



Juridical Persons Meeting

Green World Hotels' Present and Future

2018.11.15





| Business Background

Basic Information




Green World Hotels Stock Inquiry Code : 8077

- Chairman : Hsieh,hsien-chih 謝憲治
 - Established: 2007
 - Hotel Count: 18 hotels in Taipei
(managing an addition of 3 more hotels)
 - Room Count: 1484 rooms
 - Guest Count: Approx. 1,000,000 guests annually
 - Guest Distribution: - Japanese : 42%
- Taiwanese : 15%
- Chinese : 12%
- (data from Jan. 2018 to Oct. 2018)

- Employee Count: 519 staff
 - Capital: NTD 1,097,283,430
 - Main Stakeholders :
 - H.I.S. Hotel Holdings 51% stock
- (H.I.S. Co., Ltd. is publicly traded at Tokyo Stock Exchange , and the largest tourism cooperation in Japan)



Key Members

Chairman and GM		SanPu Travel Group Chairman. The founder of Green World Hotels.
謝 憲治		
Board Member		Former H.I.S. chairman and general manager. Former Accordia Golf Co., Ltd. chairman and general manager. Board member of GreenTree Hospitality Group, which has more than 3000 hotels in China. JHAT Co., Ltd. chairman and general manager. CEO of Hand Travel, a smartphone rental service.
平林 朗		
Board Member		H.I.S. Hotel Holdings board member. Joined H.I.S. Hotel Holdings in 2017, previously held positions in H.I.S. including Web department minister, Central Area Chief Operating Officer, and etc.. Oversees opening of new hotel, acquiring of new land, m&r and development of oversea businesses.
小高峰 浩二		
COO		Graduated University of Tokyo. Joined Dentsu Aegis Network, responsible for creating marketing strategies. Recipient of Japanese Marketing Award Appreciation Prize and Japanese PR Award Prize of Excellence. Spent next 4 years establishing management strategies, focusing on business revitalization. Joined H.I.S.'s strategic department in 2016 also served as advisor for CEO. Been with GWHS since Apr. 2017.
深井 洋平		
CFO		American accounting firm. Dual masters in financial management and managerial accounting. Chief accountant of well-known American hotel chain. CFO of tech. company.
吳 邦明		

Goals and Visions

About us : **Green World Hotelier**

Mission

Reach beyond expectations !

beyond
customer's
expectations

beyond
employee's
expectations

beyond
world's
expectations

Vision

- ① To become No.1 recognized Taiwan hotel brand by year 2020
- ② To become a company that values and delivers happiness for customers, employees and their family, shareholders, affiliated companies and partners, neighboring communities

Goals by year 2020

No.1 in customer satisfaction
amongst Taiwan hotel brands

No.1 in employee satisfaction
amongst Taiwan hotel brands

No.1 in profitability
amongst Taiwan hotel brands

Value

We listen carefully - discovering customer's needs beneath surface

We observe subtly - grasping all chances to deliver service beyond expectations

We imagine boldly - to not only satisfy, but to excite our customers

We execute effectively - to execute all possible tasks immediately without fear of failure

We smile sincerely - to deliver our deepest gratitude through warmest smile

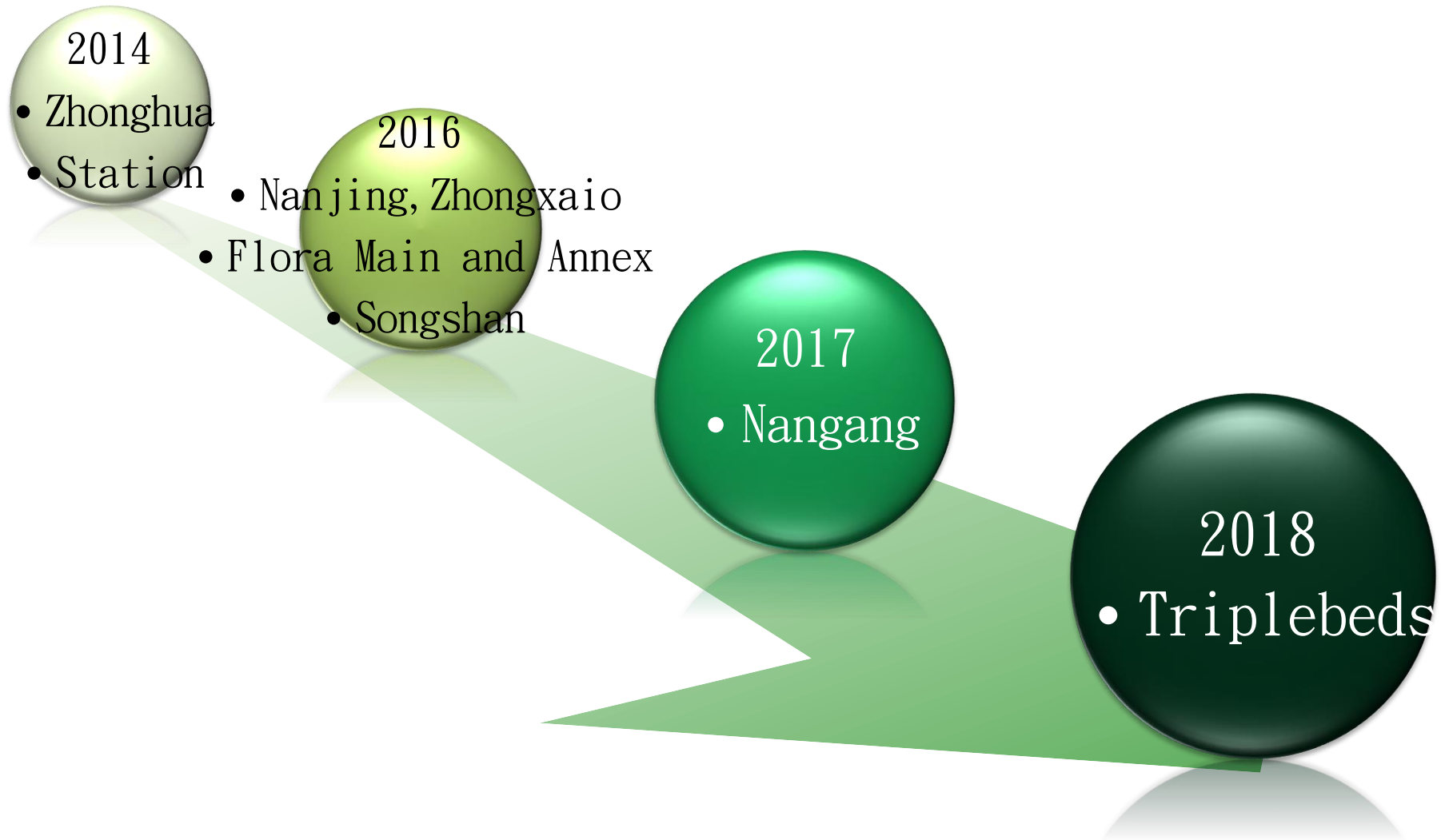
Hotels Location

All located along MRT lines, and on average 5-minute walk away from nearest MRT station.



| History of GHWs

9 expansions in the past 5 years.



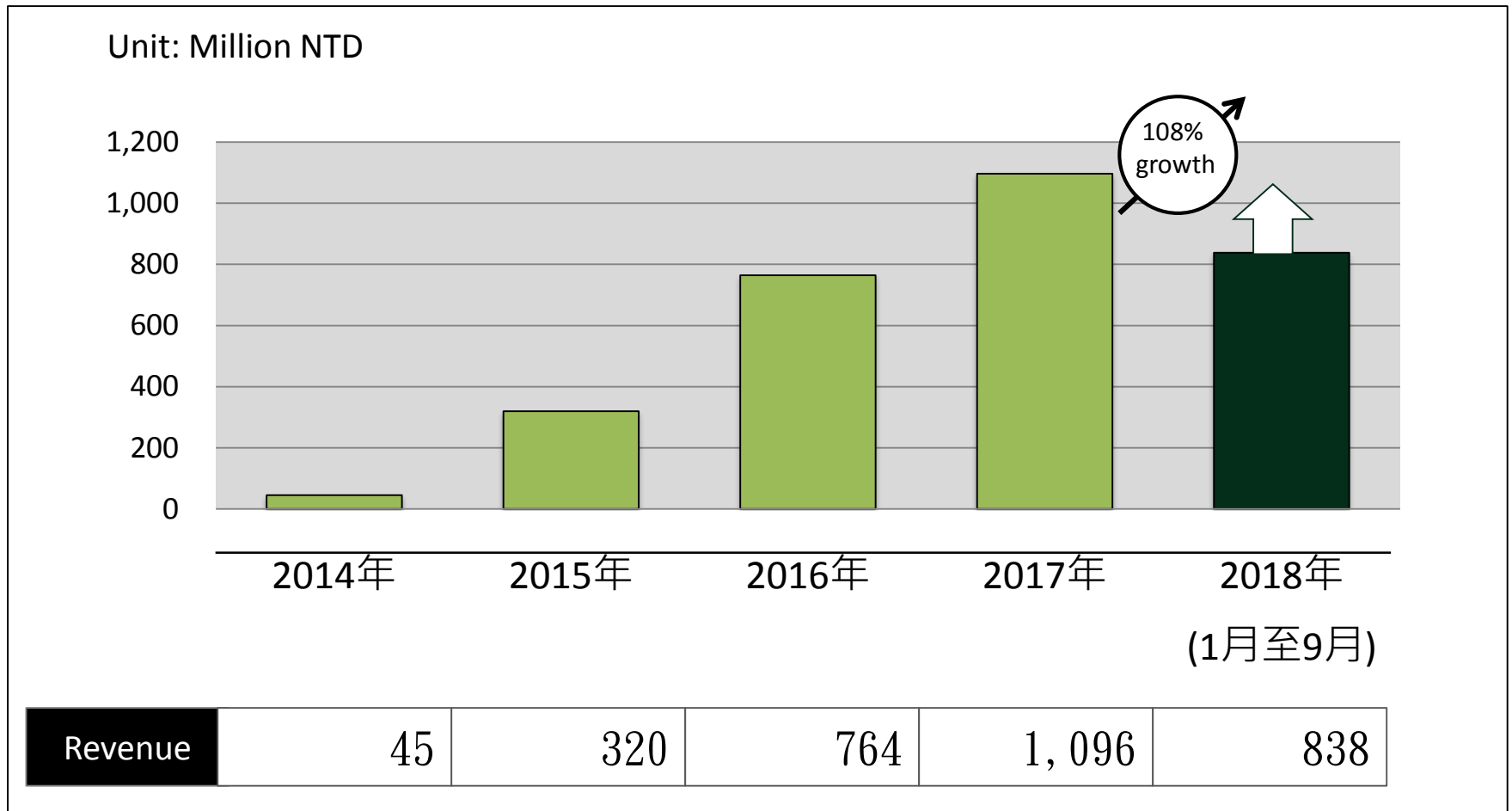


| Financial Report

Revenue Changes

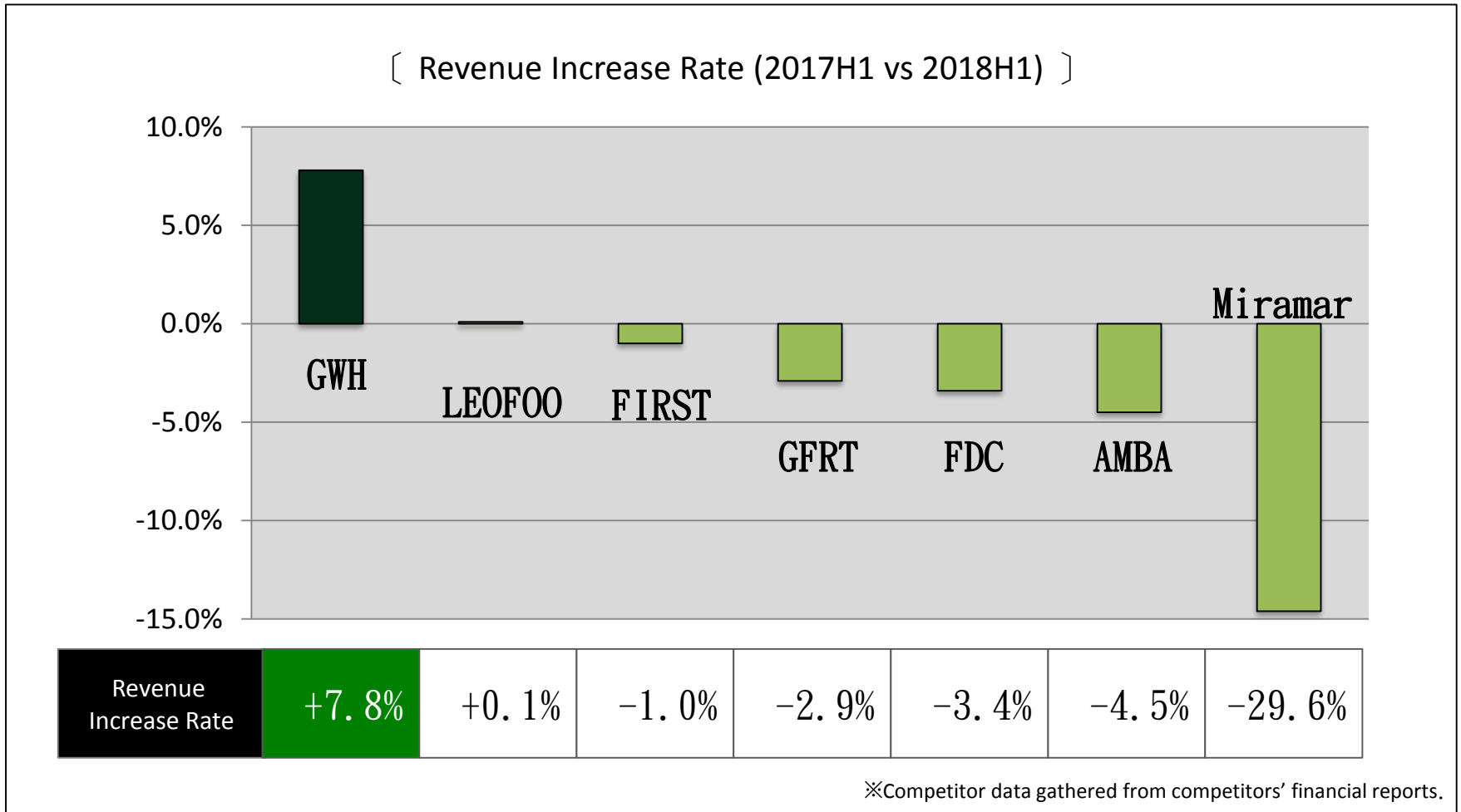
Continuous trend showing growth.

7.8% increase when comparing Jan. 2018 to Sep. 2018 against same time period last year.



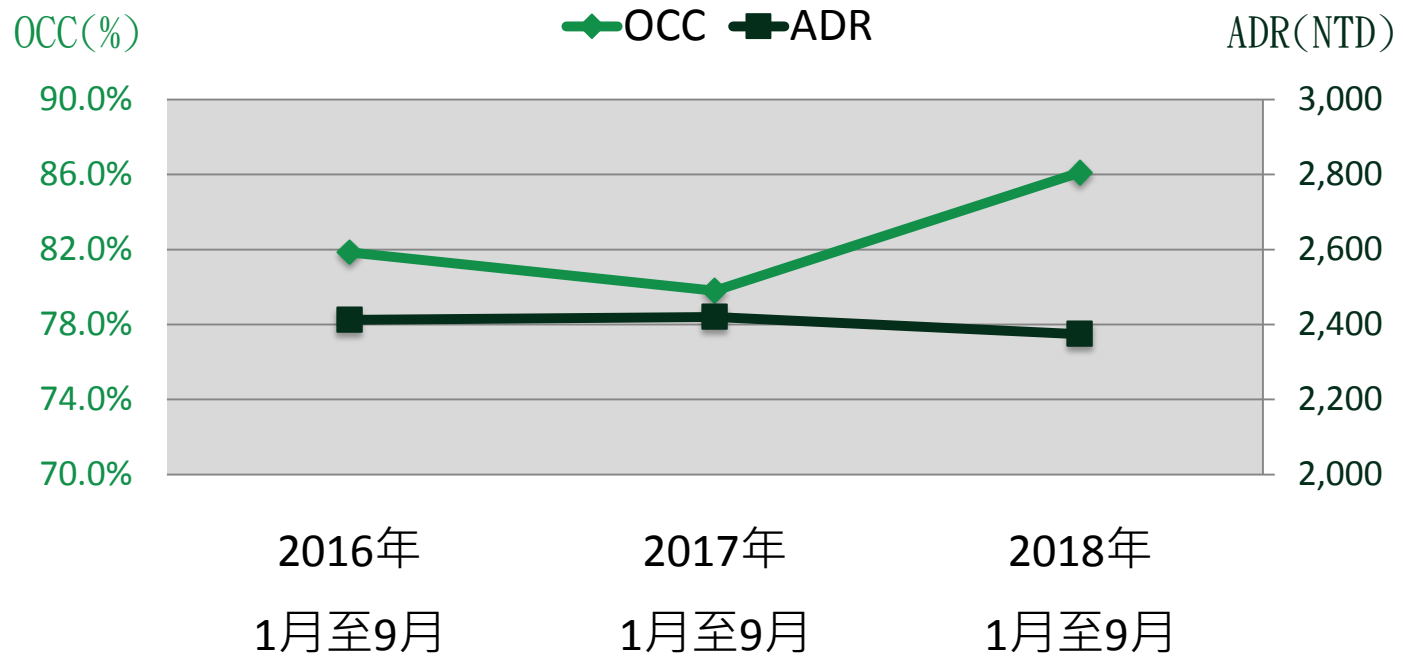
Revenue – Competitive Analysis

GWHS perform much better in revenue increase rate when compared with other major hotel chains



OCC (Occupancy) & ADR (Average Daily Rate) Changes

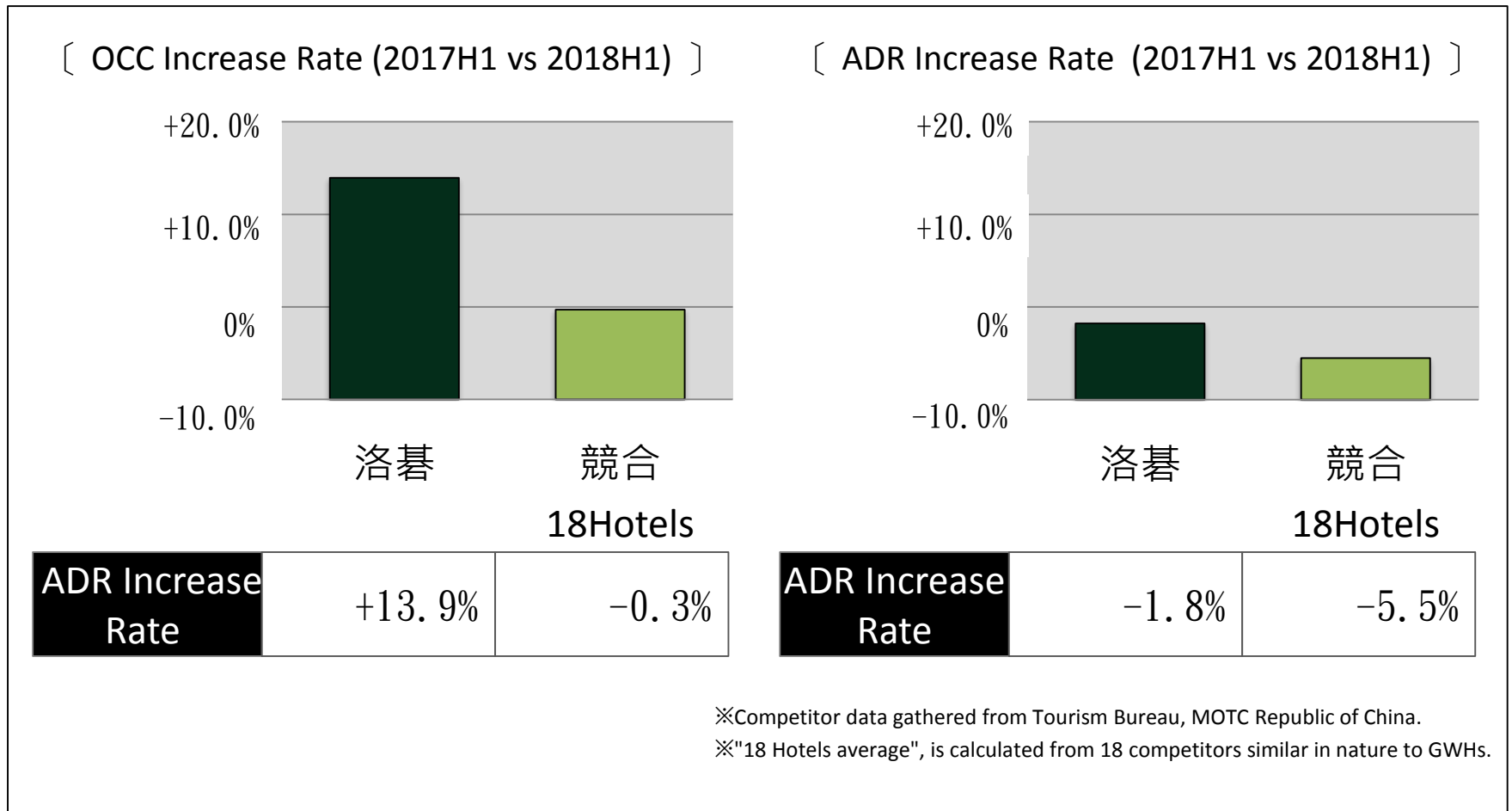
ADR decreased by 1.9%, however, huge growth in OCC resulted in increase of overall revenue.



ADR	2,412	2,420	2,374
OCC	81.9%	79.8%	86.1%

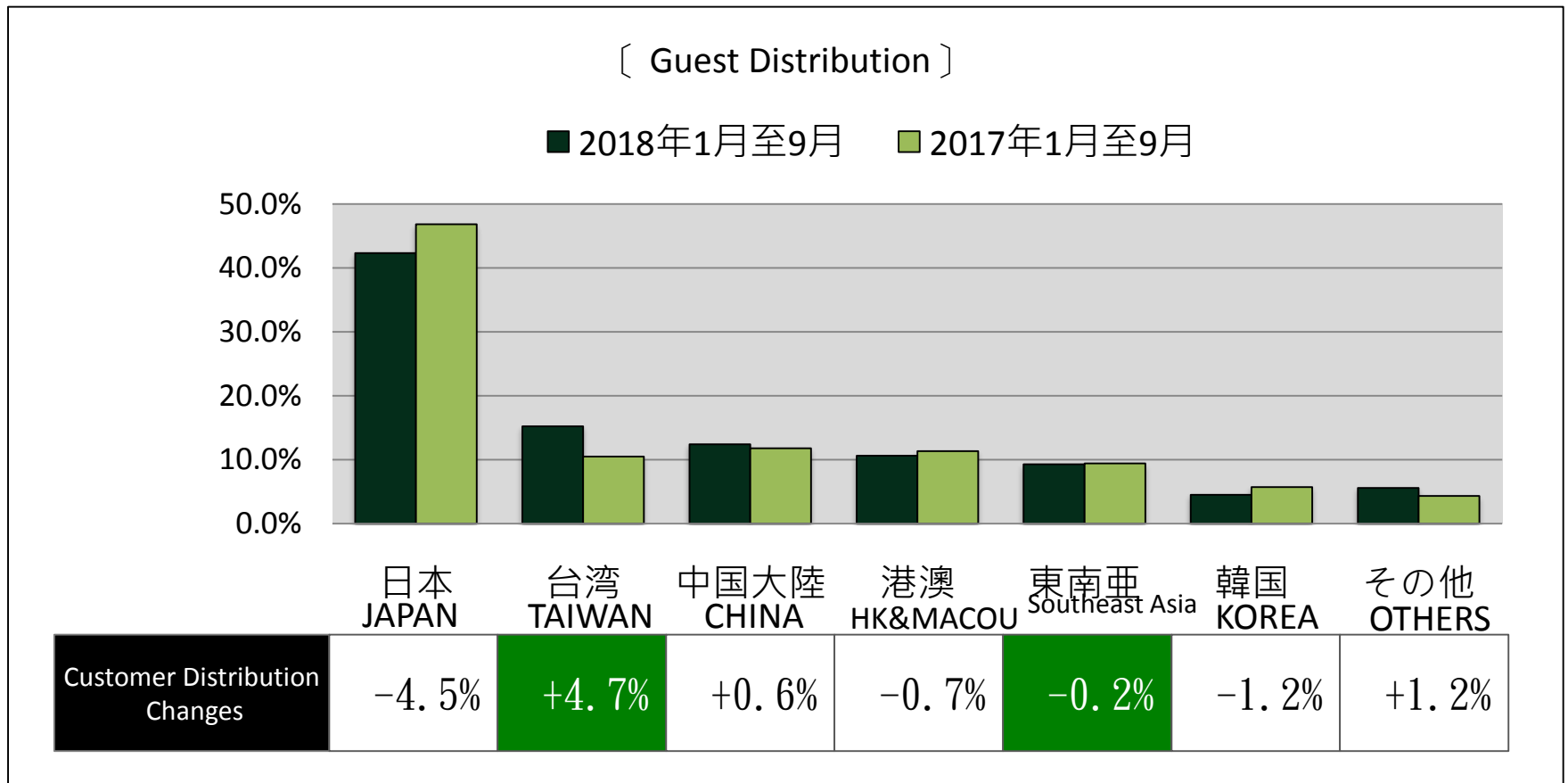
OCC (Occupancy) & ADR (Average Daily Rate) - Competitive Analysis

In contrast with OCC drops in competitors, GWHs' OCC showed tremendous growth. In terms of ADR, competitors suffer from greater decrease compared to GWHs.



Customer Distribution Changes

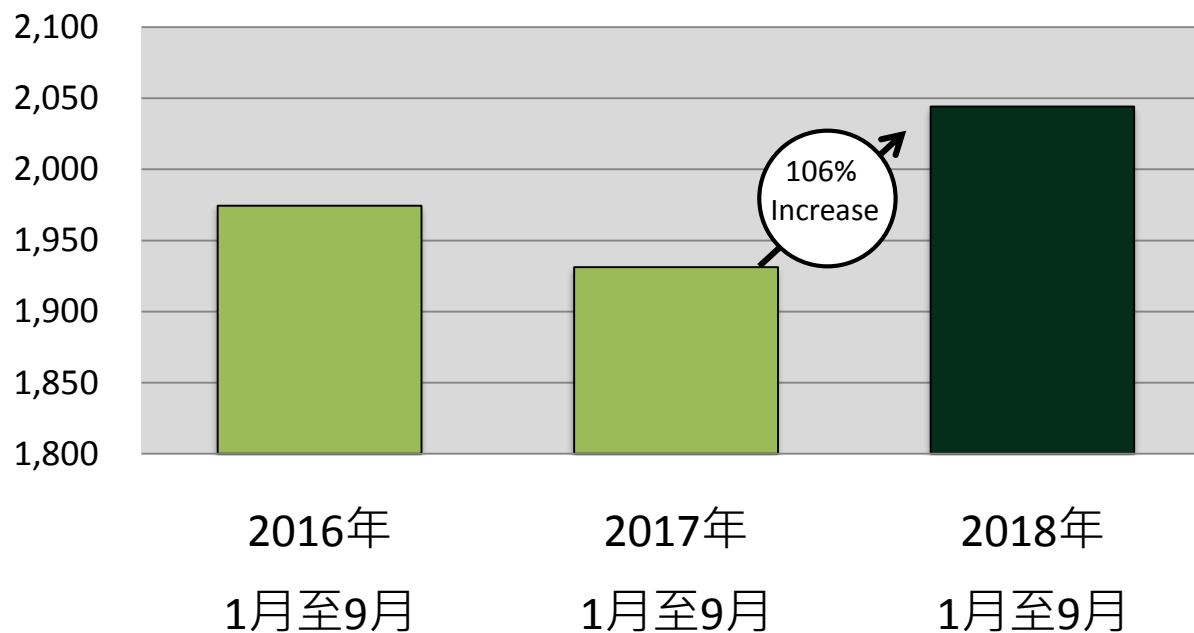
Last year, GWHs attracted more international guests with the help of H.I.S., however, Japanese guests showed decrease this year. In order to account for this loss and maintain ADR, GWHs boldly chose not to increase south-eastern Asian guests but chose to focus on retaining guests from Taiwan instead.



RevPAR (Revenue Per Available Rooms) Changes

Most important financial index RevPAR reaches record high in 2018.

(RevPAR=OCC*ADR)

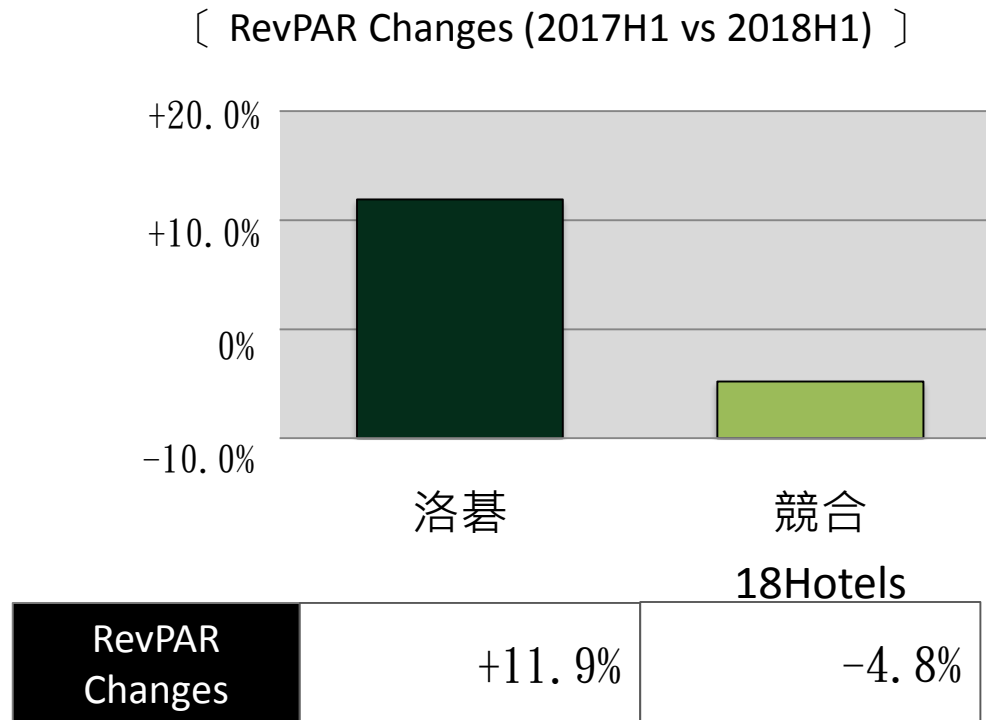


RevPAR	NTD 1, 974	1, 931	2, 044
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RevPAR (Revenue Per Available Rooms) - Competitive Analysis

While competitors are showing decrease in RevPAR, GWHs shows double digit growth.

(RevPAR=OCC*ADR)



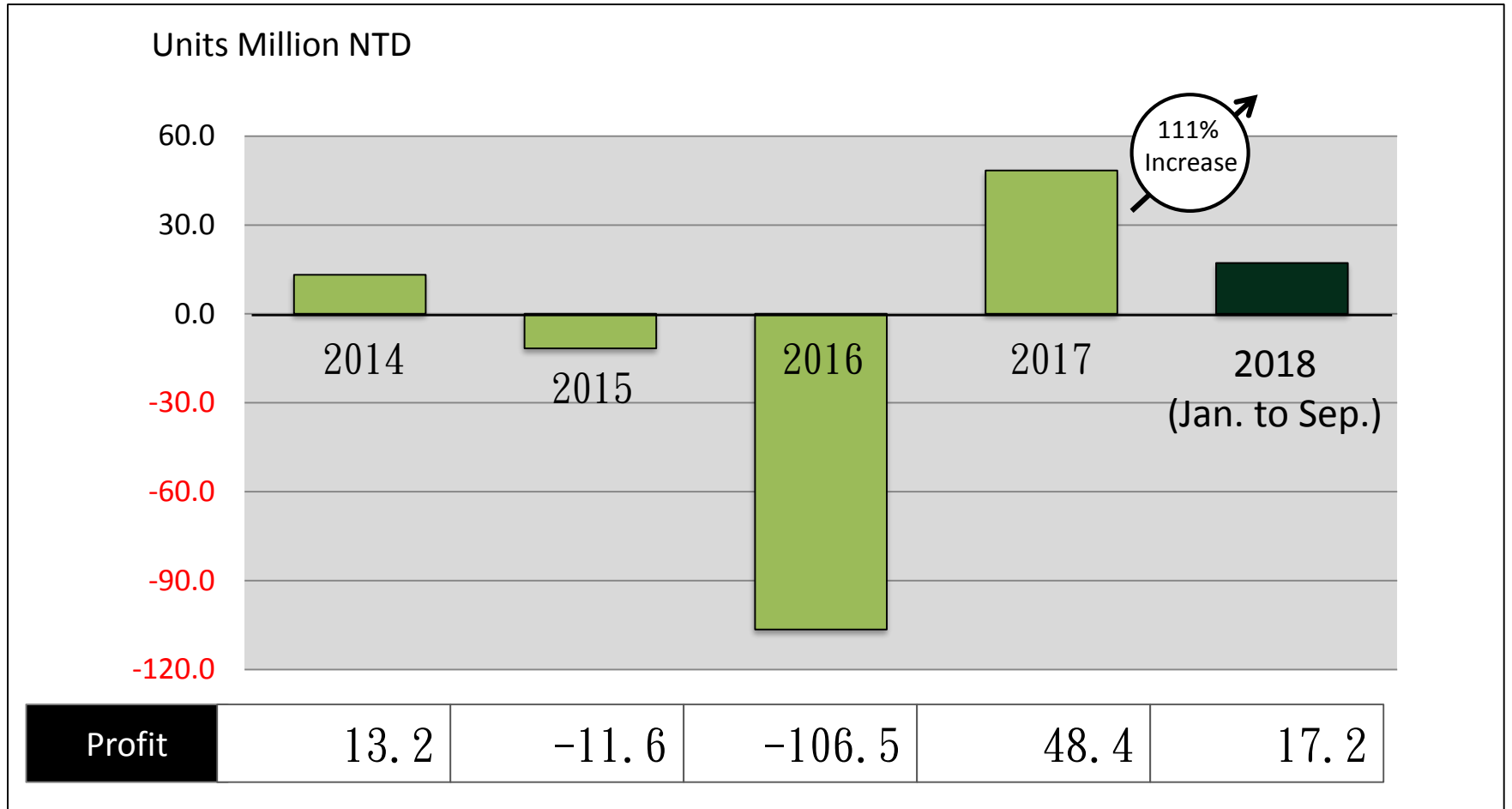
※Competitor data gathered from Tourism Bureau, MOTC Republic of China.

※"18 Hotels average", is calculated from 18 competitors similar in nature to GWHs.

Profit Changes

Gross profit margin turned positive in 2017.

11% increase when comparing Jan. 2018 to Sep. 2018 against same time period last year.





Introducing H.I.S.

| What is H.I.S.



- Established: 1980
- Revenue: 606 Bn. JPY (2016.09-2017.10)
- Capital: 11 Bn. JPY
- Cash Holdings: 2,45.7 Bn. JPY
- Employee Count: 16,932
- Store Count : 282 stores in Japan
272 locations across 70 countries
- Establishments: - Tourism
 - Theme Parks
 - Hotels
 - Other(Insurance, electric power)

Attracted most Taiwanese tourist to Japan
from Jan. 2018 to Sep. 2018.



What is H.I.S. Hotel Holdings



H.I.S. Hotel Holdings

- Established: 2016
- Revenue: 12.1 Bn. JPY
(Sep. 2017 – Oct. 2018 est.)
- Hotel Count: 10 Hotels in Japan
18 Hotels in 3 countries
- Brand:
 - HENN NA HOTEL
 - WATERMARK HOTEL (Japan, Indonesia)
 - GREEN WORLD HOTEL (Taiwan)
 - GUAM LEAF RESORT (Guam)

Henn Na Hotel, incorporating newest technology, is busy expanding!



| H. I. S. 投資洛基的理由

Reason
① Taiwan's Hotel Market
= No Definitive Market Leader

Reason
② Crisis Is Opportunity

Reason
③ Taiwan =
H.I.S.'s Attraction to Customers





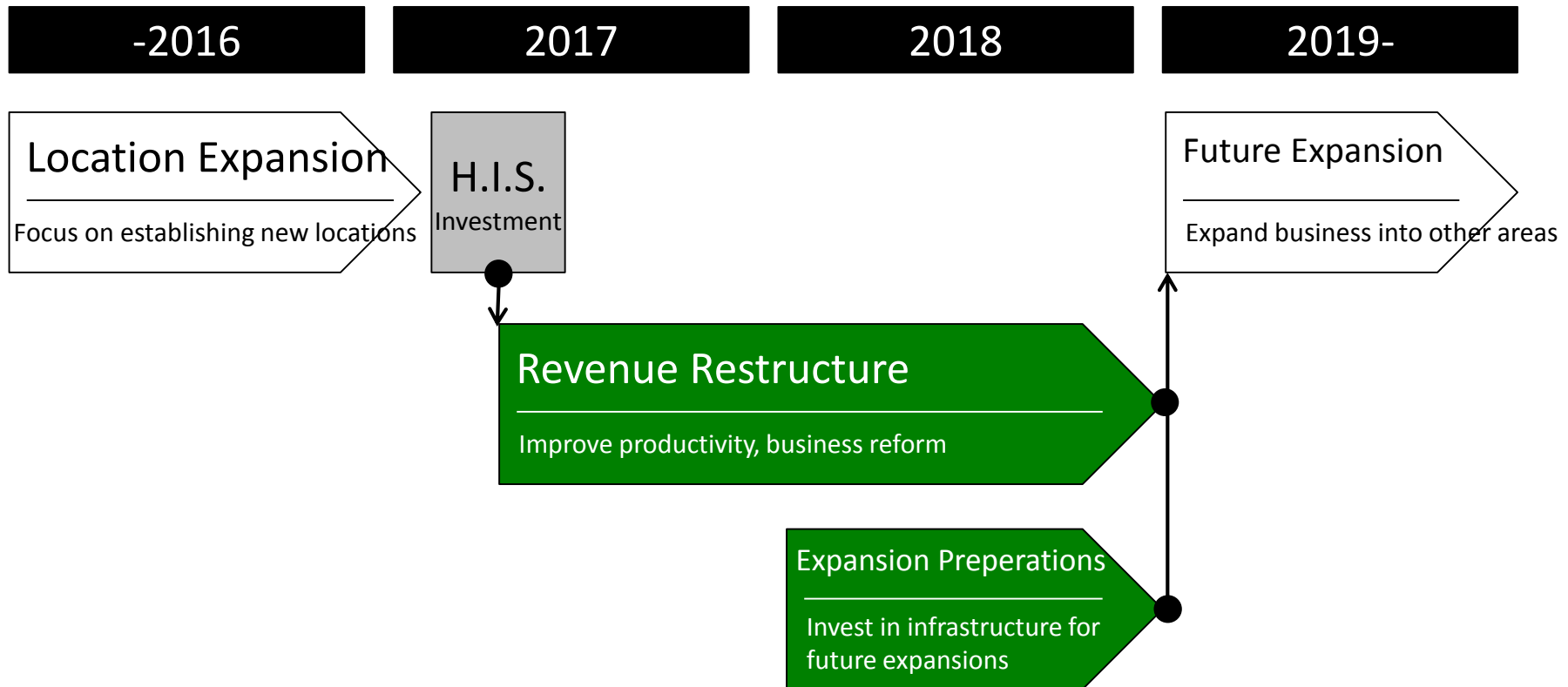
| Progress Up to Date



When H.I.S. invested in GWHs in 2017,
GWHs seized the opportunity to reform.

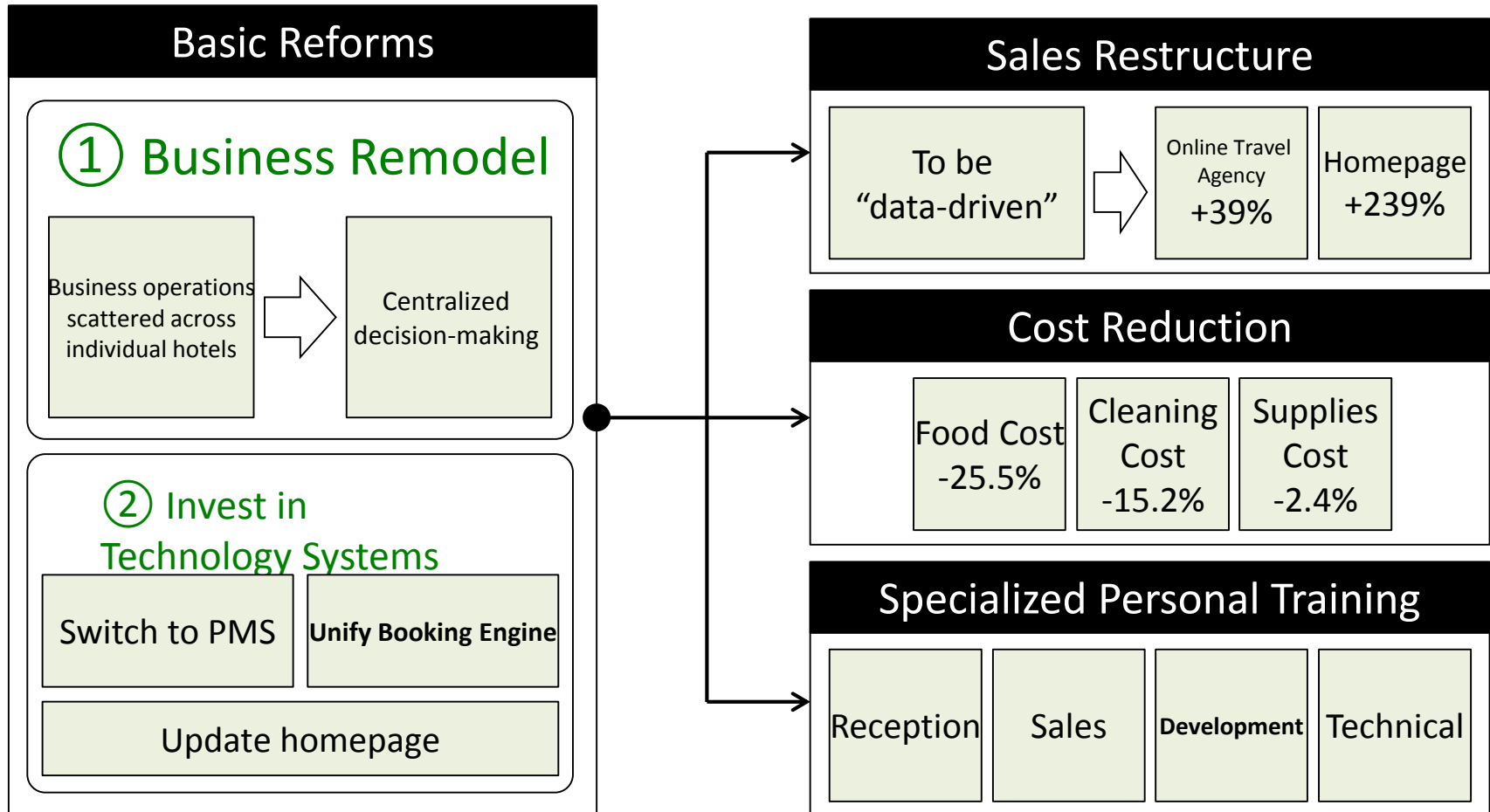
| GWHs Business Strategy

Starting since 2017, GWHs underwent remodeling to increase productivity. In 2018, invest in infrastructure to build foundation for future expansions.



Strategies Up to Date

Using “Business Remodel” and “Invest in Technology Systems” to reform, results are as follows:





| Growth Strategy



Goal:

In 2020, become the leading tourism brand in Taiwan



In order to achieve the goal,
GHWs need to take a more aggressive approach in 2019

Reason for Aggressive Approach

Competitors

A definitive leader has yet to emerge in the 3-star hotel market

Poor market conditions, most hotels are struggling



Hidden market potential for “First-mover Advantages”

GHWs

Underwent revenue restructuring for past 1.5 years

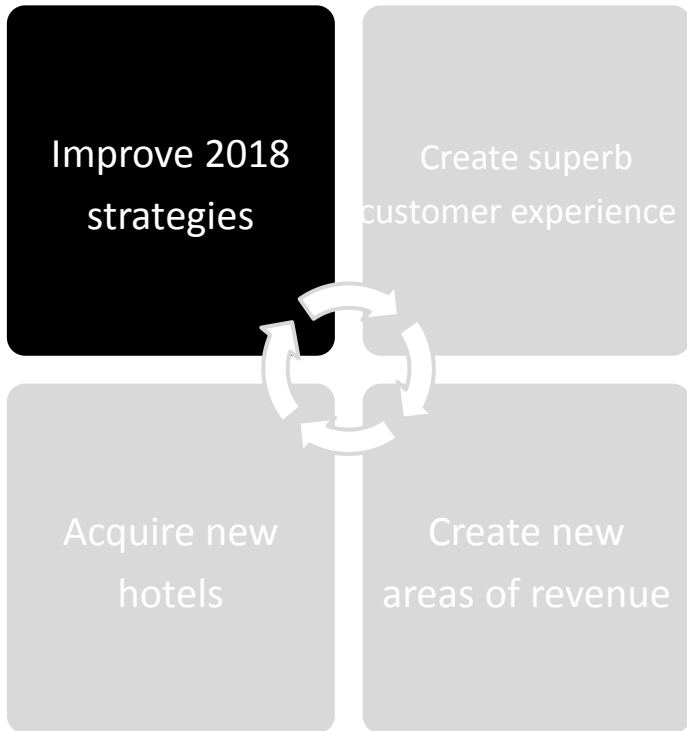
Strong capital support from H.I.S.



Active investments to increase market shares

Future Investment Strategy

Strength Short-term Gains Mid/Long-term Challenges



Goal Increase revenue using technology

KPI Profit Margin of Each Hotel

Improve membership system

Method

①

- Unify different systems
- Enhance market investment
- Utilize external resources

Personal Cost Efficiency

Method

②

- Shared professional knowledge with H.I.S. for mutual growth
- Introduce PMS, relieve staff workloads

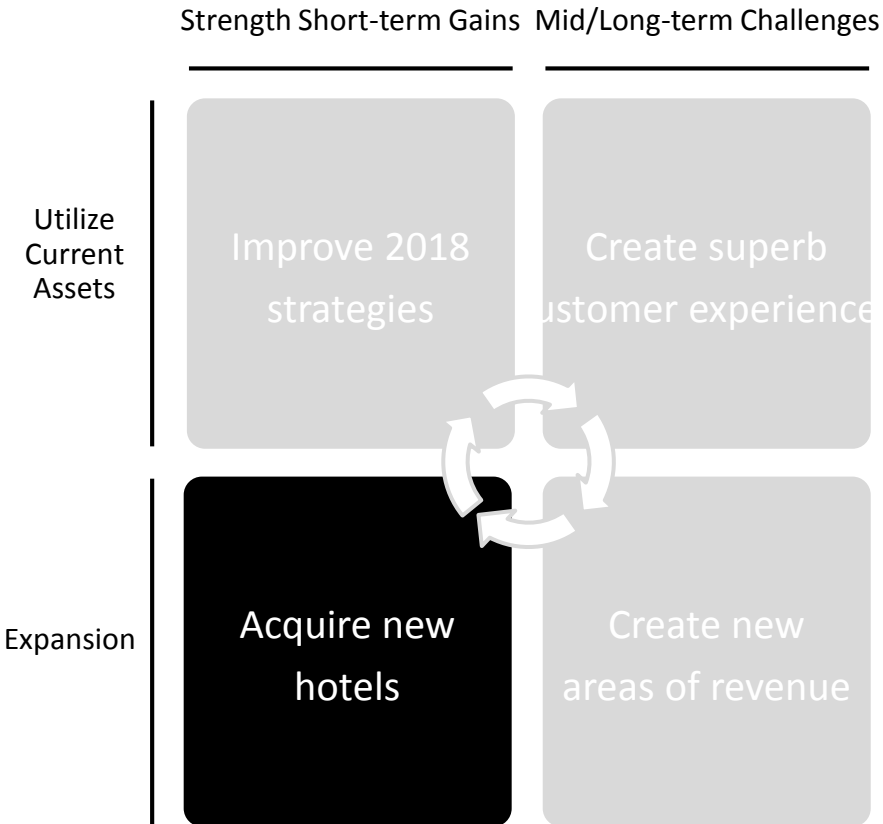
Increase ADR

Method

③

- Better market predictions, increase ADR during peak times
- Strength control over platform stock levels

Future Investment Strategy



Goal

Increase hotels and market shares to maximize profit

KPI

Number of Operational Hotels

Method

①

Establish more locations

- Identify and acquire locations that could be improved
- Acquire locations with potential

Method

②

Create franchise

- Mutually beneficial franchise model
- Aim to welcome partners in 2019

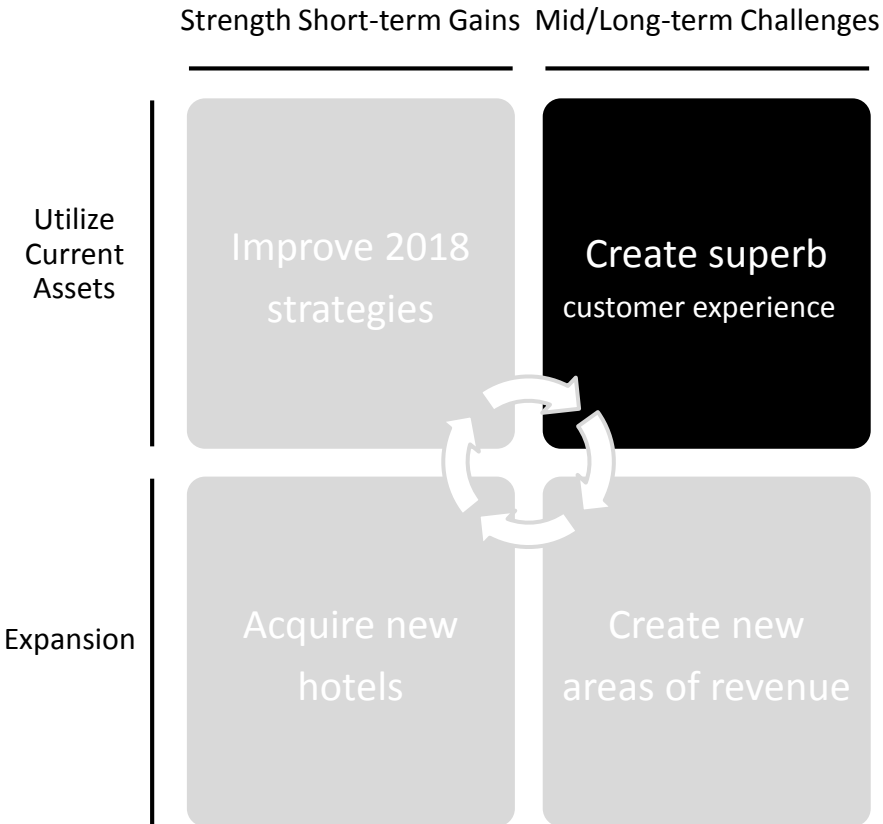
Method

③

Introduce Nenn Na Hotel

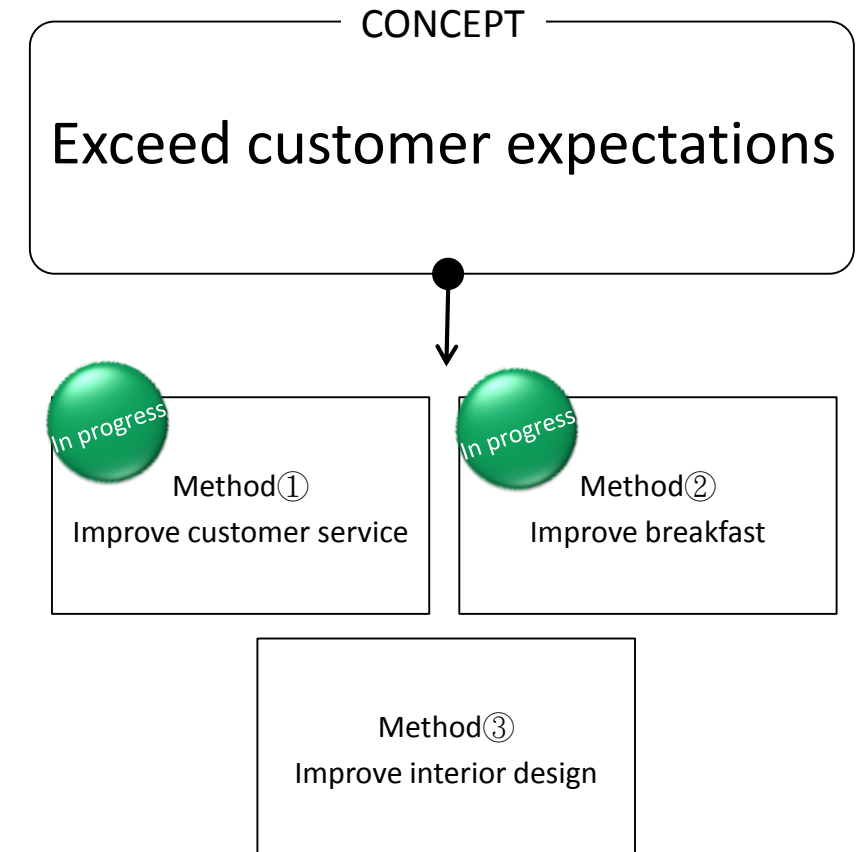
- Utilize H.I.S. knowledge
- Utilize Taiwanese technology

Future Investment Strategy



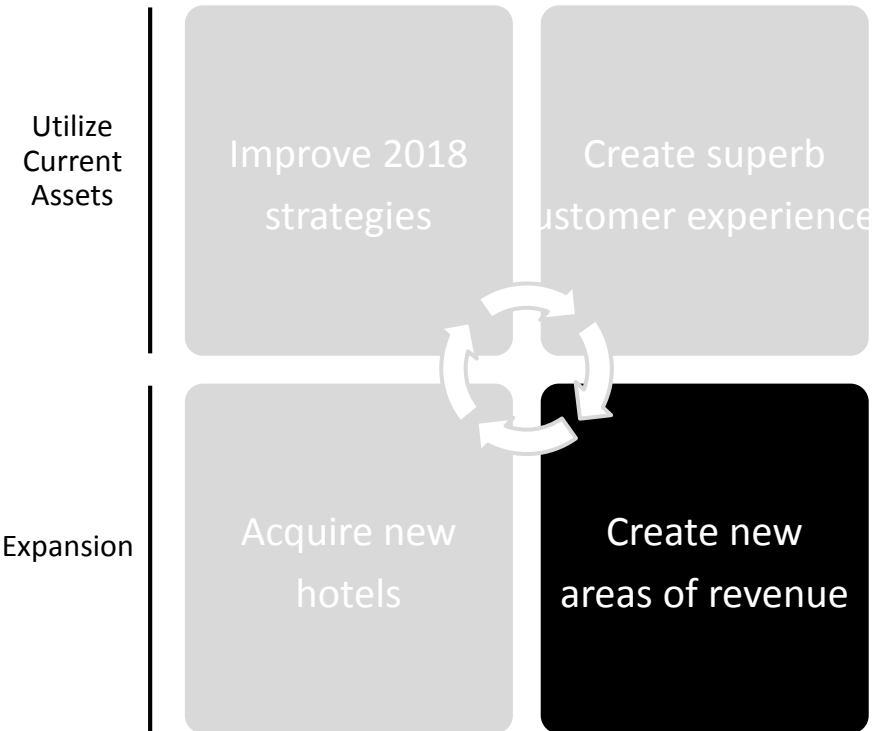
Goal Become the “Go-to” brand

KPI Hotel Ranking



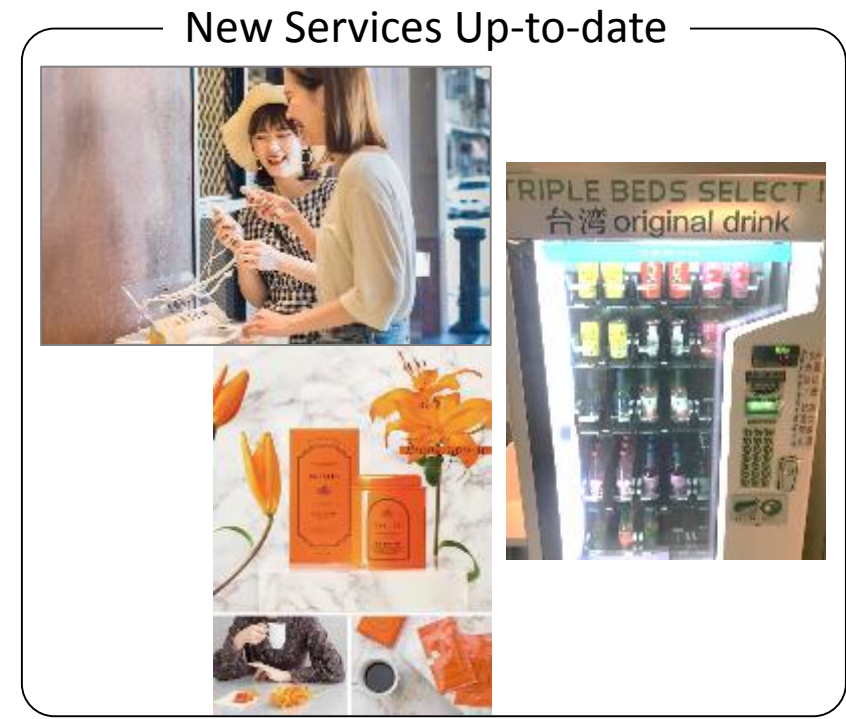
Future Investment Strategy


Strength Short-term Gains Mid/Long-term Challenges



Goal Discover new services adaptable by all hotels around the world

KPI Extra Profit along the Journey



A person is silhouetted against a dramatic sunset sky. The person's arms are raised in a celebratory gesture, with thumbs pointing up. The sky is filled with soft, golden clouds, and the sun is low on the horizon, creating a bright glow. The overall mood is one of hope and achievement.

Propelled by accelerating strategic investments,
GWHs will expand and reform again in 2019.

Please look forward to GWHs future!