



FRANCHISE HANDBOOK

THANK FUTURE



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SUNMEI GROUP

THANK HOTEL THANK FUTURE



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Why Hotels?

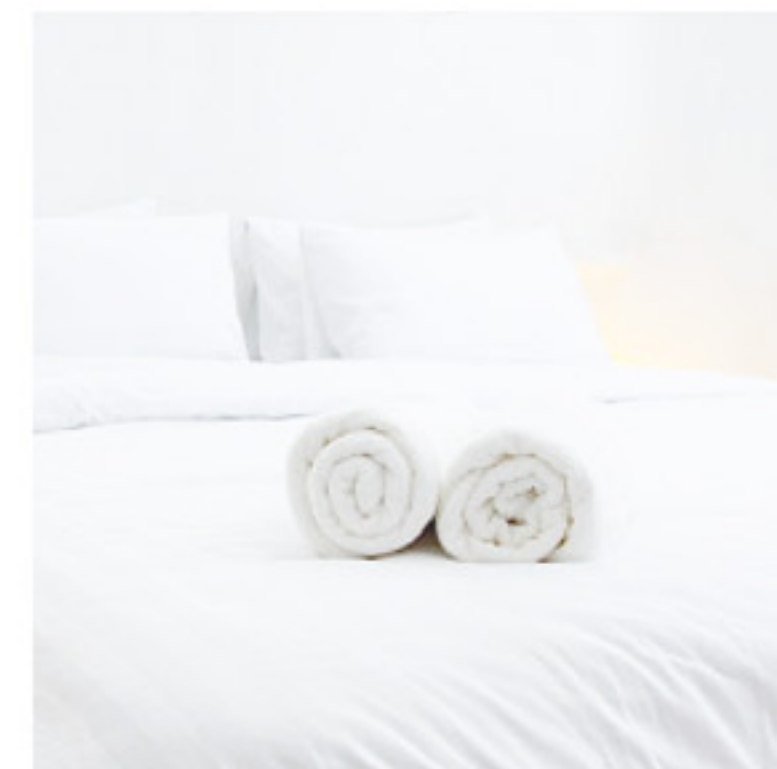
Basic logic of investing in hotels



The nature of the hotel

The development of the hotel industry, from the primitive humble inn to the early Grand Hotel, to the Business Hotel, and finally to the modern Five star hotels, Thematic hotels, Resorts and Conference Hotel with complete functions, although the hotel's concept, product, service type, registration management and operation mode have made tremendous changes, its essential service is sustained but need in consistency with the increasing demand of accommodation.

With the escalation of the global economy and business connection cross countries, the demand of business accommodation is vastly increasing. As the local government's awareness, the local hospitality and the relevant infrastructure are inevitably expanded as one of the major leading industry. No doubt about the tourism and leisure hotel demand rising.



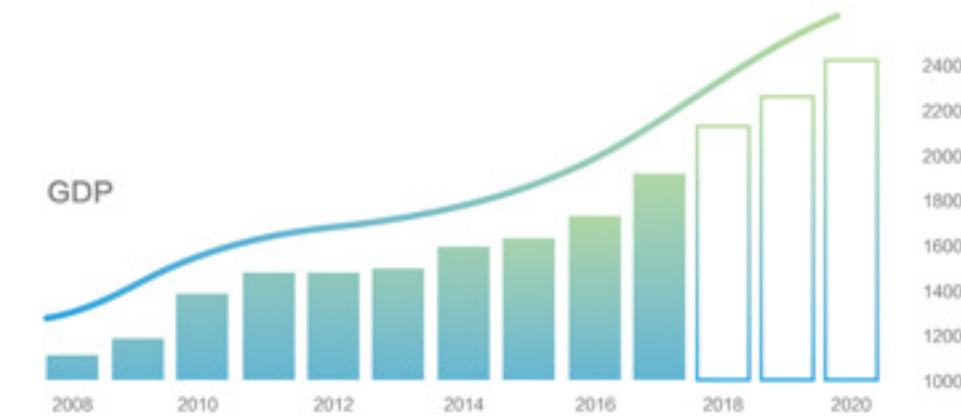
Features of The Hotel Industry

- Rigid demand industry, revenue is secured
- One-time investment
- Market proven demand of hotel is not gratified
- Long term and steady operation
- Daily cash settlement, no worry of bad debts
- Concise business mode, low variable cost
- Transferrable to subsequent generation

Strong Hotel Demand

National Macroeconomic Situation

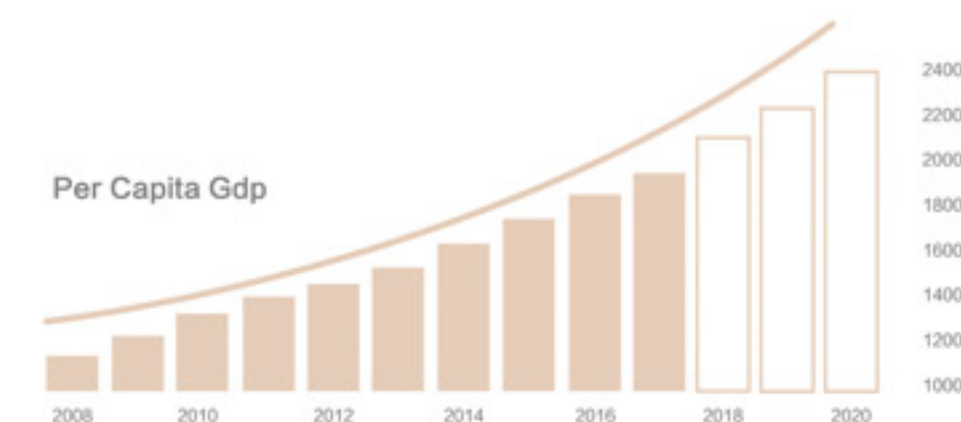
GDP



GDP growth about 8% in last 3 years, anticipated 6–7% in next 2 years despite the poor global economic surroundings.

The rising of Indian economy improve the household income with more consumption.

SOURCE:TRADINGECONOMICS.COM | WORLD BANK



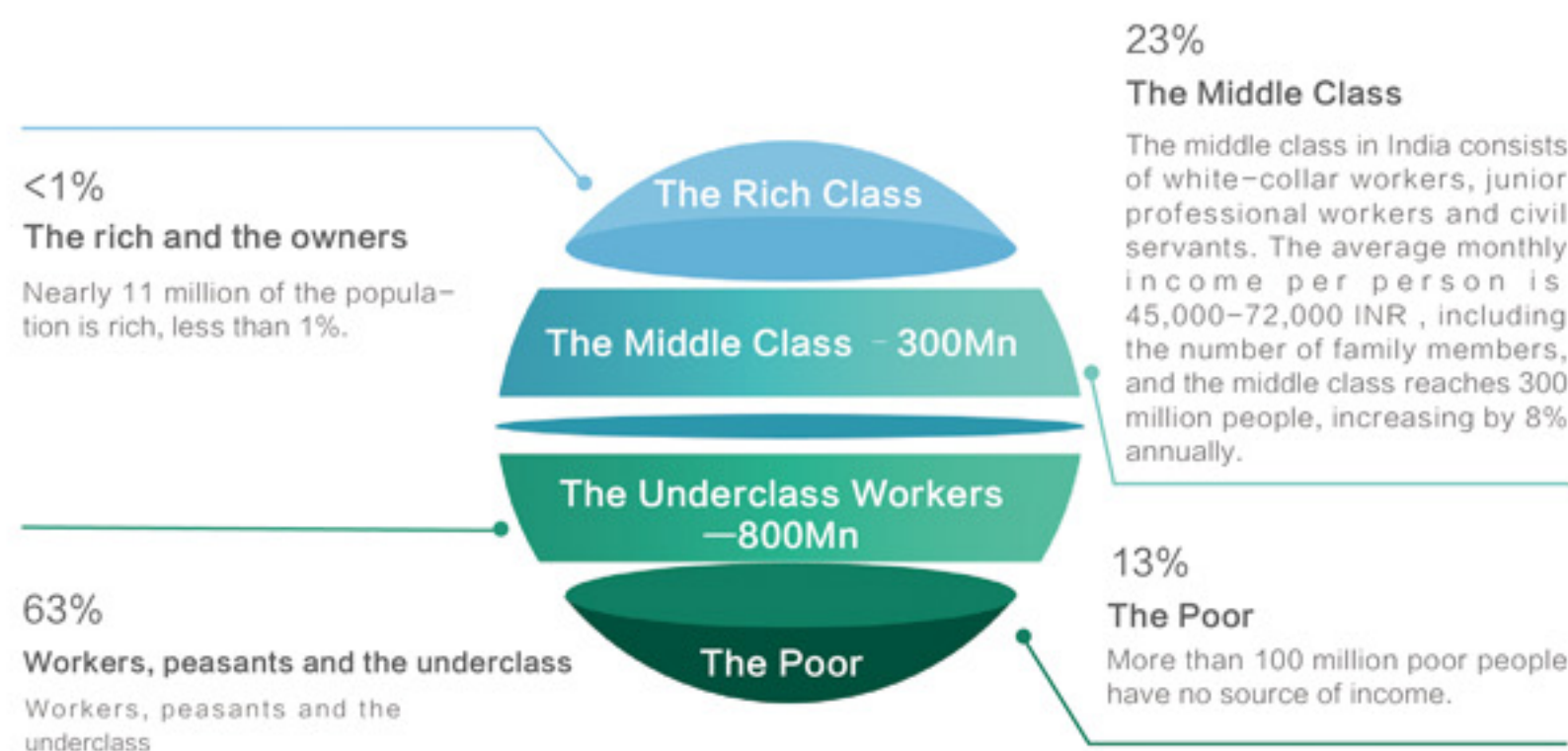
In the past three years, the per capita GDP has increased by about 5.5%, and the growth rate is stable. As the economy continues to improve, the growth rate of per capita GDP is expected to be faster in the future.

SOURCE:TRADINGECONOMICS.COM | WORLD BANK

National Macroeconomic Situation

The rise of India's middle class will further enhance domestic consumption.

With the overall economic growth of the country, the younger, well-educated and motivated middle class population is expanding. This group of people is the foundation and driving force for India's domestic consumption growth and upgrading.



Development Situation of Hotel Industry In India

The Indian Hotel industry is developing rapidly, and the convenience of the Internet for hotel reservation has been greatly improved, which is conducive to the rapid development of the hotel industry.

\$48Bn :By 2020, the tourism market in India increased by 11% to 48 billion US dollars.

\$13Bn :By 2020, the hotel market in India grew by 13% to \$13 billion

31% :By 2020, the India online hotel market penetration rate was 31%, a compound annual growth rate of 25%.

46Ds :Indian tourism consumers spend 46 days on average.

49Ms :Plan your travel schedule in about 49 minutes.

17 :Browse 17 websites to research and plan trips.

For consumers to plan trips, contact points include:

Online travel agent 64%

Search Engine 33%

Map 26%

76% of Indians get advice from family and friends.

Select online and offline mixed mode.

Prefer offline booking 12%.

Prefer online booking 57%.

A Numerical Insight Into Domestic Travel
[The Industry's Growth]

\$48Bn

Expected value by 2020

Indian Hotel Market

Expected value
by 2020

\$48Bn

Expected value of
travel number by 2020

28%

Online Hotel Market

Expected value
by 2020

\$4Bn

Expected value
by 2020

31%





Development Situation of Hotel Industry In India

Reasons for the Development of Hotel Industry

Investor Capital Driven

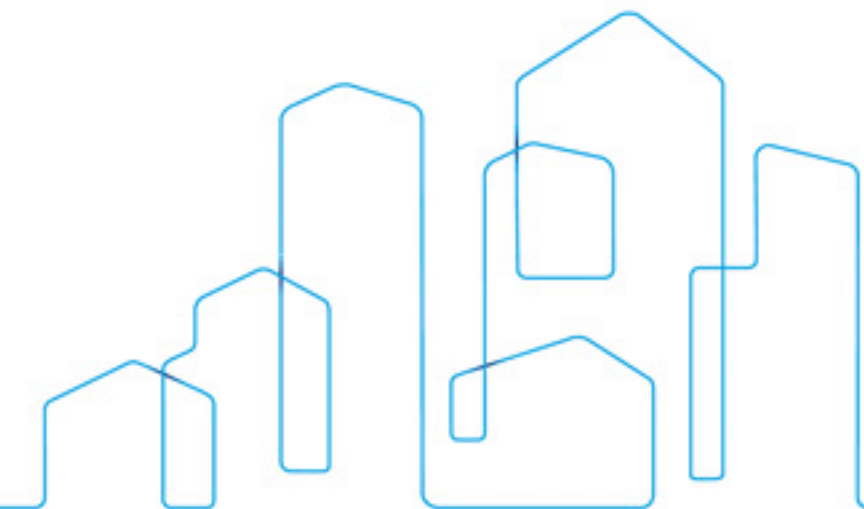
Hotel industry is one of the ten most attractive FDI industries in India.

Propelled by National Policy

Between April 2000 and December 2017, hotels and tourism attracted about \$10.9 billion in FDI. The Indian government is striving to reach 1% of the world's international visitors by 2020 and 2% by 2025.

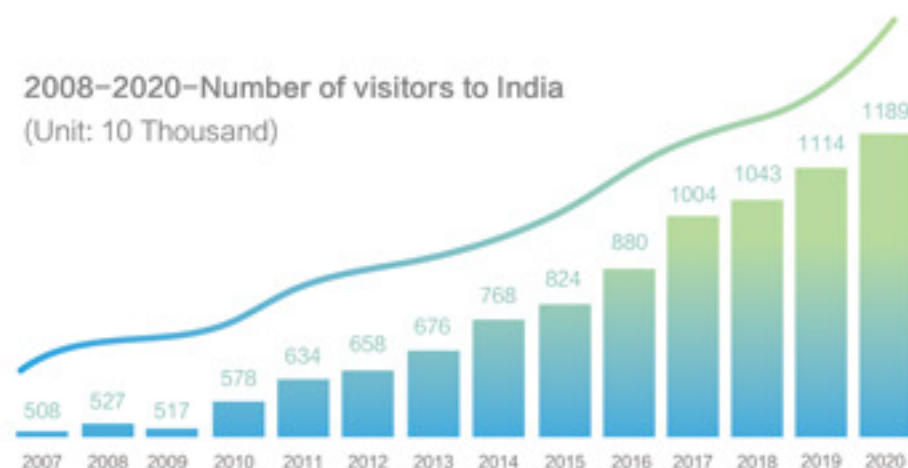
Growth of Consumer Demand

With the rapid development of economy, FDI investment has increased steadily and the demand for business travel has increased. Rich cultural and historical heritage and diversified natural landscape have promoted the rapid development of tourism.



Development Situation of Hotel Industry In India

By the end of 2018, the number of tourists entering India was 10.43 million, with an annual growth rate of 20% being held at 6.8%–10%. However, compared with China and Korea, the number of visitors is only about 40%, and the number of visitors to India will increase further.



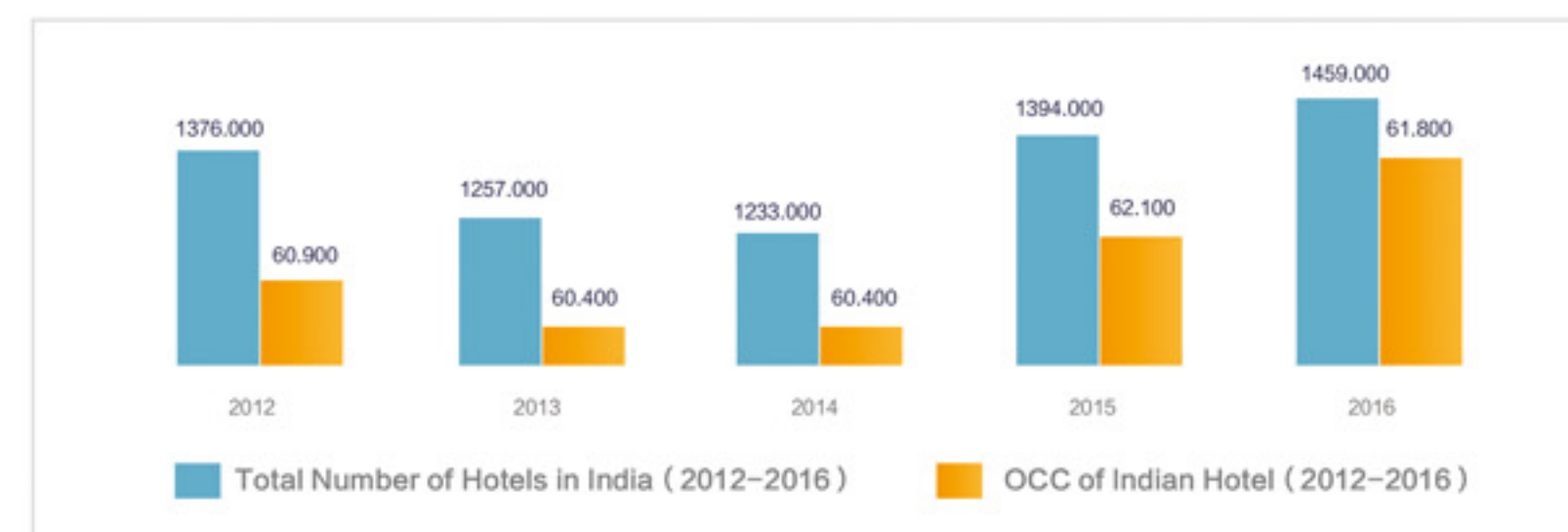
Reasons:

1. The various initiatives of the government of India supported this growth, such as electronic visa measures, the development of railway and highway infrastructure, and the promotion of medical tourism.
2. Benefiting from FDI growth, the number of international business travellers has increased significantly.



Strong growth in domestic tourists. The 2.2 billion increase in 2018, while 3 billion in 2020, with an average annual growth rate of 18%. The high growth of domestic tourists can be attributed to the increase of disposable income, the popularity of weekend culture, the desire of young people for consumption, the introduction of government activities and economic airlines, the prosperity of trade and services. Besides, marriage and celebrations are the main driving force for India's high-end hotels.

Development Situation of Hotel Industry In India



The supply of low-end hotels is improved, and the stock of mid-end hotels is insufficient, large room for growth.

- There are 160 super five-star hotels, 35 thousand rooms, 158 five star hotels with 20 thousand rooms; 253 four star hotels with 15 thousand rooms, and the rest are below four stars or not rated hotels.
- There is a big gap between the number of hotels in India and the Actual Hotel stock data. The number of Actual Hotel is 35,000–40,000. Hotels that are not counted are mostly cheap and Economy Hotels.
- The average OCC of existing hotel is around 65%.

Development Situation of Hotel Industry In India

Proposed Branded Hotel Rooms across Major Cities and Categories(FY16–FY21**)							
City	Existing Supply (FY16)	Proposed Supply (FY21)*	Increase in Future Supply	Luxury	Upscale	Mid-market	Budget
Bengaluru	11,799	1,238	44%	13%	39%	28%	17%
New Delhi	14,035	2,792	20%	20%	49%	27%	4%
Gurgaon	5,323	1,959	37%	37%	35%	30%	18%
Kolkata	2,701	3,209	119%	15%	34%	27%	24%
Mumbai	13,054	4,166	32%	24%	20%	32%	19%
Other cities	29,226	25,393	87%	1%	22%	49%	26%
Total	1,13,622	56,912	50%	7%	27%	40%	23%

According to authoritative prediction, the hotel room will grow by 50% in the next 5 years due to the severe shortage of Indian Hotel. The growth of registered hotel is faster, among which, the middle and up scale hotels take large ratio.



Hotel Property Increment

Hotel, as an typical property type, its increment in long term is the major index considered by the investors.

Hotel property increment consist of its location appreciation and regional combination appreciation.

Location Appreciation:

The good location in a district with its scarcity will always reflect on its price as time goes by.

Regional Combination Appreciation:

The hotel and its customers would attract different amenities and commercial properties to locate nearby. All these properties, as an combination would interactively attract more customer flow.



WHY FRANCHISED HOTEL?

Advantages Of Investing In Franchised Hotel



Hospitality Tendency

Growing Trend



Chain



Branding



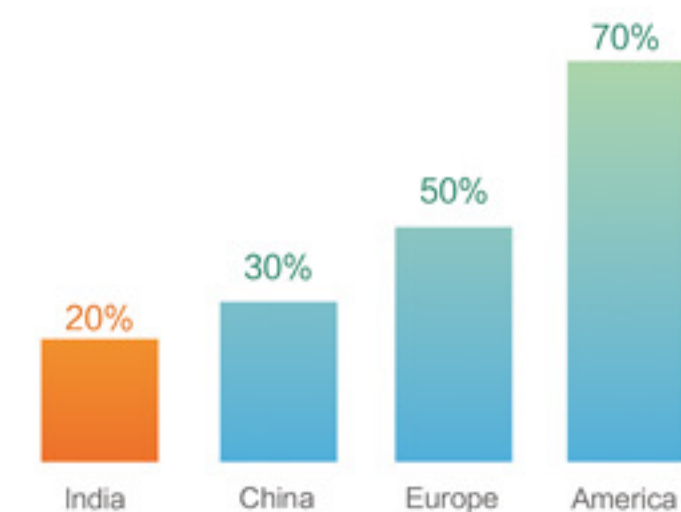
Scale



Platform

The development trend of hotel is to Chain, Brand, Scale and Platform.

The Hotel Chains ratio in India is less than 20%, China about 30%, EU about 50% whilst a 70% ration in US. The earlier franchised, the more market share



Hospitality Tendency

Brand Strength

The commitment and trust pertained to the Brand and Chains elicit the confidence to customers.

Chain Hotel: Brand reputation, senior customer groups, major in business travelers and tourists, contract customers and groups.

Independent Hotels: less reputation, more individual travelers.



Hospitality Tendency

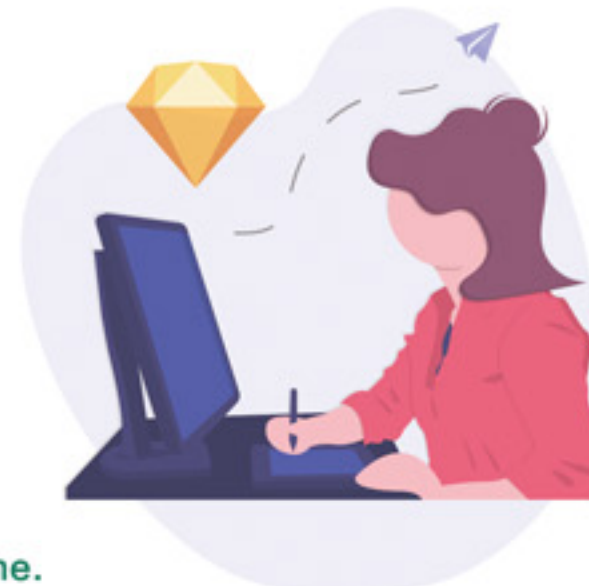
Product Feature

• Design

Chain Hotel: designed by the expertised team of well-known hotels, refined from market feedback, upgrading and optimizing to present the almost perfect product experience.

Independent Hotel: reflect the investors' preference and style and attract the pertinent customers.

By contrast, Larger probability that customers are choosing the market proven product than the niche one.



• Decoration

Chain Hotel: Professional supply resources, decorating team, to work under all way surveillance by group company and would be released after acceptance check against the decoration standard.

Independent Hotel: cost-sensitive drive to those decorating team with low price or convinced by owners. Decoration quality could not be assured.



Hospitality Tendency

Operating Management

Hotel manager is the owner himself or his trust, no profession and efficiency are guaranteed. Every field has its master. Leave it to the experts.

Chain Hotel: Unified standard, management and quality

Independent Hotel: self-managed, frequent variation



Hospitality Tendency

Membership Resources

Chain Hotel: Immense membership resources to promote and deliver hence improve the Occ.

Independent Hotel: Membership resources are restrained in region. Customers of individual and contract are major in a radius of 5km and hard to break through



Hospitality Tendency

Operation Risk

Chain Hotel: Low-risk, stabilization, time and money-saving

Independent Hotel: self-operating at own risk, uncertainty, time-consuming and costliness.



Hospitality Tendency

Payback Period

Chain hotel: unified promotion, scale effect to empower pricing; Low cost, high sales price, good profitability; As per survey, the payback period of chain hotel is relatively shorter, amongst of which, splendid hotels brands attain shorter.

Independent hotel: self-invested on promoting, weak in pricing, high cost but limit selling price. The return period is relatively longer.



Hospitality Tendency

Success Rate

Chain hotel franchise gain a higher success rate for entrepreneurship whilst the lower rate of independent hotels. THANK HOTEL, with the professional team of location selection, preconstruction, operation, brand management and marketing, manage in an standardized process to land the high quality service on site and assure the success of franchisee.



WHY FRANCHISED THANK HOTEL?

Premium Product,
Minimize Investment,
Expediate Your Return



CORE ADVANTAGES



THANK HOTEL Mature ROI Model

3500 + Franchise hotels proven successful operation experience

46 Million+ Members

98% Favorable rate hit 98% on the 3rd parties reservation platform



Foster Customer Loyalty To Improve Profitability

Global OTA   

China OTA : Ctrip , Meituan , Qunar , eLong , fliggy , JD , Qmango , Itaaa , Dida Travel , etc.and group official APP & Membership system to connect the Global OTA



GROUP STRENGTHS

Headquartered in Shanghai, China, ranked China's Top 5 and Global Top 19 international large chain hotel management group, advocating on the standardized, large-scale and scientific development, SUNMEI GROUP is creating a comfortable and enjoyable travel life for people worldwide. With the continuous growth of the business, SUNMEI Group expands its business to Russia, South Korea, the Philippines, Pakistan, and other countries, operates more than 3,500 chain hotels, is the smart accommodation choice for tens of millions of travelers all over the world.

WHO INVEST SUNMEI WITH YOU



CMB INTERNATIONAL

A wholly-owned subsidiary of CMB

Incorporated in Hong Kong, supported by the mainland and targeting in global market, CMB International Capital Corporation Limited ("CMBI") is an integrated financial institution providing comprehensive and professional services. As a wholly-owned subsidiary of China Merchants Bank ("CMB"), by leveraging on the Group' s synergy and coordination in domestic and overseas markets, as well as CMB' s strong resources and outstanding social reputation, CMBI and its subsidiaries have been actively implementing diversified business strategies and set up an overall layout of main business segments including Corporate Finance, Asset Management, Wealth Management, Equity and Structured Finance, etc.



洪泰基金 Aplus

HONGTAI CAPITAL

A comprehensive capital to China, jointly-founded by prominent entrepreneur Mr. Yu Hongmin and Senior Investing banker Mr. Sheng Xitai.

Jointly-founded by prominent entrepreneur Mr. Yu Hongmin and Senior Investing banker Mr. Sheng Xitai in Nov 2014, invest targeting on consumption upgrading, artificial intelligence, financial technology and entertainment and etc.

HONGTAI CAPITAL, featured unique founder combination; Yu Hongmin is the symbol entrepreneur after China' s reformation and Open, establish and lead the New Oriental Education & Technology Group to a US public company with market value over US \$7.5 billion. Millions of Chinese young elite access their application of oversea study through the New Oriental study, widespread globally is the major reinforcement of Hongtai to found its capital investment. Mr. Sheng Xitai is important player in the early stage of China capital market and investing banker.

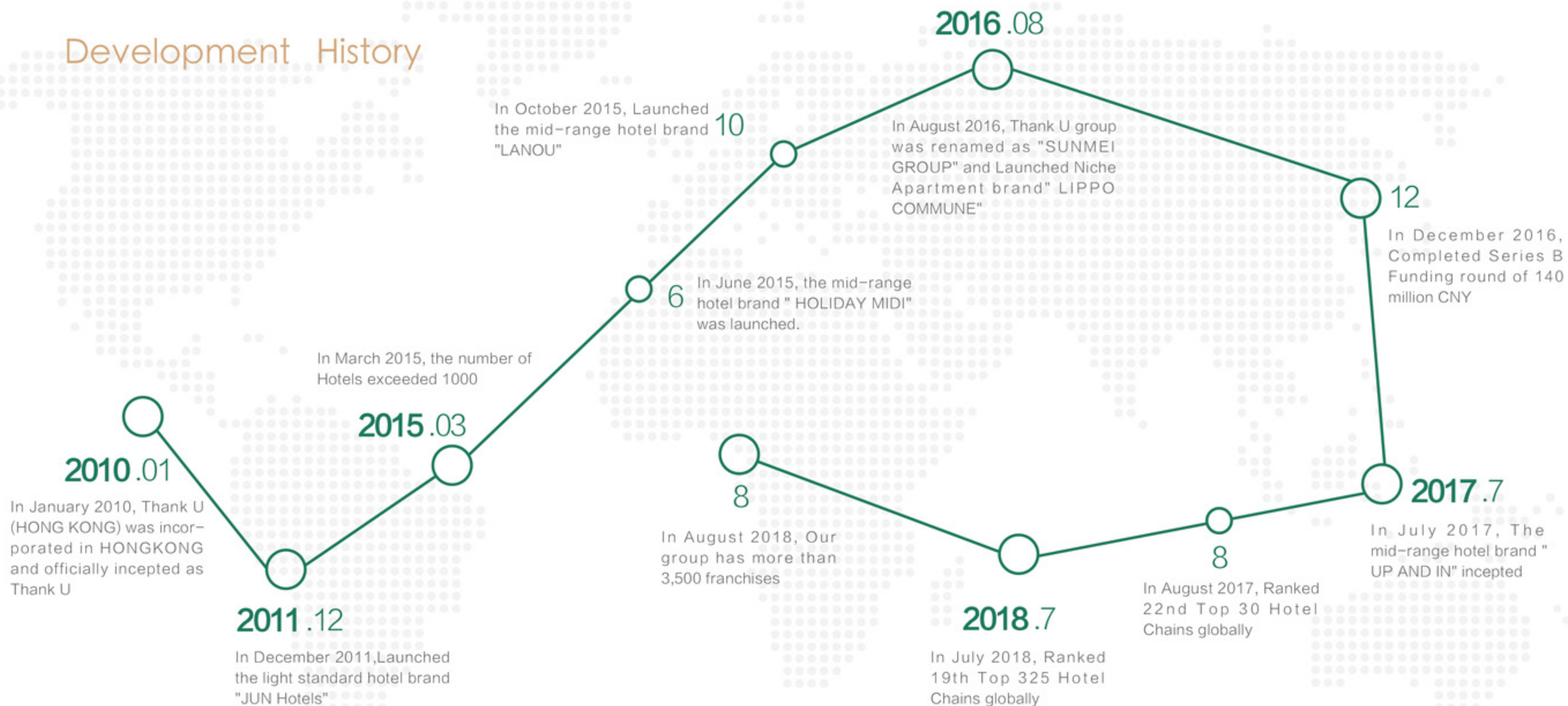


GROUP HONORS



- 2018 ◆ Ranked the **19th** among Top 325 in the number of rooms and ranked the **12th** of hotels open by HOTELS in 2018.
- 2017 ◆ Ranked the **22nd** world hotel group by HOTELS in 2017.
- 2015 ◆ Awarded as "**Annual Most Growable Hotel Group**" in the 8th AHF International Hotel Investment Summit in 2015.
Awarded as the most value-growing brand hotel group in "**World Hotels-Five Continents Diamond Prize**" in 2015.
- 2014 ◆ Awarded as the most value-growing brand hotel group in the 7th World Restaurant Forum, of the 6th World Hotels-Five Continent Diamond Prize in 2014.
◆ Awarded as the "**Annual Most Growable Budget Chain Hotel Group**" in the 7th Aisa Hotel Forum International Hotel Investment Summit;
◆ "**Global Prominent Chain Hotel Group 2014**" in Global Tourism Investment Forum & Global Tourism Gold Prize Awarding Ceremony.
- 2013 ◆ Awarded as "**Annual Most Growable Hotel Group**" in the 6th AHF International Hotel Investment Summit in 2013.
- 2012 ◆ Awarded as "**Annual Most Growable Budget Chain Hotel Group**" in the 5th Asia Hotel Forum International Hotel Investment Summit in 2012.
- 2010 ◆ Awarded as "**Annual Most Promising Hotel Brand 2009**" in Asia Forum.

Development History



PREMIUM PRODUCT

Premium Selection

Strict Criteria of material, bed linens, wash & care articles to consolidate an extraordinary accommodating experience



Wash Care Supplies

International brands



Premium bed linens

International brands OEM supplier, more environmental and health care



Mattress

International Stars Hotel same specs

Easy Amenity

Multiple services, the diversified operating direction



24 hours bakery + café

French Baking handicraft, a life-wise bakery



Self-service read bar

Fashion magazines, bestsellers, travel biographies, Food guidance and et, all free reading and self-service return.



Intelligent Experience

Intelligent check-in solution, to enhance the quality of hotel service



Intelligence check-in

OTA reservation is available



Intelligent guestroom

step-in intelligent control (light/air condition/curtain).



Intelligent management

real-time response to customers, dynamic surveillance of hotel properties, self-operated guestroom repair request, smart allocation of guestroom and service staffs.



Optimum Cost



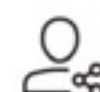
Design

Professional and Open team, with a cutting-edge view to design cost-effective product



Supply Management

Integrating the resources of hundreds of suppliers to provide more competitive products and services.



Preparatory Period

With the help of supply chain platform resources, to ensure the seamless connection between suppliers and affiliates, shorten the preparation period.



BRAND ADVOCATING

Brand Targeting

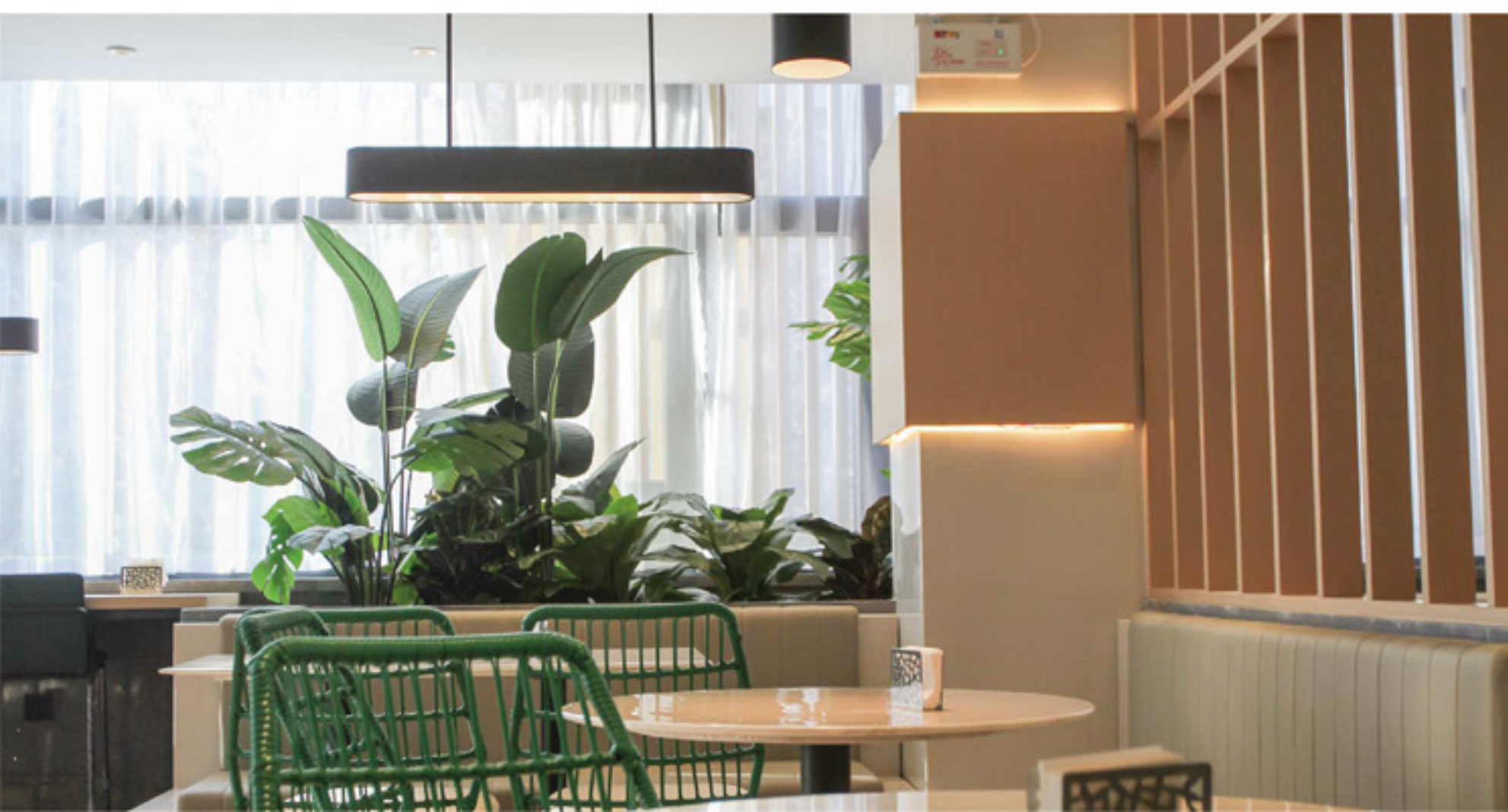
THANK HOTEL--Global Leading Mid-scale Hotel Brand with restricted service

Brand Details

THANK HOTEL is core mid-scale brand with restricted service, expertizing on developing chain hotels in the emerging cities, gratifying the increasingly high-quality accommodation demand of business travelers. THANK HOTEL, the advocator of a tasteful, fashionable, qualitative decoration into the hotel space design, with critical attitude towards brands selection, bed linens, wash & care articles, furnished with intelligent facilities, dispensing a new style of retails, café, read bar, self-assist laundry and other amenity service, is devoting an extraordinarily sweet and comfortable travel experience.

Slogan

SWEET SPACE IN YOUR JOURNEY



EIGHT REINFORCEMENT



Property Appraisal

On the hotel site-selection stage, SUNMEI Group would step you into the complete analysis of market, property structure, modification cost, to assure your property qualified as hotel and comply with local market demand.



Design

SUNMEI Group, as its critical and precise attitude on the project instruction, assure the carry-out of constructing criteria, issue an modern, multiple-solutions, optimized floor plan and design sketch and assist you to check the project RFQ and supervision training.



Renovation

The selection of powerful decoration companies around the world, by multi-party bidding, to ensure the standardization of engineering construction, and the project more assured.



Supply chain

Integrating 128 suppliers from all over the world, with big-name quality materials. Better after-sales service, with seven days no reason to return, 3+ years super long warranty, compensation in advance.



Operation

Supported by a global chain of hotel management systems to ensure chained and consistent services. Establish a regional management center on a global scale, and the vertical management system to effectively improve the quality of service to the franchise hotels.



Revenue Management

Sunmei Group provides core management, including modern hotel management, customer source structure management, hotel revenue management, etc., to control the cost of the franchise hotel accurately and improve profits of hotel.



Continuous Training

Sunmei University has a comprehensive and multi-level special selective training course. It will systematically train the managers and staffs on a regular basis, and arrange assessments in time to determine the effectiveness of the training.



Loyalty Program

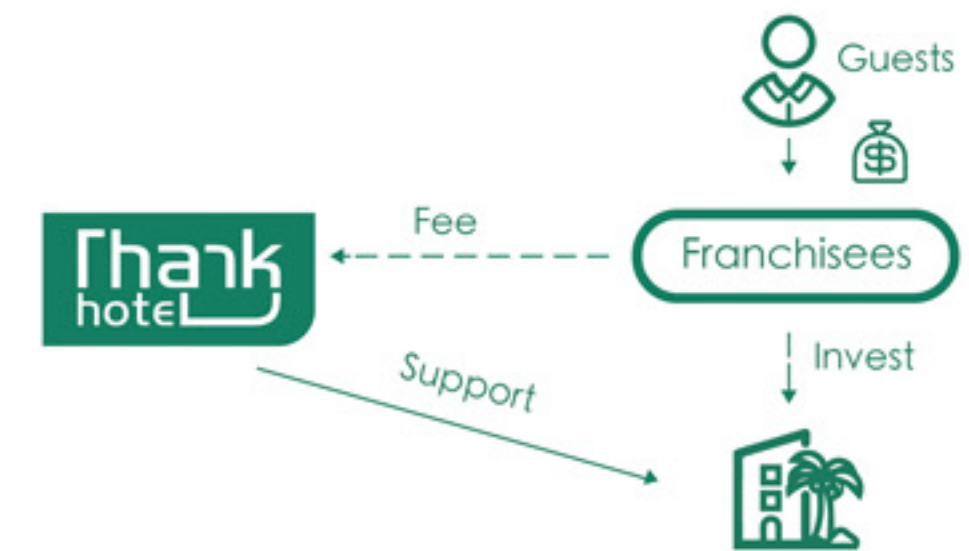
With 46+ million members worldwide, a centralized customer platform, a networked customer source delivery system, and diversified hotel reservation pipeline to ensure the delivery of customers in each franchise hotel.

How To Join THANK Hotel

Premium Product
Minimize Investment
Expediate Your Return



Diversified Cooperation



Franchise Mode

THANK HOTEL authorizes owners to use trademarks in specific areas within the agreed authorized business period, providing professional support from property selection, preparation, material providing, and hotel operation.



Agency Mode

THANK HOTEL authorizes agents to use trademarks in specific regions, develop THANK HOTEL's flagship hotel and franchisees within the agreed authorized business period, providing brand promotion, including online and offline, guests Conveyance, material providing, and regular personal training.

Steps to Join

Property Criteria

- Land, Property under construction, hotels in operation
- Property area and room quantity qualified
- Commercial nature of the property with the clarified ownership
- Convenient transportation, complete amenities
- Locate at cities of thriving areas, mature industrial zones or major tourist spots

Steps to Join

Franchise Process

