

Horwath HTL™

*Hotel, Tourism and Leisure*

Representative Project Qualifications

Republic of Korea



Crowe Horwath International (CHI) is a worldwide organization of affiliated independent full-service accounting and consulting firms with more than 400 offices in over 100 countries. The organization's history dates back to 1915 when it was founded in New York City.

Horwath HTL is the consulting group within Crowe Horwath International specializing in the hotel, tourism and leisure industries. Established in Asia in 1987, Horwath HTL has been involved with thousands of hotel and tourism related projects throughout the region for clients ranging from individually held businesses to the world's most prominent hotels, developers, lenders, investors and industrial corporations on issues pertaining to developing, financing, operating, asset managing and valuing hotel, resort other hospitality related properties.

Horwath HTL now operates offices in key cities throughout the Asia Pacific region, including Tokyo, Beijing, Shanghai, Hong Kong, Kuala Lumpur, Singapore, Jakarta, Bangkok, Mumbai, Sydney and Auckland. Our offices work together to ensure our clients receive a multi-skilled international perspective for their projects.

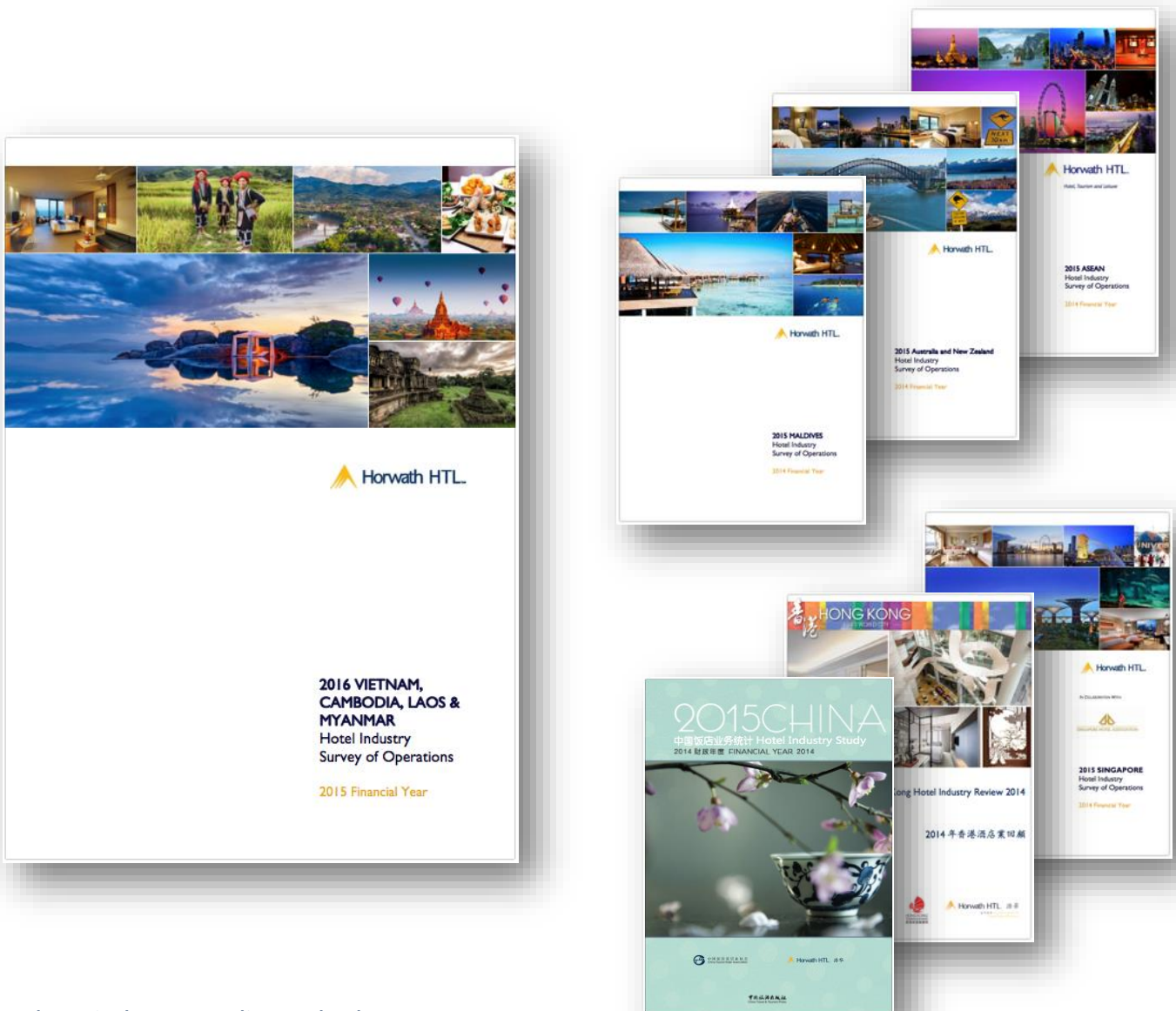
## About Us

- **Rich History:** Founded in 1915, Horwath HTL comprises the largest hotel and tourism consultancy Group in the world.
- **International perspective:** Horwath HTL has worked on thousands of hotel and tourism projects in the Asia Pacific region, and countless more across the globe.
- **Focus:** Horwath HTL specializes exclusively on the hotel and tourism related sectors.
- **Highly Independent:** To ensure unbiased project evaluation and avoid potential conflicts of interest, Horwath HTL does not engage in any hotel investment, management or brokerage.
- **Experience:** Horwath HTL has been active in the Asia Pacific region for nearly 30 years.
- **Extensive Database:** Accumulated over several decades, Horwath HTL boasts the world's largest and most complete database on hotel performance and related statistics.
- **International Credibility:** Horwath HTL's professional opinions are well recognized and respected amongst international hotel management companies, investors, developers and financial institutions.



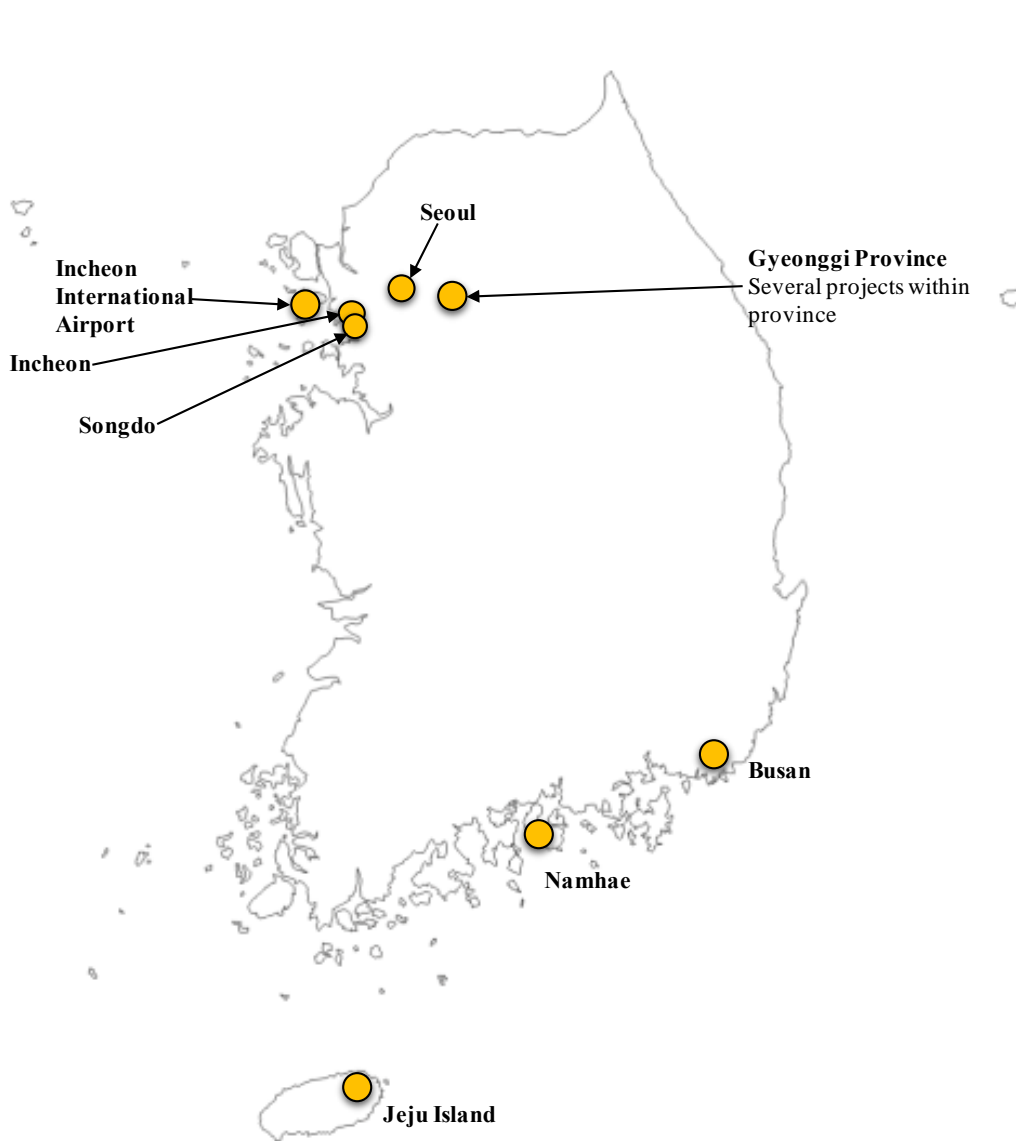
## Annual Hotel Industry Studies

Horwath HTL prepares annual Hotel Industry Reports for the major markets in the Asia Pacific region. The preparation of these reports involves detailed analysis of the marketing, operating and financial performance of over 1,700 hotels. This and other primary research gives us as your consultants great insight and understanding of the operational and financial structure of hotels in the region.



These industry studies and other resources and publications are also available for sale online. For more information on how to order, please visit our website at: <http://horwathhtl.asia/publications/>

## Republic of Korea Project Locations



## Representative Projects

### Planning and Development

#### Sheraton Seoul D-Cube

**Scope of Work:**

Horwath HTL was engaged by Daesung industrial Co. Ltd. to conduct a market study and provide development recommendations along with operating and financial projections for the hotel component of a proposed mixed-use project adjacent to the Shindorim Subway Station.

**Description of Project:**

The resulting Sheraton Seoul D-Cube City Hotel opened in September 2011 with 269 rooms.



#### Grand Hyatt Incheon

**Scope of Work:**

Horwath HTL was engaged by KAL Hotel Network to conduct a market study to provide development recommendations and projections for a proposed hotel adjacent to the Incheon International Airport. Horwath HTL was later also engaged for the hotel's expansion project.

**Description of Project:**

The hotel initially opened as the Hyatt Regency Incheon in September 2003 with 522 rooms. A 500-room expansion tower opened in September 2014 along with upgrading to Grand Hyatt branding.



#### Sheraton and W Walkhill

**Scope of Work:**

Horwath HTL was engaged by SK Group to conduct a market study and provide development recommendations and projections for a proposed expansion. Subsequently, the plan was changed to having a differently positioned second hotel on the site for which Horwath HTL assisted with the operator selection and contract negotiations, resulting in 252-room W Seoul Walkhill.



## Planning and Development

### **Courtyard by Marriott Times Square**

**Scope of Work:**

Horwath HTL was engaged by Kyungbang Co. Ltd. to conduct a market study to provide development recommendations and operating and financial projections for the hotel component of a proposed mixed-use project on a former factory site in Yeungdongpo.

**Description of Project:**

The resulting 283-room Courtyard by Marriott Hotel opened in September 2009 as part of the Times Square mixed-use development.



### **Park Hyatt Seoul**

**Scope of Work:**

Horwath HTL was engaged by Hyundai Development Corporation to conduct a market study to provide development recommendations and projections for a proposed hotel opposite the COEX center in Gangnam.

**Description of Project:**

The resulting 185-room Park Hyatt Hotel opened in 2005.



## Transactional Advisory

### **Millennium Seoul Hilton**

**Scope of Work:**

Horwath HTL was engaged as an independent consultant to assist in the due diligence study for the acquisition of Millennium Seoul Hilton. The study comprised of the analysis of the subject site, top-tier hotel market in Seoul and the opinion of value of the hotel based on prospective financial analysis and income approach valuation sensitivity.



## Operator Selection/Negotiation

### **Hilton Namhae Golf and Spa Resort**

**Scope of Work:**

Horwath HTL was engaged by Emerson Pacific to source a suitable operator for their resort project in southern Korea and assist in the negotiation of the management contract and related agreements.

**Project Status:**

The hotel opened in 2006 under Hilton branding and management with 150 suites and 20 grand villas.



## Master Planning

### **Songdo International Business District**

**Scope of Work:**

Horwath HTL was engaged by the master developers (Gale International and POSCO Engineering and Construction) of the 1,500-acre New Songdo City project to conduct a market study and analyses for planning the optimal hotel components to be included in the project master plan, along with operating and financial projections for the individual hotel components. The 321-room Sheraton Incheon has since opened.





## Additional Representative Projects

### Gyeonggi Province

- Hotel development in Samsung Everland - Feasibility study comprising of site analysis, hotel market study, facilities recommendation and prospective financial analysis.
- Hotel component in the proposed Universal Studio in Hwasung - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Review of a major hotel and casino project outside of Seoul and a strategic assessment of the alternatives available to the owners, including the injection of additional capital or sale to third parties.
- 480-room hotel in Goyang, Kyunggi Province - Feasibility study comprising of site analysis, hotel market study, facilities recommendation and prospective financial analysis.
- Hotel development in Goyang / Ilsan development zone - Hotel capacity assessment and planning study.
- Hotel development in a proposed mixed-use project in Bundang, Seongnam City - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.

### Incheon

- Hotel development near Incheon International Airport - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis on behalf of Kumho Engineering and Construction.
- Hotel component of the proposed 150-story mixed-use Incheon Tower, Songdo (Portman Holdings) - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Investment due diligence for the consideration of a potential acquisition of an existing Airport hotel on behalf of a private equity fund.

### Seoul

- Review of a major hotel project in Seoul and a strategic assessment of the alternatives available to the owners, including the injection of additional capital and subsequent restructuring of debt or sale to third parties.
- Evaluation of two hotel projects in Seoul, which included the strategic assessment of alternative uses and the introduction of foreign investment capital to generate maximum return to the owners.
- Hotel development promoted by the Seoul Metropolitan Government in Yeouido - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Hotel component of a proposed mixed-use project in Yeongdeungpo - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Market feasibility study with capacity assessment and concept / facilities recommendations for the hotel components of a proposed Walt Disney theme park

- Proposed hotel conversion of the upper floors of the Hanhwa 63 City building in Yeouido-dong - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis for an interested investor.
- Hotel development in Dongja-dong (Dongbu Construction) - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Tower Hotel – Market study, repositioning strategy and facilities planning.
- Hotel components of a proposed mixed-use project in Yeouido, Seoul - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Seoul Plaza Hotel - Repositioning strategy and recommendations for improving operational productivity and financial profitability.
- 255-room luxury hotel conversion of the top floors of the Star Tower Building (now known as Gangnam Finance Centre) - Redevelopment study for the conversion and management company selection and contract negotiation services.
- Planning and feasibility study for a proposed limited service hotel to be developed in Dongdaemun.
- Investment due diligence for the consideration of a potential acquisition of an existing 5-star hotel on behalf of an investment banking group.
- Planning and financial feasibility study on behalf of a private equity group for a budget hotel project in Dongdaemun.
- Regional market study research for a Korean hotel group considering expanding its operations outside of Korea.
- Corporate strategy planning with regards to capabilities and expansion for a Korean luxury hotel group.

## Southern Korea

- Disposition advisory services for a hotel and golf course in a major cultural and tourism center in Southern Korea.
- Divestment advisory services for a major golf complex in Southern Korea and development of alternative approaches to the recapitalization of a related resort.
- Integrated resort development near Yeosu City - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Hotel development on Jeju Island by Hyundai Motors/ Haevichi - Feasibility study comprising of site analysis, competitive hotel market study, facilities recommendation and prospective financial analysis.
- Hilton Busan - Identification and selection of suitable management company along with the hotel management contract negotiations.
- Planning and feasibility study for a proposed hotel in Busan to be located adjacent to BEXCO on behalf of foreign investment group.
- Planning and Financial feasibility study for a proposed hotel in Busan on behalf of a Japanese holding company.

## Country-Wide

- Survey of casinos operations in Korea and an assessment of the existing and likely future regulations concerning casino operations, including the impact of competing casinos outside the country and their attraction to the Japanese market.
- Limited-service hotel product in major cities - Opportunity identification, market capacity assessment, market analysis and recommendations for optimal development structure.