



FIRST HOTEL 2018 FINANCIAL BRIEFING

Date: November 30, 2018
Time: 2:30 p.m.



DISCLAIMER

- This Presentation contains certain forward-looking statements which are based on current expectations.
- However, due to known and unknown risks as well as uncertainties, the actual results may differ materially from those expressed or implied.
- Except as required by law, this company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.





AGENDA

Company introduction

Market analysis

Competitor analysis

Financial overview

Conclusion





COMPANY INTRODUCTION: PROFILE

- Company establishment: October, 1962
- Official registration: 27, September, 1968
- IPO date: 25, June, 1991
- Taiwan Stock Exchange Code: 2706
- Paid-in Capital: NTD 4,999,983,460
- Chairman: Mr. An-Shen Ku



COMPANY INTRODUCTION: OUR HOTEL

- First Hotel is centrally located at the heart of the buzzing Taipei City, on Nanking East Road
- First Hotel provides our guests the convenience and comfort they need while traveling in Taipei with its great location, easy access to major attractions, and the various dining options available on site



COMPANY INTRODUCTION: FOOD & BEVERAGES

1 F 丹堤咖啡店

Dante Coffee Shop



1 F 洋朵義式廚房

Yentl Pasta



1 F 銀座杏子日式豬排

ANZU



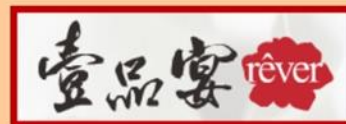
B 1 美心鐵板燒

Mecin's Teppanyaki



2 F 壹品宴湖南料理

Yi Pin Yan Hunan Cuisine



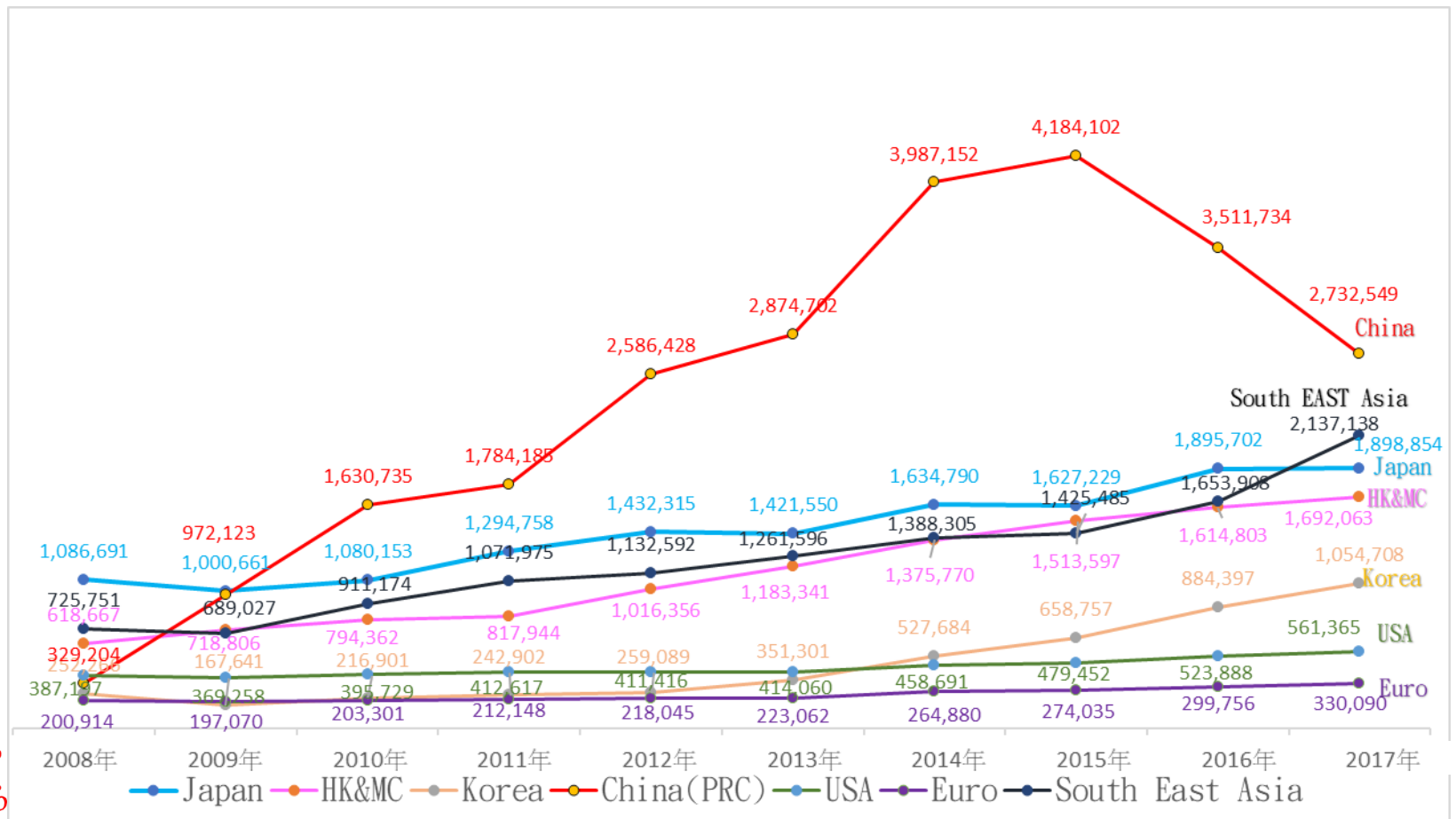
3F 敘香園

Shiang Garden



MARKET ANALYSIS (1 OF 4): FOREIGN VISITORS

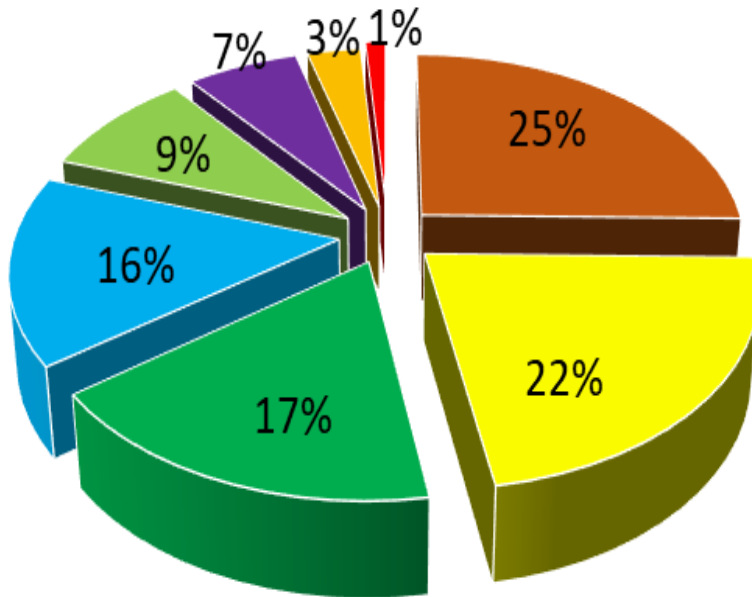
Number of Foreign Visitors to Taiwan in past 10 years, by country (unit: # of people)



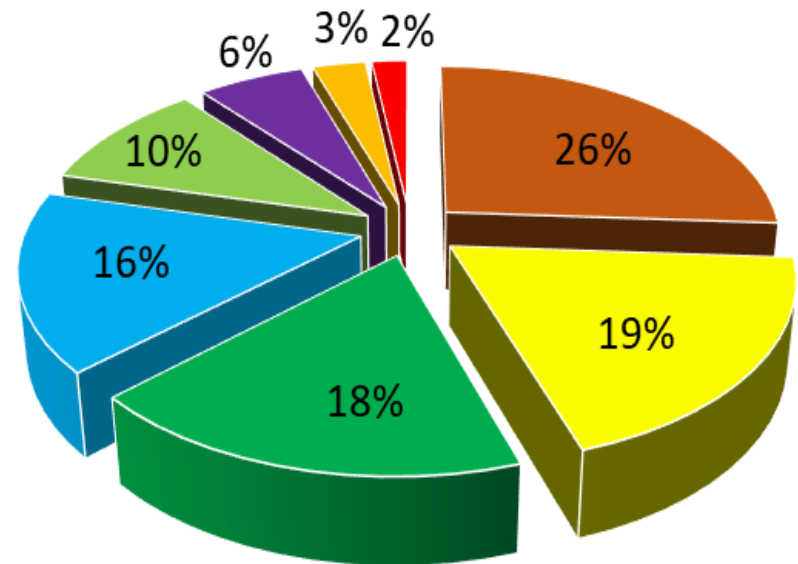
Source: Taiwan Tourism Bureau, Republic of China (Taiwan)

MARKET ANALYSIS (2 OF 4): FOREIGN VISITORS

Jan-Sep in 2018 Foreign Visitors, by Country



Jan-Sep in 2017 Foreign Visitors, by Country

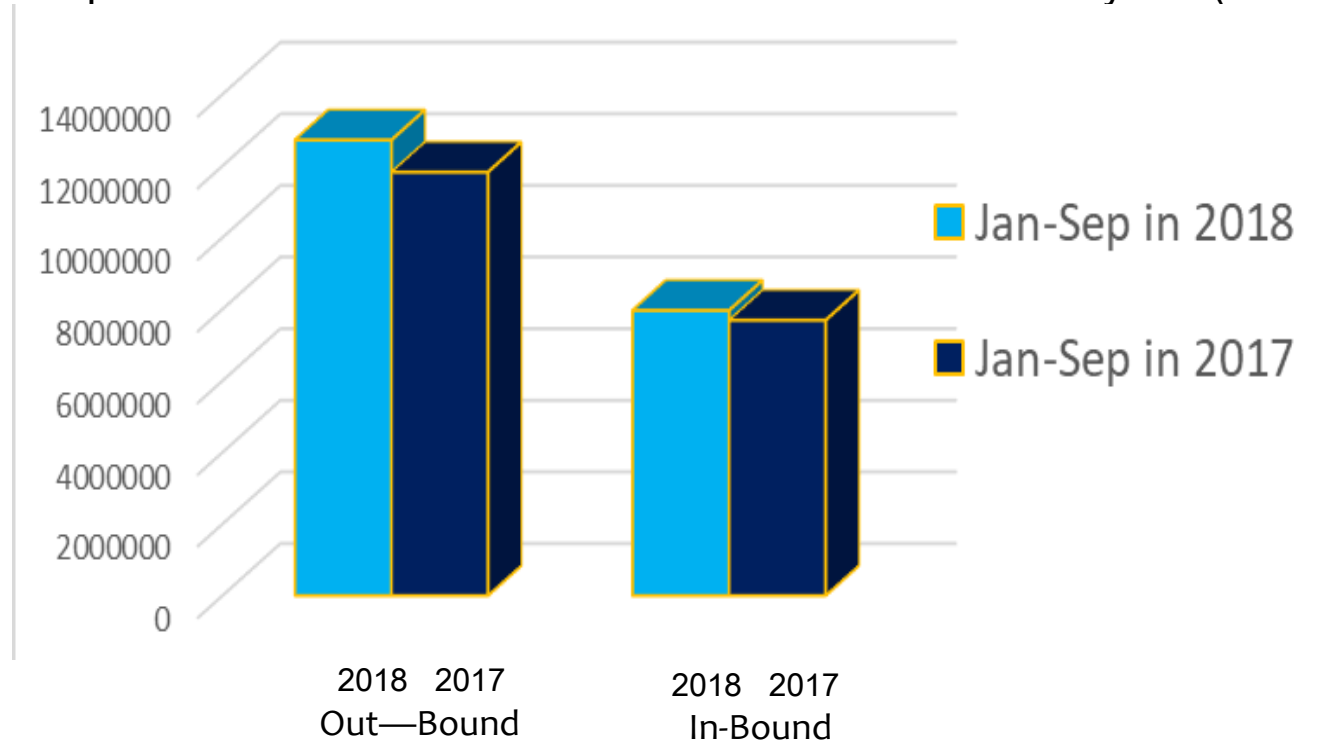


■ Chian ■ South East Asia ■ Japan ■ HK&MC ■ Korea ■ USA ■ Europe ■ Others



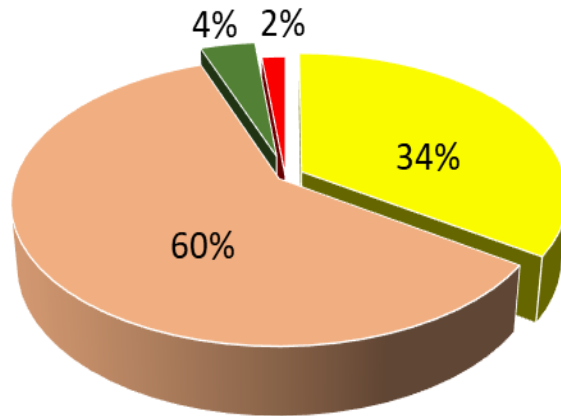
MARKET ANALYSIS (3 OF 4): IN/OUTBOUND TRAVELERS

Jan-Sep in 2018 & 2017 in-bound & out-bound traveler analysis (unit: # of people)

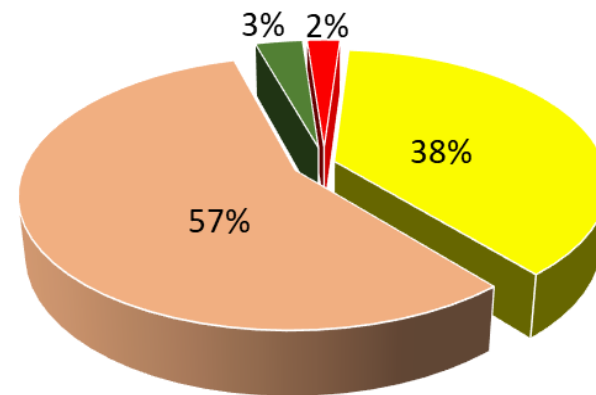


MARKET ANALYSIS (4 OF 4): IN/OUTBOUND TRAVELERS

2017 First Hotel, Origin of Clients



2016 First Hotel, Origin of Clients



■ North East Asia ■ South East Asia ■ North America ■ Others

Note: South East Asia includes China, Hong Kong, Macau, and Taiwan; North East Asia includes Japan and Korea
North America includes USA and Canada



Source: First Hotel

COMPETITOR ANALYSIS (1 OF 2)

Unit: New Taiwan Dollars

Taiwan Hotel Industry 2017 & 2016 Earnings per Share					
Category	Stock #	Company Name	2016	2015	YoY Change
Main Board	2702	Hotel Holiday Garden	(0.02)	0.60	(0.62)
	2704	Ambassador Hotel	1.20	1.16	0.04
	2705	Leo Foo	(3.03)	(1.05)	(1.98)
	2706	First Hotel	1.14	1.03	0.11
	2707	Regent	8.37	7.53	0.84
	2712	Far Glory	0.16	0.59	(0.43)
	2722	Chateau	0.88	1.31	(0.43)
	2739	MHH	1.06	2.63	(1.57)
	2748	Fleur de Chine	3.48	3.18	0.30
OTC	2718	Pleasant Hotels	0.10	0.56	(0.46)
	2724	Fx Hotels-KY	(4.05)	(15.76)	11.71
	2736	Hoya Resort	(0.22)	0.89	(1.11)
	5701	Janfusun	(1.28)	(1.37)	0.09
	5703	Landis Taipei	(1.11)	0.34	(1.45)
	5704	Hotel Royal	0.18	0.32	(0.14)
	8077	Green World Hotels	0.51	(2.07)	2.58



COMPETITOR ANALYSIS (2 OF 2)

Unit: New Taiwan Dollars

Taiwan Hotel Industry 2018 Q1~Q3 & 2017 Q1~Q3 Earnings per Share					
Category	Stock #	Company Name			
			2018Q1~ Q3	2017Q1~ Q3	YoY Change
Main Board	2702	Hotel Holiday Garden	1.46	0.21	1.25
	2704	Ambassador Hotel	1.03	0.98	0.05
	2705	Leo Foo	(3.14)	(1.03)	(2.11)
	2706	First Hotel	0.62	0.81	(0.19)
	2707	Regent	7.58	5.61	1.97
	2712	Far Glory	(0.19)	0.14	(0.33)
	2722	Chateau	0.02	0.80	(0.78)
	2739	MHH	0.10	0.32	(0.22)
	2748	Fleur de Chine	1.66	2.20	(0.54)
OTC	2718	Pleasant Hotels	(0.61)	(0.05)	(0.56)
	2724	Fx Hotels-KY	(0.13)	(2.49)	2.36
	2736	Hoya Resort	(0.70)	(0.04)	(0.66)
	5701	Janfusun	(0.33)	(1.06)	0.73
	5703	Landis Taipei	(1.02)	(0.37)	(0.65)
	5704	Hotel Royal	0.42	0.09	0.33
	8077	Green World Hotels	0.16	0.17	(0.01)



FINANCIAL OVERVIEW : BALANCE SHEET

Unit: NTD thousand

Item	2018 (as of Sep. 30 th)		2017 (as of Dec. 31 st)		2017 (as of Sep. 30 th)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current Asset	2,615,156	26%	2,489,295	26%	2,523,233	27%
Non-Current Asset	7,631,089	74%	7,076,760	74%	6,985,505	73%
Total Asset	10,246,245	100%	9,566,055	100%	9,508,738	100%
Current Liability	255,340	3%	94,489	1%	174,130	2%
Non-Current Liability	1,242,553	12%	1,118,796	12%	1,097,298	11%
Total Liability	1,497,893	15%	1,213,285	13%	1,271,428	13%
Paid-in Capital	4,999,984	49%	4,865,217	51%	4,865,217	51%
Additional Paid-in Capital	76,031	1%	76,031	1%	76,031	1%
Retained Earnings	2,817,227	27%	2,778,214	29%	2,630,965	28%
Other Equities	855,110	8%	633,308	6%	665,097	7%
Total Equities	8,748,352	85%	8,352,770	87%	8,237,310	87%
Book Value per Share	17.50		17.17		16.93	



Source: First Hotel

FINANCIAL OVERVIEW : INCOME STATEMENTS Unit: NTD thousand

Item	2018 Q1	2018 Q2	2018 Q3	2018 Q1-Q3	2017 Q1-Q3
Revenue	80,136	79,841	84,247	244,224	246,709
Rental revenue	53,003	53,938	57,719	164,660	155,332
Hotel revenue	27,133	25,903	26,528	79,564	91,377
Operating cost	21,511	21,375	23,560	66,446	70,619
Gross profit	58,625	58,466	60,687	177,778	176,090
Operating expenses	7,526	7,516	7,486	22,528	22,253
Operating income	51,099	50,950	53,201	155,250	153,837
Non-operating income	81,689	139,381	158,582	379,652	328,065
Pre-tax income	132,788	190,331	211,783	534,902	481,902
Income tax expense	128,332	58,851	39,730	226,913	74,575
Net income	4,456	131,480	172,053	307,989	407,327
Other comprehensive income (OCI)	(90,408)	100,386	(575)	9,403	(178,138)
Total comprehensive income	(85,952)	231,866	171,478	317,392	229,189



Source: First Hotel



CONCLUSION

- Continuous effort to maintain competitiveness in current market
- Proactively develop new clienteles, including both foreign and domestic travelers
- Look for diversified investment opportunities to enhance company yield

