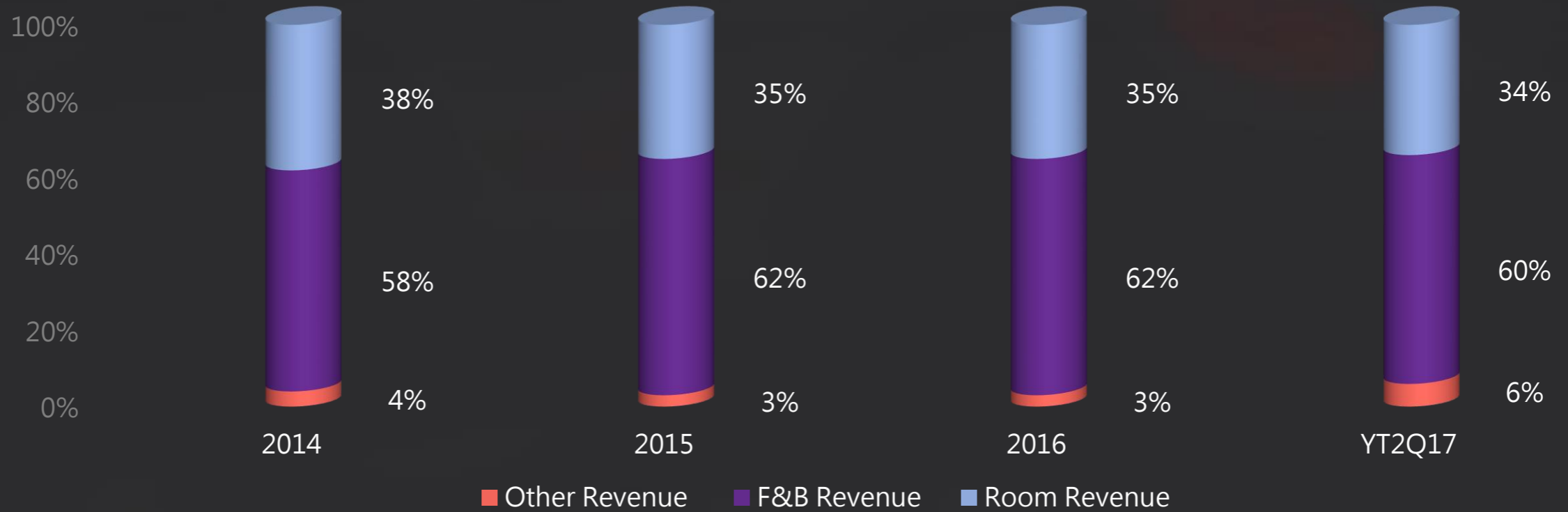


Operational Performance and Financial Overview





Revenue Ratio of Major Products



Revenue Period	F&B Revenue	Room Revenue	Other Revenue	Total Revenue
2014	25.85	16.86	1.84	44.55
2015	27.65	15.56	1.26	44.47
2016	26.11	14.76	1.30	42.17
YT2Q17	12.18	7.03	1.15	20.36

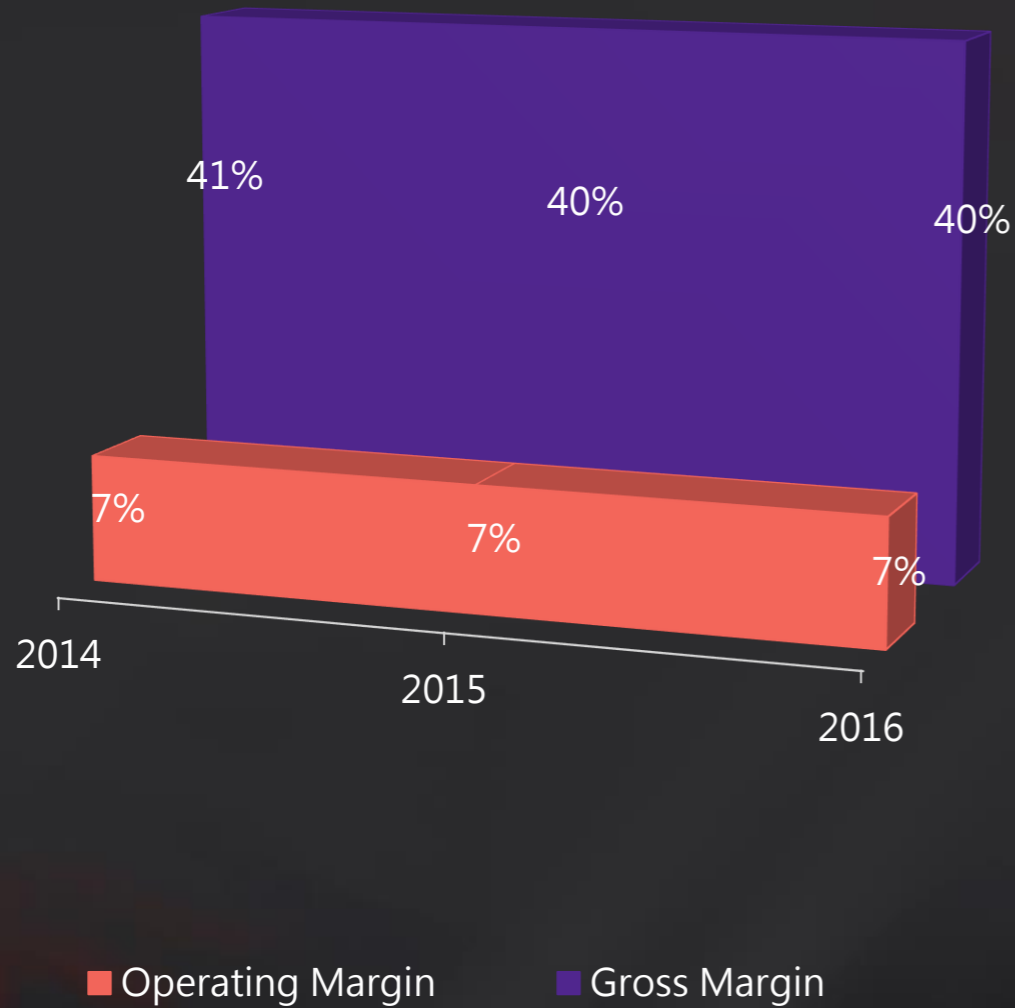
Unit: NT\$100 million

Source: The company consolidated financial reports

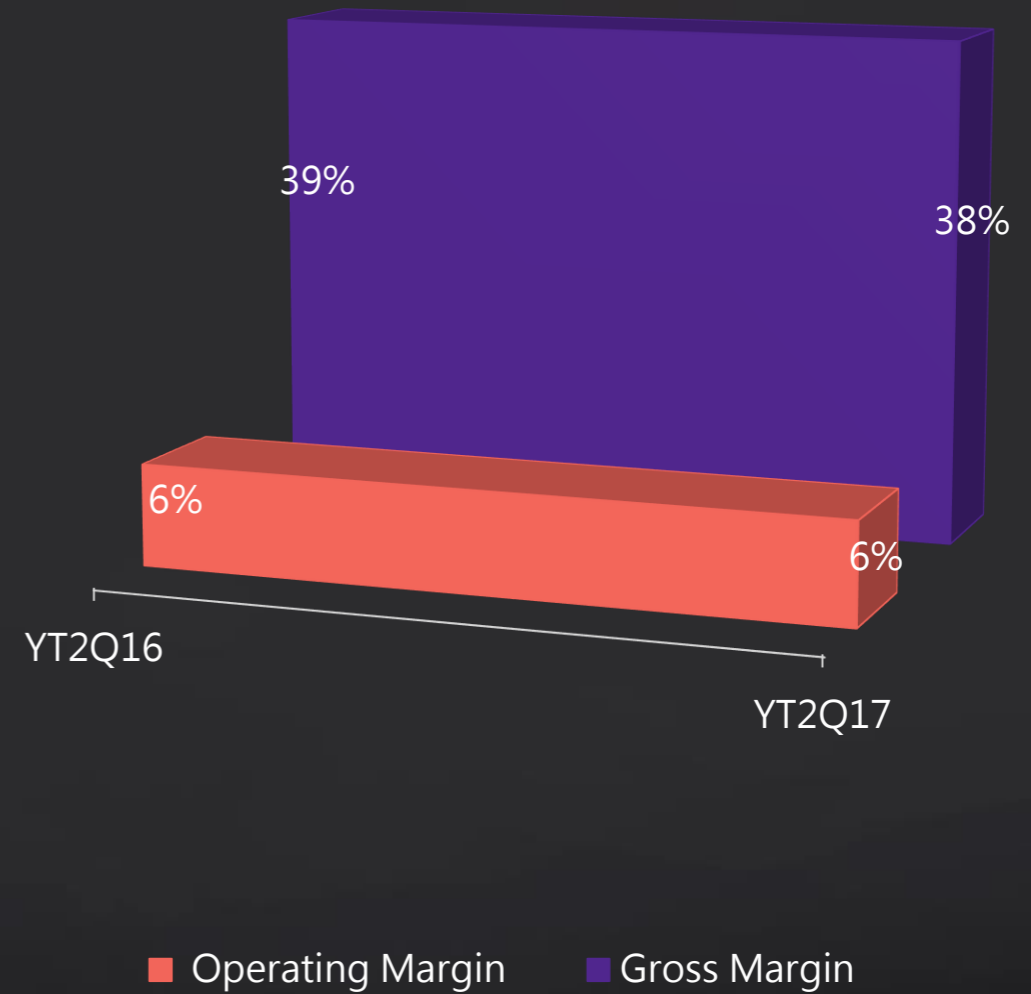


Profitability Analysis

Gross Margin vs. Operating Margin over past 3 Yrs



Gross Margin vs. Operating Margin YT2Q16 & 2Q17

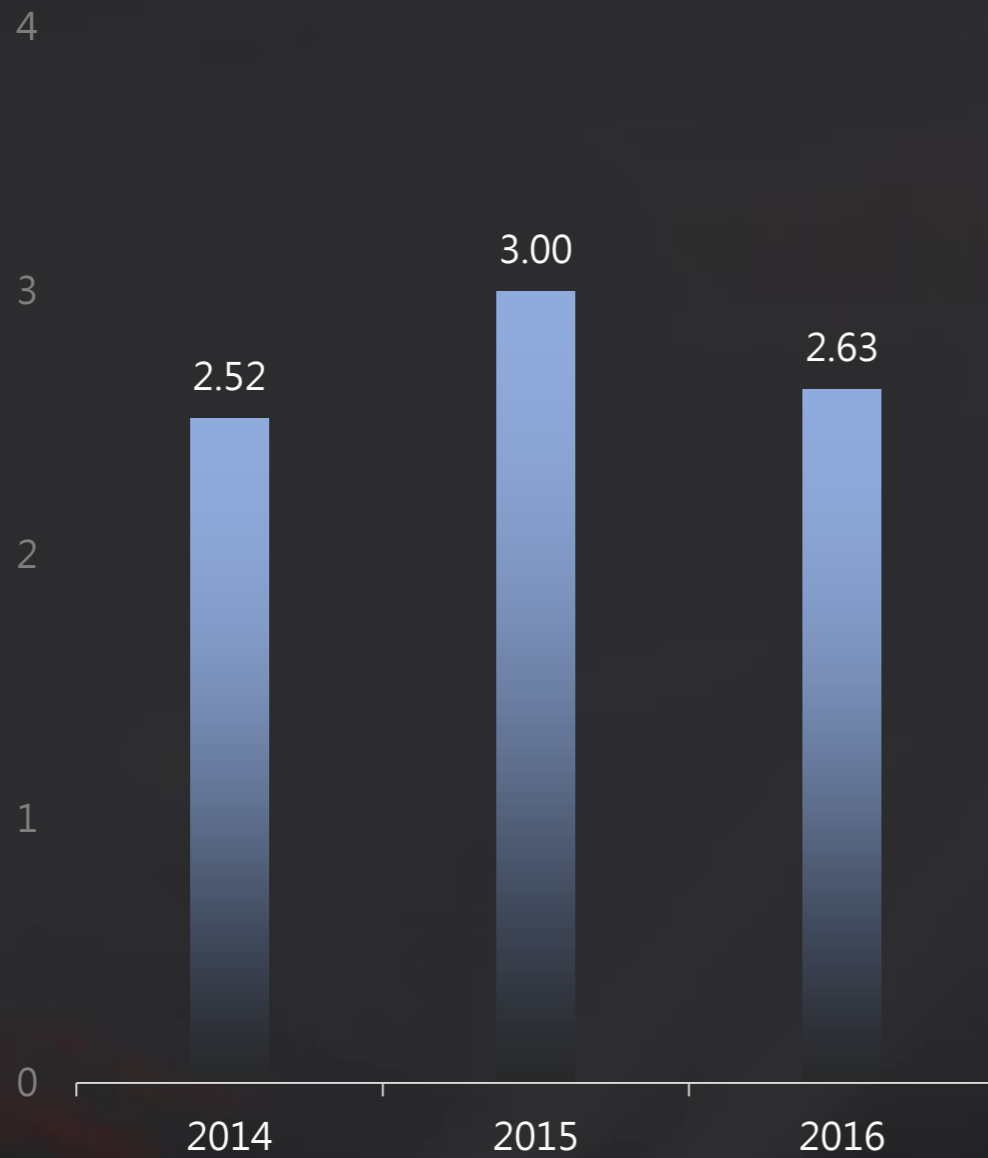


Source: The company consolidated financial reports

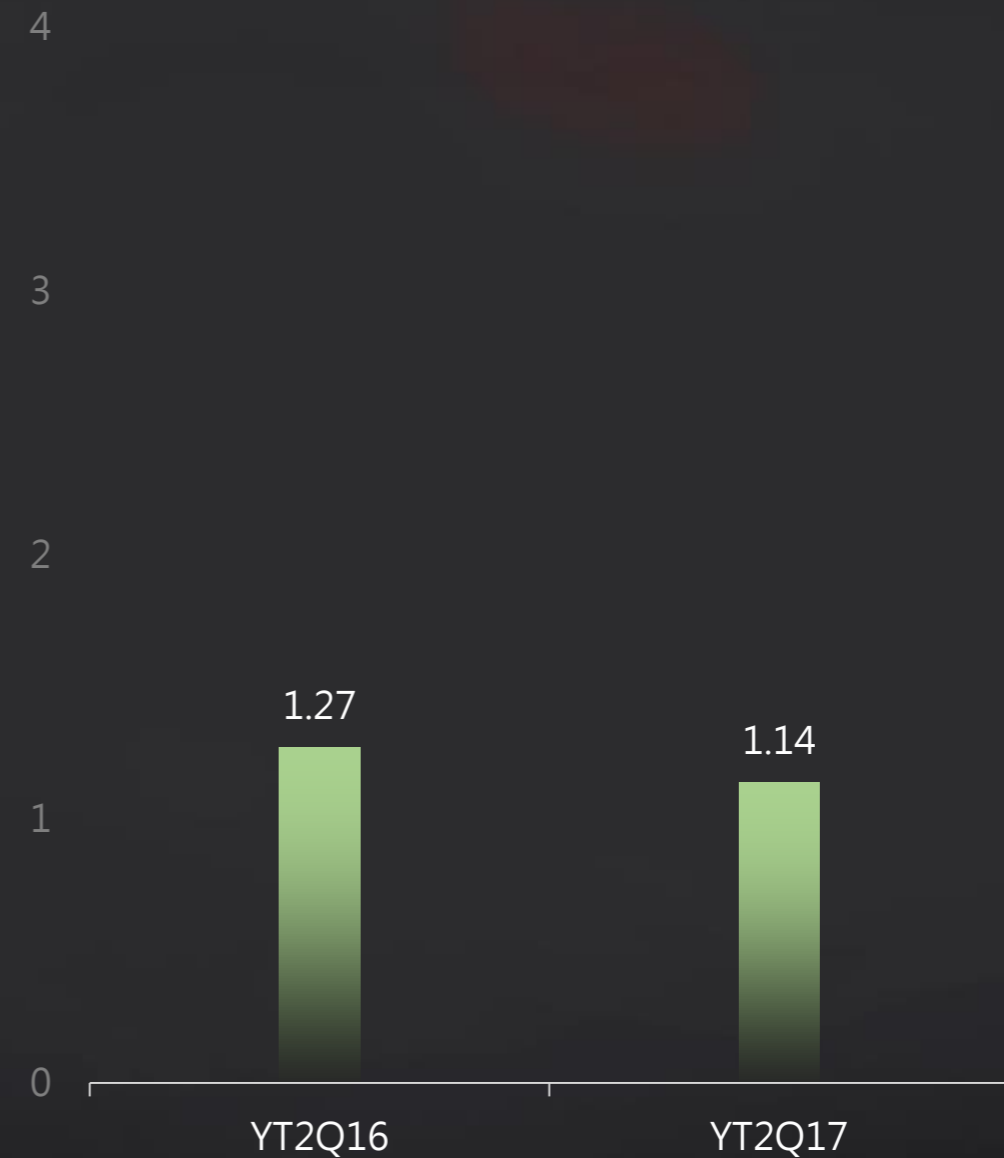


Profitability

EPS over past 3 Yrs



EPS YT2Q16 & 2Q17



Unit: NTD

Source: The company consolidated financial reports



Dividends over the Years

Unit: NTD;%

Item	2013	2014	2015	2016
Cash Dividend	0.5	2.2	2.5447	2.2
EPS	2.76	2.52	3.00	2.63
Payout ratio	18%	87%	85%	84%
Remarks		*	**	

* Included NT\$0.595/share capital surplus cash payment.

** Cash dividend was NT\$2.29997937 after IPO dilution.

Source: Market Observation Post System



Comparison with Major Competitors-Operation

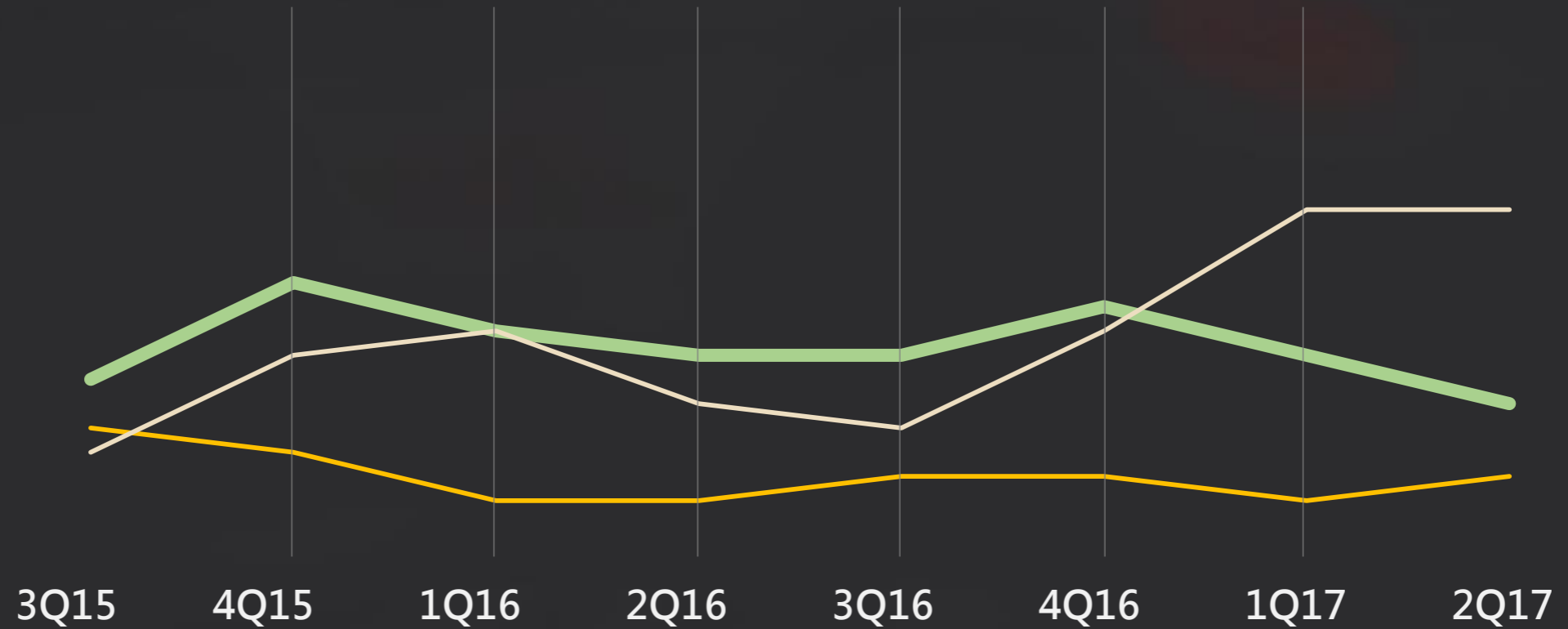
Listed Hotel	MHH(2739)	Regent (2707)	Ambassador (2704)
Revenue Contribution (YT2Q17)	F&B Revenue(60%) Room Revenue (34%) Other Revenue (6%)	F&B Revenue(54%) Room Revenue (37%) Other Revenue (9%)	F&B Revenue(66%) Room Revenue (31%) Other Revenue (3%)
Date of listing	2016/5/19	1998/3/9	1982/11/10
Share Capital (\$100 million NTD)	11.15	12.67	36.69
YT2Q17 Revenue (\$100 million NTD)	20.36	33.89	15.77
Book value per share (NTD)	16.72	25.48	25.61
Recent 4Q EPS (NTD)	2.49	7.79	1.22
2016 Dividend (NTD)	2.20	8.1671185	0.70
2017/8/21 Share price	38.45	153	22.4
P/E Ratio	15.44	19.64	18.36
Cash yield	5.72%	5.34%	3.13%
P/B Ratio	2.30	6.00	0.87
2016 ROE	14.31%	25.19%	4.36%
Market value (\$100 million NTD)	42.88	193.92	82.19

Source: Market Observation Post System



Comparison with Major Competitors-Gross Profit

Gross Profit Comparison



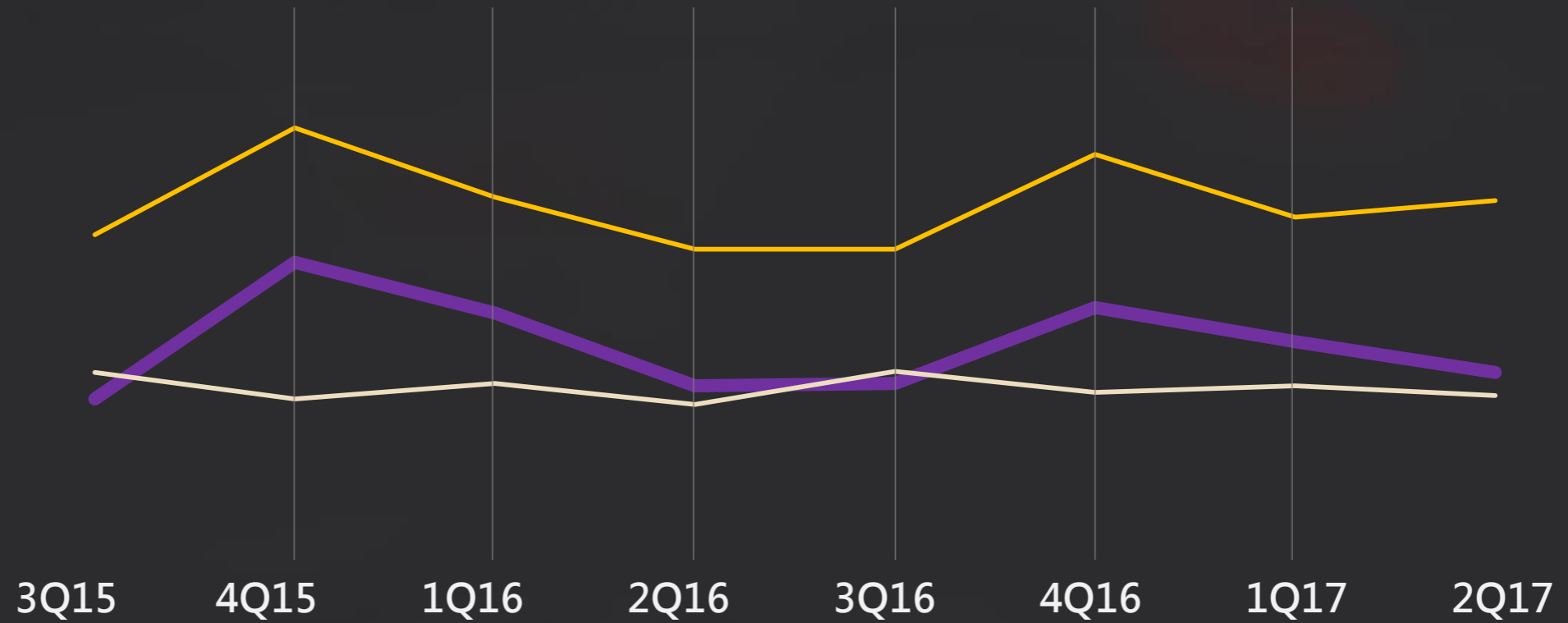
	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
MHH	38%	42%	40%	39%	39%	41%	39%	37%
Regent	36%	35%	33%	33%	34%	34%	33%	34%
Ambassador	35%	39%	40%	37%	36%	40%	45%	45%

Source: Market Observation Post System



Comparison with Major Competitors-EPS

EPS Comparison



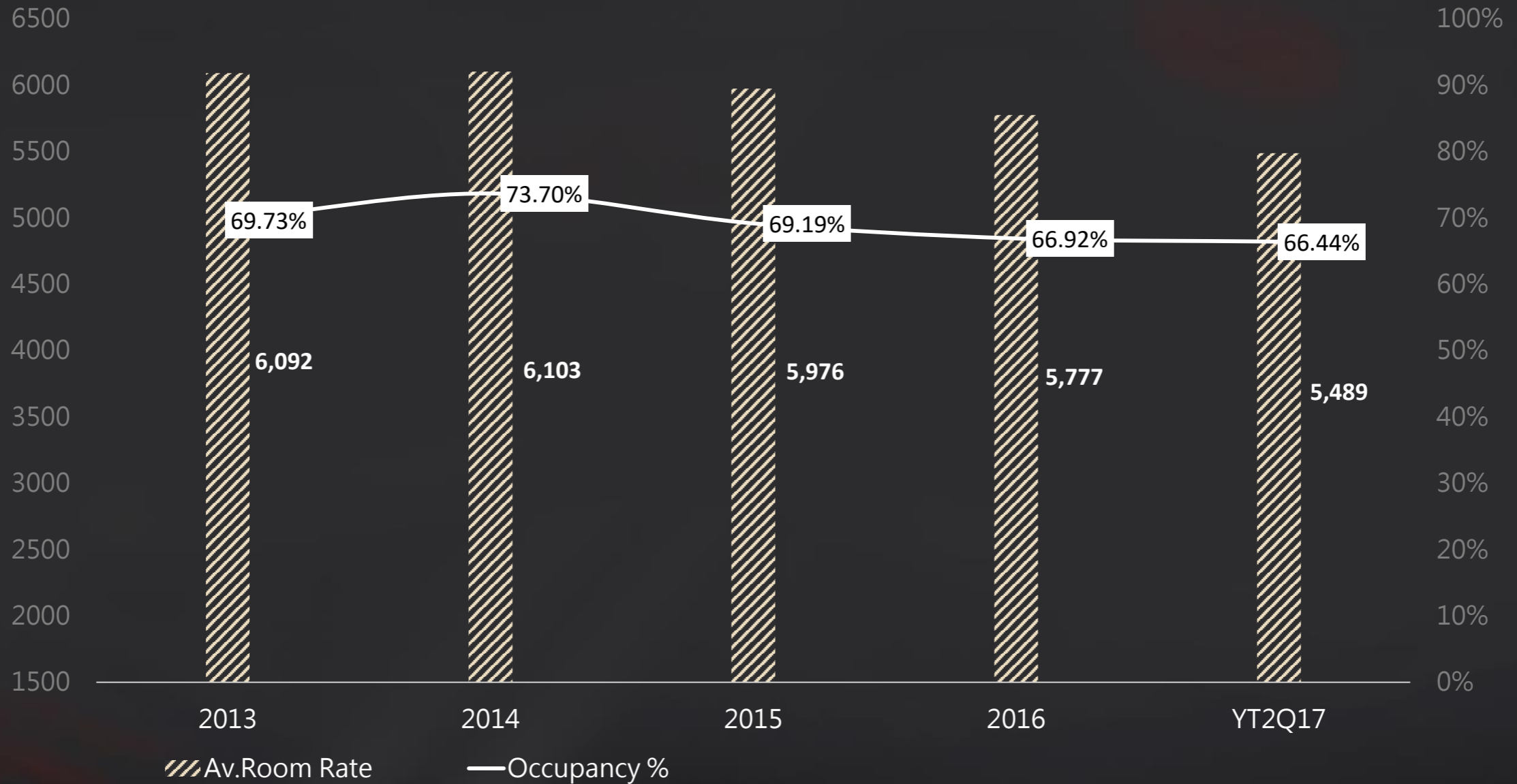
MHH	0.19	1.43	0.97	0.31	0.33	1.02	0.71	0.43
Regent	1.68	2.65	2.02	1.55	1.55	2.41	1.84	1.99
Ambassador	0.43	0.19	0.33	0.14	0.44	0.25	0.31	0.22

Source: Market Observation Post System



Occupancy Rate and Price

Occupancy & Room Rate - Sheraton

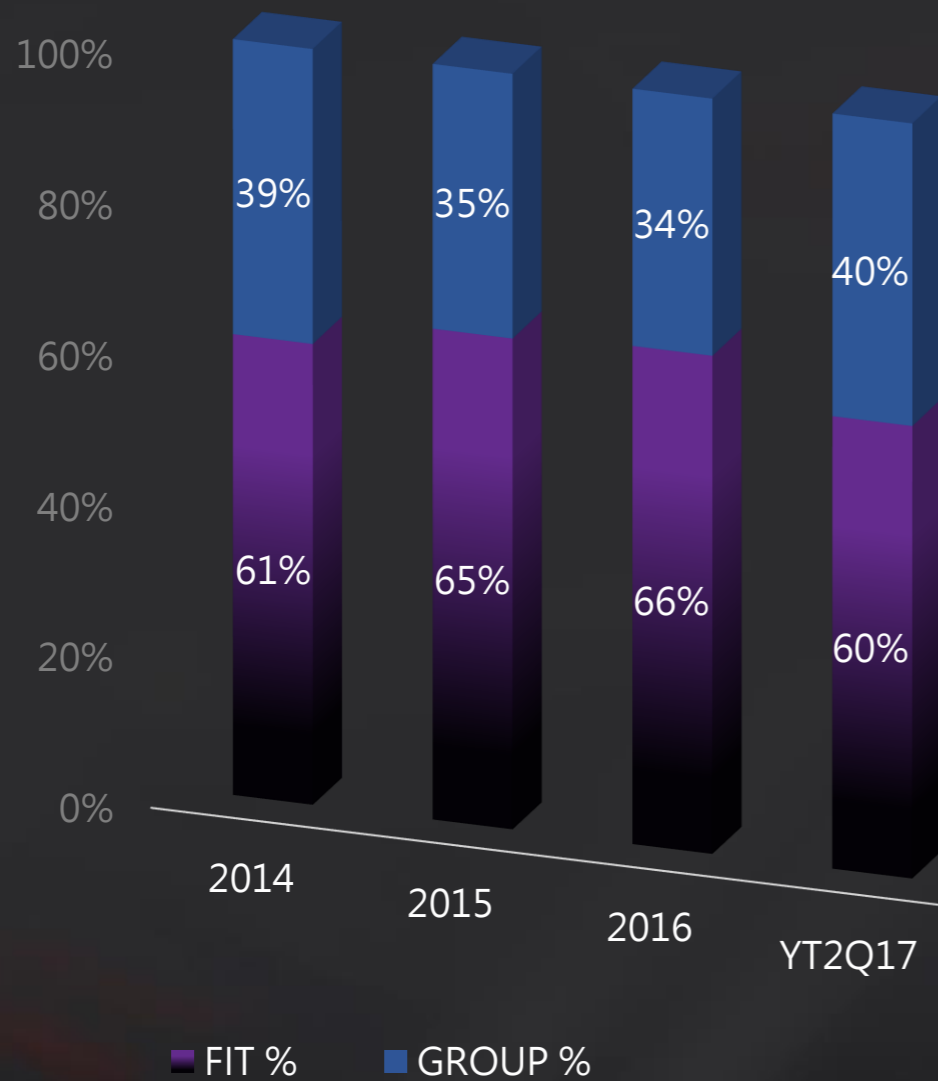


Source: Statistics of the Tourism Bureau, MOTC.

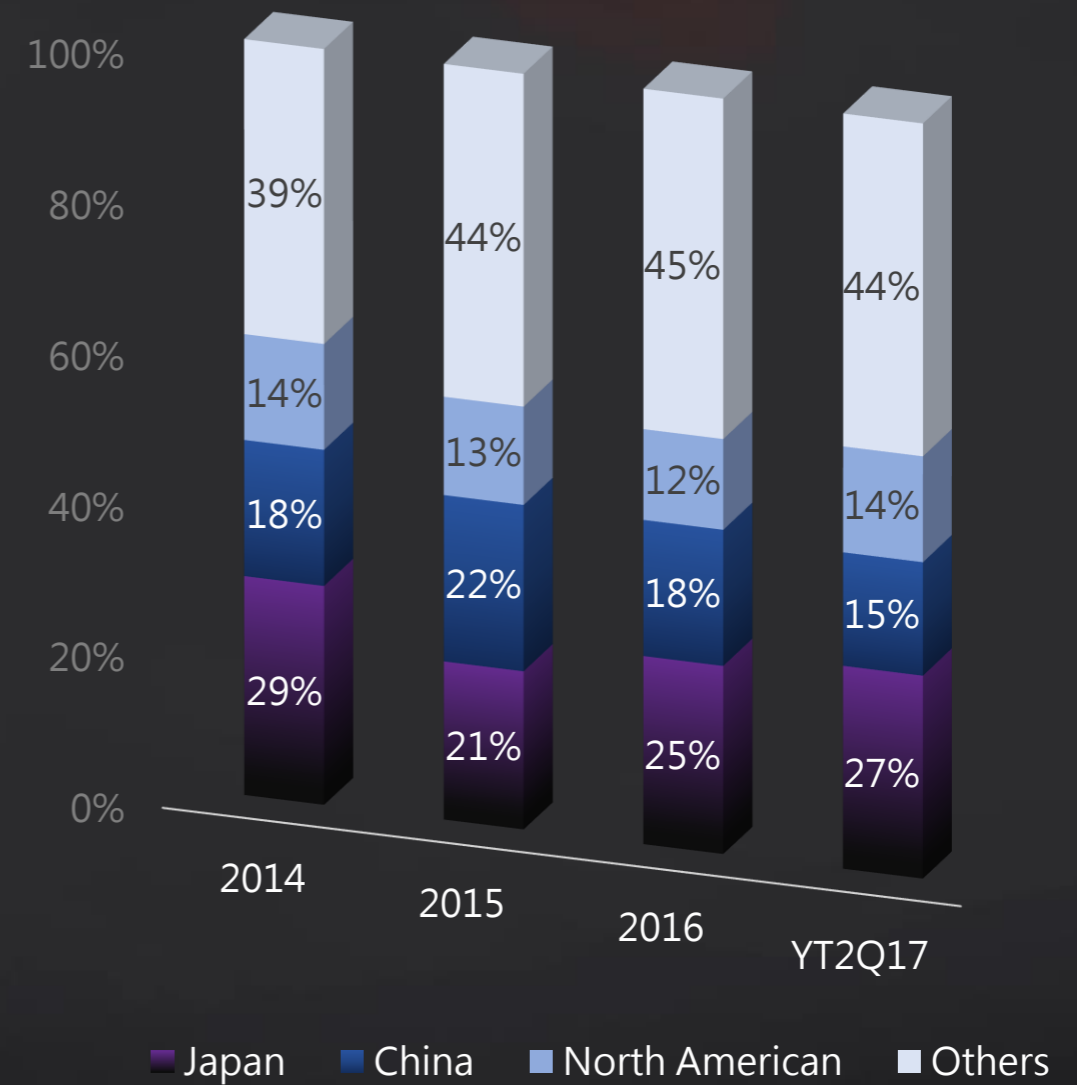


Guest Segments Analysis

By Type-Sheraton



By Country/Region-Sheraton

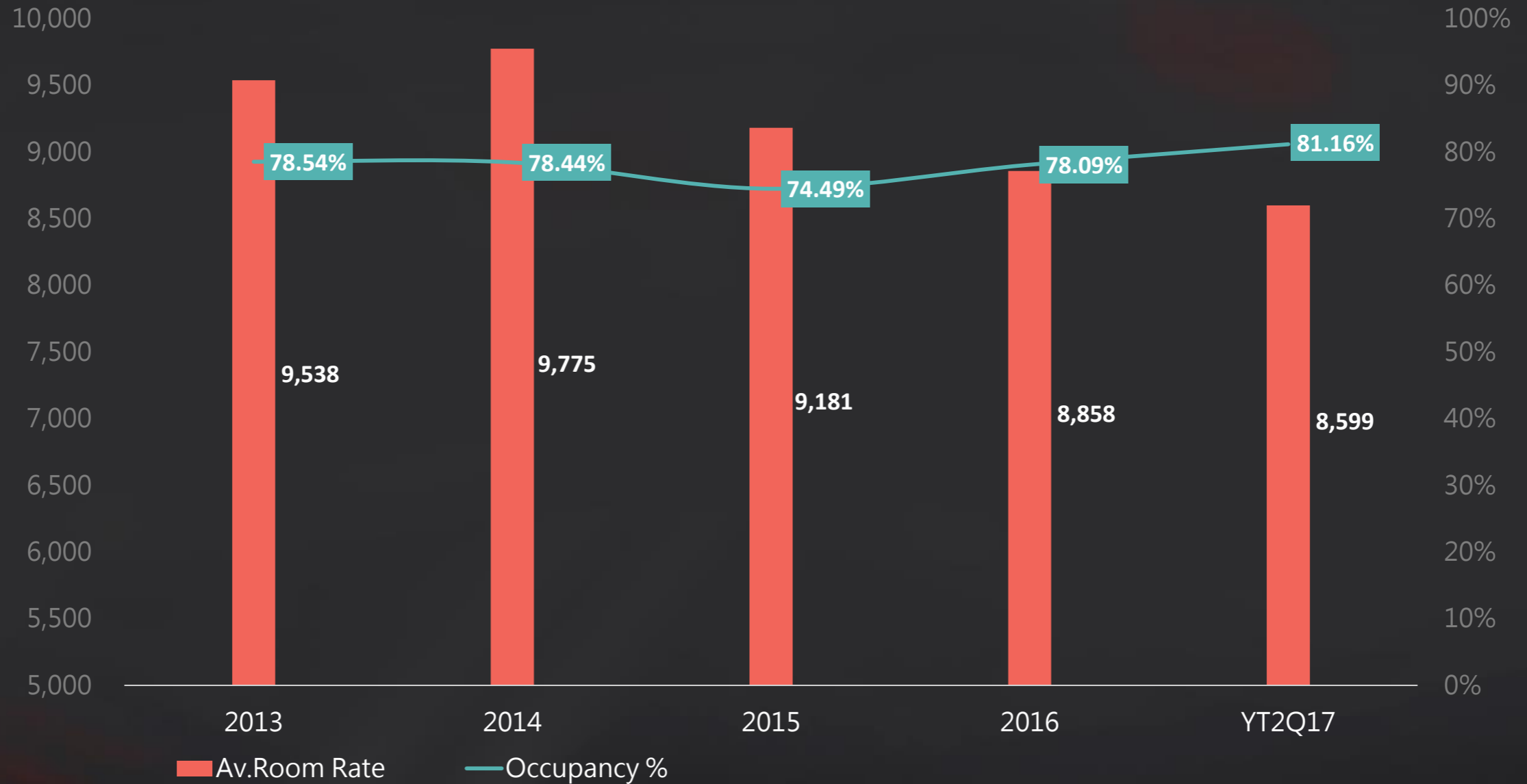


Source: Statistics of the Tourism Bureau, MOTC.



Occupancy Rate and Price

Occupancy & Room Rate – Le Méridien

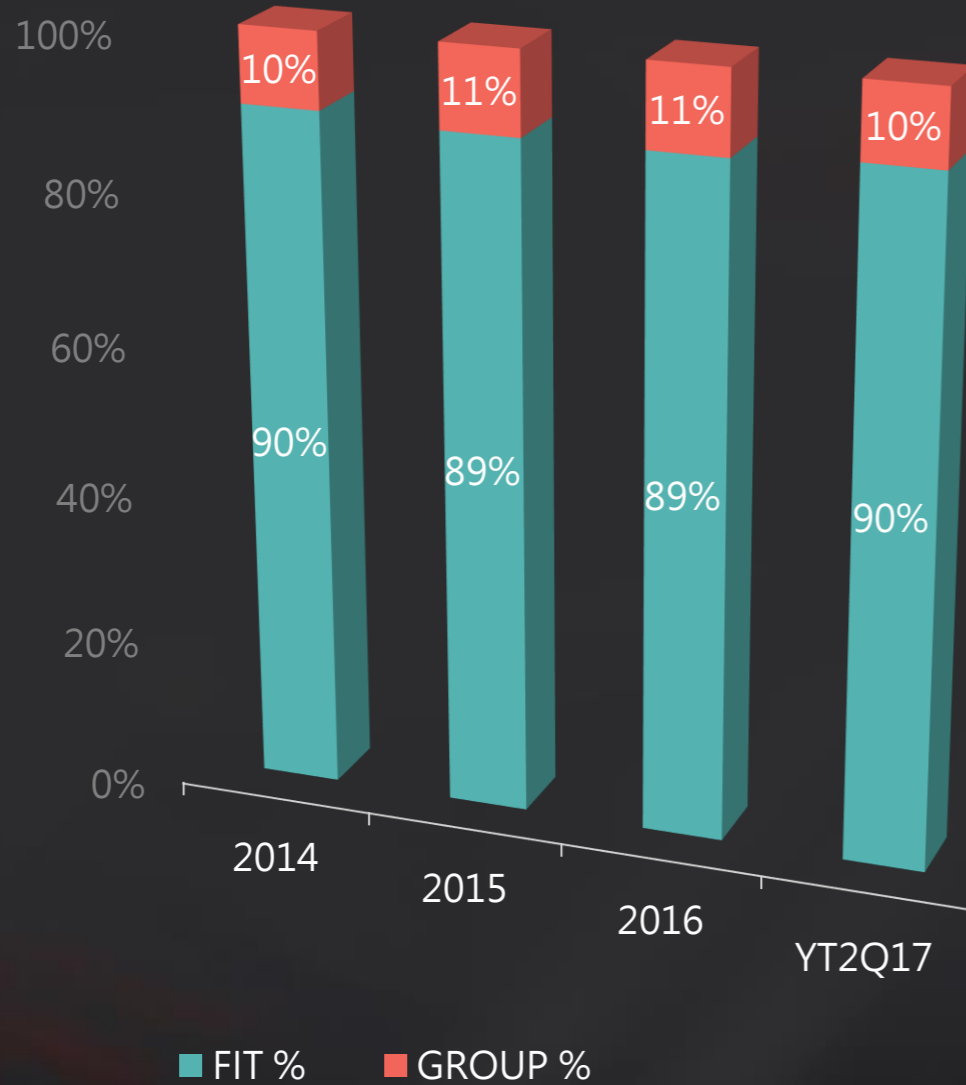


Source: Statistics of the Tourism Bureau, MOTC.

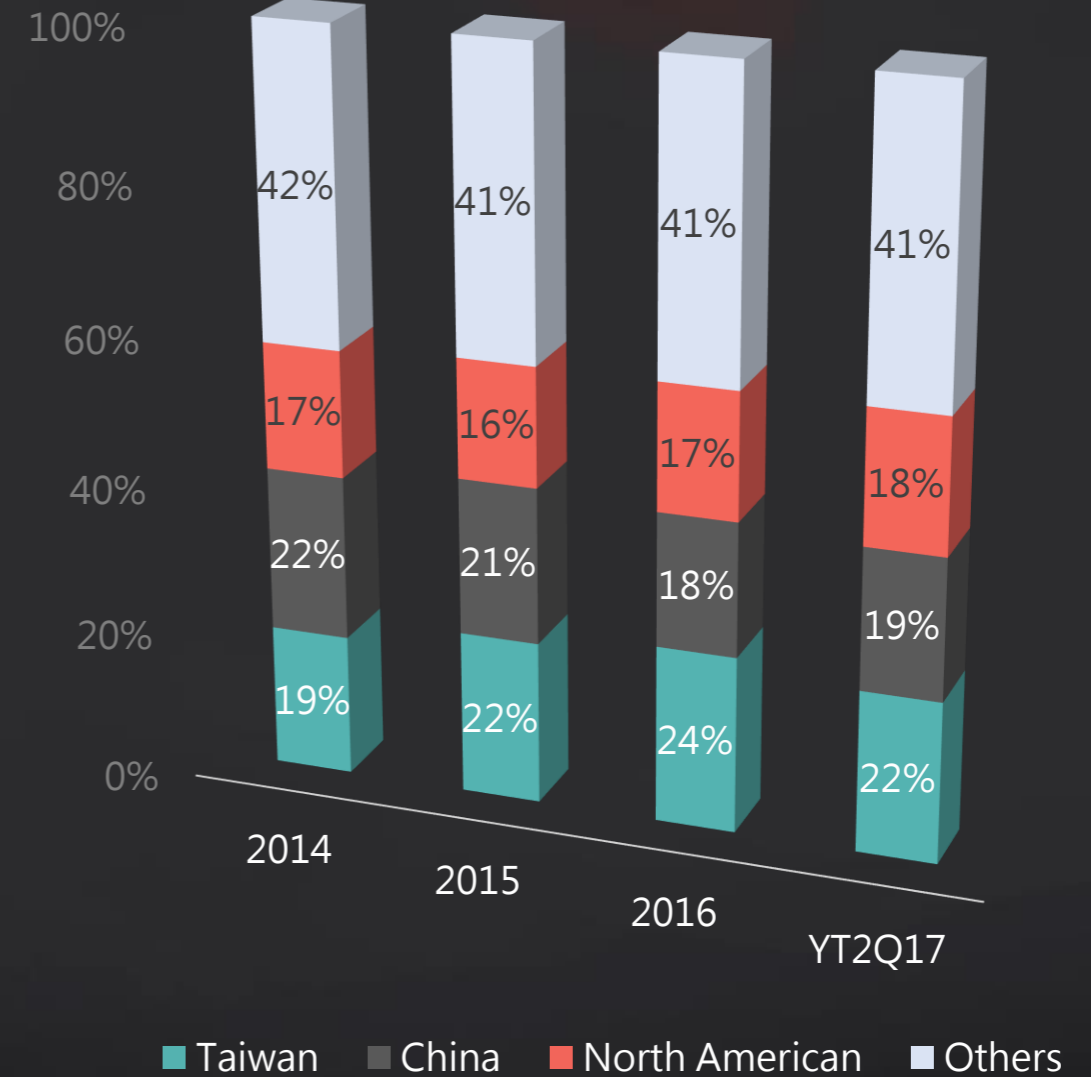


Guest Segments Analysis

By Type-Le Méridien



By Country/Region-Le Méridien



Source: Statistics of the Tourism Bureau, MOTC.



Operating Strategy





Business philosophy and competitive advantage

Hotel Professional Team

Cross-brands
internationalized

Professional restaurant Team

Cross-cuisines
&
diversification

Customer Cultivation

membership card
&
custom service

Art & Aesthetics focus

Create difference
&
added value

Employee Stability

Higher organizational
coherence
&
lower attribution rate

Risk dispersion

Revenue
&
customer
diversification



Business philosophy and competitive advantage

Operating assets

Lease focus, lower capital expenditure, accelerate investment return.

Financial policy

Stable dividend policy and steady growth of ROE.

Business model

Prudent assessment of development projects to achieve stable growth with goal of sustainable operation.

Talent Cultivation

Meeting future needs of organizational development with focus on talent retention.

Market supply & demand

Strengthen core competence to cope with market competitions.

Brand development

In addition to international five-star brand, develop own brand.

Operating efficiency

In the face of changes in government policies and industries, strengthen management efficiency response.



Future Outlook





Nanjing Songjiang Hotel Development Project



Site location	Intersection at Songjiang Road and Nanjing East Road, Taipei City
Planned opening date	Q4, 2019
Lease period	20 years
Est. number of room	approx. 100 rooms
Building Planning	Hotel and residential compound building
Hotel positioning	5-star hotel



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