

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Shanghai Jin Jiang Capital Company Limited*

上海錦江資本股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02006)

ANNOUNCEMENT OF THE UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2020 (RMB'000)	Six months ended 30 June 2019 (RMB'000)	Increase/ decrease (%)
Revenue	5,921,948	9,953,110	-40.5%
Operating profit	135,219	1,665,833	-91.9%
(Loss)/profit attributable to shareholders of the Company	(238,456)	501,794	-147.5%
(Loss)/earnings per share (expressed in RMB cents)	(4.28)	9.02	-147.5%
Earnings before interest, tax, depreciation and amortization ("EBITDA")	1,648,014	3,350,617	-50.8%

RESULTS SUMMARY

The Board hereby announces the unaudited consolidated interim results of the Group. The interim results have been reviewed by the Audit and Risk Control Committee. The hotel, food and restaurants, passenger transportation vehicles and logistics and travel agency businesses of the Group have been materially and negatively affected due to the ongoing impact of the COVID-19 epidemic and external environment. For the six months ended 30 June 2020, revenue of the Group amounted to approximately RMB5,921,948,000, representing a decrease of approximately 40.5% as compared to the same period of last year. Operating profit of the Group was approximately RMB135,219,000, representing a decrease of approximately 91.9% as compared to the same period of last year. EBITDA amounted to approximately RMB1,648,014,000, representing a decrease of approximately 50.8% as compared to the same period of last year. Loss attributable to shareholders of the Company amounted to approximately RMB238,456,000, representing a decrease of approximately RMB740,250,000 as compared to the profit attributable to shareholders of the Company of approximately RMB501,974,000 of the same period of last year. Loss per share were approximately RMB4.28 cents, decreasing by approximately RMB13.30 cents as compared to the earnings per share of approximately RMB9.02 cents of the same period of last year. The Group worked vigorously to support the epidemic prevention and control by adopting various measures, such as fully or partially waiving the ongoing franchise fees for franchisees, properly handling expropriated and temporarily closed hotels, enhancing disinfection and sanitisation of hotels and vehicles and processing the cancellation or rescheduling of customers' trips, in a diligent effort to fulfill its corporate social responsibility through a range of anti-epidemic initiatives.

**SELECTED CONSOLIDATED FINANCIAL INFORMATION PREPARED IN
ACCORDANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS
("HKFRS")**

UNAUDITED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
	<i>Note</i>	RMB'000	RMB'000
Revenue	4(a)	5,921,948	9,953,110
Cost of sales	5	<u>(5,434,429)</u>	<u>(7,252,266)</u>
Gross profit		487,519	2,700,844
Other income and gain	6	1,008,440	649,852
Selling and marketing expenses	5	(459,614)	(664,015)
Administrative expenses	5	(822,531)	(956,799)
Other expenses and losses		<u>(78,595)</u>	<u>(64,049)</u>
Operating profit		135,219	1,665,833
Finance costs — net		(460,674)	(489,833)
Share of results of joint ventures and associates accounted for using the equity method		<u>23,960</u>	<u>145,795</u>
(Loss)/profit before income tax		(301,495)	1,321,795
Income tax credit/(expense)	7	<u>126,866</u>	<u>(298,284)</u>
(Loss)/profit for the period		<u><u>(174,629)</u></u>	<u><u>1,023,511</u></u>
Attributable to:			
Shareholders of the Company		(238,456)	501,794
Non-controlling interests		<u>63,827</u>	<u>521,717</u>
		<u><u>(174,629)</u></u>	<u><u>1,023,511</u></u>
(Loss)/earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB cents per share)			
— basic and diluted	8	<u><u>(4.28)</u></u>	<u><u>9.02</u></u>

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
(Loss)/profit for the period	(174,629)	1,023,511
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
Cash flow hedges	639	529
Currency translation differences	(19,119)	1,551
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of equity investments at fair value through other comprehensive income — gross	(127,258)	191,527
Changes in fair value of equity investments at fair value through other comprehensive income — tax	31,815	(47,882)
Remeasurements of post-employment benefit obligations	<u>—</u>	<u>(5,054)</u>
Total other comprehensive (loss)/income for the period	<u>(113,923)</u>	<u>140,671</u>
Total comprehensive (loss)/income for the period	<u>(288,552)</u>	<u>1,164,182</u>
Attributable to:		
Shareholders of the Company	(285,322)	560,463
Non-controlling interests	(3,230)	603,719
	<u>(288,552)</u>	<u>1,164,182</u>

UNAUDITED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2020

		As at 30 June 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		10,541,671	11,078,917
Right-of-use assets		11,256,878	11,786,218
Investment properties		448,836	464,574
Intangible assets		18,603,976	18,514,081
Investments accounted for using the equity method		1,763,737	1,813,068
Financial assets at fair value through other comprehensive income		1,704,276	1,829,891
Financial assets at fair value through profit or loss		1,359,148	1,357,326
Deferred income tax assets		518,575	415,851
Trade receivables, prepayments and other receivables	10	725,241	758,786
Bank deposits with maturities over 12 months		—	31,000
		<u>46,922,338</u>	<u>48,049,712</u>
Current assets			
Financial assets at fair value through profit or loss		760,875	713,546
Inventories		318,566	318,910
Trade receivables, prepayments and other receivables	10	4,335,721	3,606,984
Restricted cash		583,768	528,426
Bank deposits with maturities over 3 months		328,318	255,346
Cash and cash equivalents		<u>10,226,170</u>	<u>9,958,728</u>
		<u>16,553,418</u>	<u>15,381,940</u>
Total assets		<u><u>63,475,756</u></u>	<u><u>63,431,652</u></u>

		As at 30 June 2020	As at 31 December 2019
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		5,566,000	5,566,000
Reserves		2,914,948	3,661,150
		<u>8,480,948</u>	9,227,150
Non-controlling interests		<u>10,075,984</u>	<u>10,402,440</u>
Total equity		<u>18,556,932</u>	<u>19,629,590</u>
LIABILITIES			
Non-current liabilities			
Borrowings		16,947,231	14,523,858
Lease liabilities		9,352,831	9,996,397
Deferred income tax liabilities		1,790,689	2,038,927
Trade and other payables and accruals	11	928,891	2,354,089
Contract liabilities		127,130	201,348
		<u>29,146,772</u>	<u>29,114,619</u>
Current liabilities			
Borrowings		4,073,192	2,761,652
Lease liabilities		1,896,796	1,633,990
Derivative financial instruments		—	940
Income tax payable		253,223	354,123
Dividend payable to shareholders of the Company	9	345,092	—
Trade and other payables and accruals	11	8,121,459	8,700,825
Contract liabilities		1,082,290	1,235,913
		<u>15,772,052</u>	<u>14,687,443</u>
Total liabilities		<u>44,918,824</u>	<u>43,802,062</u>
Total equity and liabilities		<u>63,475,756</u>	<u>63,431,652</u>

NOTES TO THE SELECTED UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Shanghai Jin Jiang Capital Company Limited (the “Company”) was established on 16 June 1995 and its holding company is Jin Jiang International Holdings Company Limited (“Jin Jiang International”), which is a wholly state-owned company directly under the administration and control of the State-Owned Assets Supervision and Administration Commission of Shanghai Municipal Government (“Shanghai SASAC”).

During the years 2003 to 2006, the Company and its subsidiaries (the “Group”) entered into several group reorganisation transactions with Jin Jiang International, its subsidiaries other than the Group and other state-owned enterprises under the administration and control of Shanghai SASAC, through which the Group obtained the equity interests in certain subsidiaries, joint ventures and associates which were engaged in hotels and related business and transferred to Jin Jiang International equity interests in certain subsidiaries, a jointly controlled entity and associates which were engaged in non-hotel related business.

On 16 February 2011, 1,001,000,000 ordinary shares of RMB1 per share were issued and allotted to Jin Jiang International as part of the consideration to acquire Shanghai Jin Jiang International Industrial Investment Co., Ltd. (“Jin Jiang Investment”) and Shanghai Jin Jiang International Travel Co., Ltd. (“Jin Jiang Travel”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 2006. The share capital of the Company is RMB5,566,000,000.

The address of the Company’s registered office is Room 316–318, No. 24, Yang Xin Road East, Shanghai, the PRC.

The Company and its subsidiaries are principally engaged in investment and operation of hotels and related businesses (the “Hotel Related Business”), investment and operation of passenger transportation vehicles, logistics and related businesses (the “Passenger Transportation Vehicles and Logistics Business”) and investment and operation of travel agency and related businesses (the “Travel Agency Business”).

These unaudited condensed consolidated interim financial statements were approved for issue by the board (the “Board”) of directors of the Company on 31 August 2020.

Key event

Since the outbreak of Coronavirus Disease 2019 (“the COVID-19”) in 2020 and the spread of the virus worldwide, a series of precautionary and control practices have been and continued to be implemented by governments across the world. The Hotel Related Business, the Passenger Transportation Vehicles and Logistics Business and the Travel Agency Business of the Group have been affected to various extents. The overall performance has decreased compared with the same period of last year due to the ongoing impact of the COVID-19 and weak external environment.

2 BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019, which were prepared in accordance with HKFRS issued by HKICPA.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those annual financial statements except for the adoption of new and amended standards as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group:

A number of new standards, amendments and interpretation to existing standards became applicable for the current reporting period.

		Effective for annual periods beginning on or after
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
Amendments to HKFRS 3	Definition of a Business	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to HKFRS 16	COVID-19-related Rent Concessions	1 June 2020

The Group has early adopted the Amendments to HKFRS 16 — COVID-19-Related Rent Concessions retrospectively from 1 January 2020. The amendments provide an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b. any reduction in lease payments affects only payments due on or before 30 June 2021; and c. there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions. Rent concessions of RMB67,071,000 (note 5) have been accounted for as negative variable lease payments and recognised in the consolidated interim income statement for the six months ended 30 June 2020, with a corresponding adjustment to the lease liability. There is no impact on the opening balance of equity as at 1 January 2020.

Except for the Amendments to HKFRS 16 set out above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

- (b) **The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group.**

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

4 SEGMENT INFORMATION

The executive committee of the Group has been identified as the chief operating decision-maker. The executive committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these internal reports.

The executive committee assesses the performance according to seven main business segments as follows:

- (1) Full Service Hotels: ownership, operation and management of full service hotels;
- (2) Select Service Hotels — managed and operated in Mainland China: operation of self-owned select service hotels and provision of management and franchising to other parties to operate select service hotels, primarily in the PRC and under the brandnames of Jin Jiang GDL Asia Co., Ltd. (“Jin Jiang GDL Asia”), Keystone Lodging Holding Limited (“Keystone”) and its subsidiaries (“Plateno Group”), or Vienna Hotels Group Co., Ltd (“Vienna Hotels”);
- (3) Select Service Hotels — managed and operated overseas: operation of self-owned select service hotels and provision of management and franchising to other parties to operate select service hotels, mostly in Europe and under the brandnames of Groupe du Louvre (“GDL”);
- (4) Food and Restaurants: operation of fast food or upscale restaurants, moon cake production and related investments, not including the food and beverage operation in Full Service Hotels and Select Service Hotels;
- (5) Passenger Transportation Vehicles and Logistics: vehicle operating, trading of automobiles, refrigerated logistics, freight forwarding and related services;
- (6) Travel Agency: provision of travel agency and related services; and
- (7) Other Operations: intra-group financial services, training and education, and corporate function.

The executive committee assesses the performance of the operating segments based on profit for the period.

(a) Segment revenue

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Full Service Hotels	456,966	1,006,596
— Accommodation revenue	174,822	487,718
— Food and beverage sales	111,226	296,939
— Rendering of ancillary services	32,885	43,599
— Rental revenue	65,352	89,745
— Sales of hotel supplies	2,195	2,581
— Hotel management	70,486	86,014
Select Service Hotels — managed and operated in Mainland China	3,050,713	5,064,615
— Accommodation revenue	1,329,316	2,435,002
— Food and beverage sales	68,095	141,210
— Rendering of ancillary services	44,785	110,491
— Rental revenue	45,582	80,337
— Sales of hotel supplies	284,475	648,463
— Hotel management and franchise	1,174,840	1,485,408
— Revenue under customer loyalty programme	103,620	163,704
Select Service Hotels — managed and operated overseas	910,358	1,965,355
— Accommodation revenue	513,676	1,170,266
— Catering and sales of products	174,240	421,483
— Hotel management and franchise	216,922	369,819
— Others	5,520	3,787
Food and Restaurants	145,642	163,183
Passenger Transportation Vehicles and Logistics	1,148,164	1,192,073
— Vehicle operating	404,902	509,765
— Trading of automobile	579,761	579,850
— Refrigerated logistics	90,300	66,771
— Others	73,201	35,687
Travel Agency	148,639	501,283
— Travel agency	129,736	478,202
— Others	18,903	23,081
Other Operations	61,466	60,005
	5,921,948	9,953,110

The majority of the Group's sales are retail sales and no revenues from transactions with a single external customer account for 10% or more of the Group's revenue for the six months ended 30 June 2020 and the six months ended 30 June 2019.

(b) Other segment information

The segment results for the six months ended 30 June 2020 are as follows:

	Select Service Hotels — managed and operated in		Select Service Hotels — managed and operated overseas	Food and Restaurants	Passenger Transportation		Other Operations	The Group
	Full Service Hotels RMB'000	Mainland China RMB'000			Vehicles and Logistics RMB'000	Travel Agency RMB'000		
External revenue (note 4(a))	456,966	3,050,713	910,358	145,642	1,148,164	148,639	61,466	5,921,948
Inter-segment revenue	2,282	4,054	—	4,577	140	18	34,691	45,762
Total gross segment revenue	<u>459,248</u>	<u>3,054,767</u>	<u>910,358</u>	<u>150,219</u>	<u>1,148,304</u>	<u>148,657</u>	<u>96,157</u>	<u>5,967,710</u>
Revenue from contracts with customers:								
— Recognised at a point of time	113,421	352,570	174,240	145,004	546,914	499	—	1,332,648
— Recognised over time	278,193	2,652,561	736,118	638	538,390	138,284	61,466	4,405,650
	<u>391,614</u>	<u>3,005,131</u>	<u>910,358</u>	<u>145,642</u>	<u>1,085,304</u>	<u>138,783</u>	<u>61,466</u>	<u>5,738,298</u>
Revenue from other sources:								
— Rental revenue	65,352	45,582	—	—	62,860	9,856	—	183,650
(Loss)/profit for the period	<u>(304,048)</u>	<u>309,578</u>	<u>(306,697)</u>	<u>135,374</u>	<u>60,554</u>	<u>24,603</u>	<u>(93,993)</u>	<u>(174,629)</u>
Other income and gain (note 6)	21,303	712,308	37,791	100,243	58,066	43,400	35,329	1,008,440
Including: interest income from bank deposits (note 6)	5,534	8,211	676	79	7,708	1,252	359	23,819
Depreciation of property, plant and equipment (note 5)	(86,807)	(379,876)	(149,343)	(1,805)	(108,321)	(1,675)	(1,112)	(728,939)
Impairment loss of property, plant and equipment (note 5)	—	(1,742)	—	—	—	—	—	(1,742)
Depreciation of right-of-use assets (note 5)	(28,936)	(495,887)	(124,882)	(6,400)	(4,133)	(1,373)	(2,904)	(664,515)
Depreciation of investment properties (note 5)	(2,488)	(9,550)	—	—	(1,066)	(2,634)	—	(15,738)
Amortisation of intangible assets (note 5)	(1,777)	(64,222)	(12,974)	(65)	(31)	(256)	(318)	(79,643)
Finance costs — net	(84,974)	(179,896)	(93,983)	(1,100)	(873)	(160)	(99,688)	(460,674)
Share of results of joint ventures and associates accounted for using the equity method	(48,444)	(2,821)	(8,446)	46,664	43,302	94	(6,389)	23,960
Income tax credit/(expense) (note 7)	43,630	(56,065)	154,326	(3,855)	(11,473)	(727)	1,030	126,866
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>39,569</u>	<u>227,307</u>	<u>132,217</u>	<u>26,908</u>	<u>63,517</u>	<u>1,005</u>	<u>1,154</u>	<u>491,677</u>

The segment results for the six months ended 30 June 2019 are as follows:

	Select Service Hotels — managed and operated in		Select Service Hotels — managed and operated	Food and Restaurants	Passenger Transportation		Other Operations	The Group
	Full Service Hotels RMB'000	Mainland China RMB'000			Vehicles and Logistics RMB'000	Travel Agency RMB'000		
External revenue (note 4(a))	1,006,596	5,064,615	1,965,355	163,183	1,192,073	501,283	60,005	9,953,110
Inter-segment revenue	4,439	190	6,289	6,820	1,865	—	37,327	56,930
Total gross segment revenue	1,011,035	5,064,805	1,971,644	170,003	1,193,938	501,283	97,332	10,010,040
Revenue from contracts with customers:								
— Recognised at a point of time	299,520	789,673	421,483	163,183	579,850	—	—	2,253,709
— Recognised over time	617,331	4,194,605	1,543,872	—	593,466	488,756	60,005	7,498,035
	916,851	4,984,278	1,965,355	163,183	1,173,316	488,756	60,005	9,751,744
Revenue from other sources:								
— Rental revenue	89,745	80,337	—	—	18,757	12,527	—	201,366
Profit/(loss) for the period	109,356	529,482	57,432	154,187	194,580	56,642	(78,168)	1,023,511
Other income and gain (note 6)	52,203	286,962	8,510	106,170	84,340	52,882	58,785	649,852
Including: interest income from bank deposits (note 6)	18,192	24,325	1,154	55	7,131	2,481	545	53,883
Depreciation of property, plant and equipment (note 5)	(92,830)	(412,101)	(146,681)	(5,182)	(107,353)	(1,903)	(719)	(766,769)
Impairment loss of property, plant and equipment (note 5)	—	(19,331)	—	—	—	—	—	(19,331)
Depreciation of right-of-use assets (note 5)	(29,293)	(513,894)	(108,763)	(2,843)	(4,138)	(3,486)	(2,674)	(665,091)
Depreciation of investment properties (note 5)	(716)	(27,479)	—	—	(1,066)	(2,634)	—	(31,895)
Amortisation of intangible assets (note 5)	(1,471)	(65,632)	(6,995)	(470)	—	(16)	(650)	(75,234)
Finance costs — net	(88,303)	(210,017)	(92,492)	(257)	(1,214)	(148)	(97,402)	(489,833)
Share of results of joint ventures and associates accounted for using the equity method	(13,600)	(2,806)	5,970	64,581	91,771	(53)	(68)	145,795
Income tax expense (note 7)	(20,646)	(204,437)	(20,072)	(6,907)	(29,921)	(5,615)	(10,686)	(298,284)
Additions to non-current assets (other than financial instruments and deferred tax assets)	30,845	368,668	184,407	239	51,440	2,183	414	638,196

The segment assets and liabilities as at 30 June 2020 are as follows:

	Select Service Hotels — managed and operated in		Select Service Hotels — managed and operated	Food and Restaurants	Passenger Transportation		Other Operations	The Group
	Full Service Hotels RMB'000	Mainland China RMB'000			Vehicles and Logistics RMB'000	Travel Agency RMB'000		
Segment assets	5,028,440	27,284,591	15,470,239	557,195	3,998,322	1,082,248	8,290,984	61,712,019
Investments accounted for using the equity method	525,781	94,906	57,284	171,526	839,513	3,149	71,578	1,763,737
Total assets	<u>5,554,221</u>	<u>27,379,497</u>	<u>15,527,523</u>	<u>728,721</u>	<u>4,837,835</u>	<u>1,085,397</u>	<u>8,362,562</u>	<u>63,475,756</u>
Segment liabilities	<u>5,000,020</u>	<u>12,039,036</u>	<u>14,311,740</u>	<u>265,285</u>	<u>1,100,538</u>	<u>322,167</u>	<u>11,880,038</u>	<u>44,918,824</u>

The segment assets and liabilities at 31 December 2019 are as follows:

	Select Service Hotels — managed and operated in		Select Service Hotels — managed and operated	Food and Restaurants	Passenger Transportation		Other Operations	The Group
	Full Service Hotels RMB'000	Mainland China RMB'000			Vehicles and Logistics RMB'000	Travel Agency RMB'000		
Segment assets	4,832,382	27,643,780	15,852,855	521,015	3,956,944	1,215,217	7,596,391	61,618,584
Investments accounted for using the equity method	577,603	24,294	65,213	262,870	805,131	3,055	74,902	1,813,068
Total assets	<u>5,409,985</u>	<u>27,668,074</u>	<u>15,918,068</u>	<u>783,885</u>	<u>4,762,075</u>	<u>1,218,272</u>	<u>7,671,293</u>	<u>63,431,652</u>
Segment liabilities	<u>2,738,435</u>	<u>13,801,883</u>	<u>14,258,891</u>	<u>243,149</u>	<u>1,009,315</u>	<u>445,767</u>	<u>11,304,622</u>	<u>43,802,062</u>

Sales between segments are carried out at arm's length transactions. The external revenue reported to the executive committee is measured in a manner consistent with that in the unaudited condensed consolidated interim income statement.

Other income and gain in the segment of “Select Service Hotels — managed and operated in Mainland China” for the six months ended 30 June 2020 included a gain on disposal of equity interest in subsidiaries of RMB318,316,000 (the six months ended 30 June 2019: nil).

5 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit expense	2,592,845	3,148,493
Changes in inventories	1,033,719	1,861,850
Depreciation of property, plant and equipment	728,939	766,769
Depreciation of right-of-use assets	664,515	665,091
Utility cost and consumables	331,906	399,083
Advertising costs	121,330	202,826
Commissions paid to agencies	106,740	243,768
Property tax, value-added tax (“VAT”) based on a simplified method and other tax surcharges	103,964	154,403
Operating leases and property services	99,425	134,949
Amortisation of intangible assets	79,643	75,234
Telecommunication expenses	35,222	45,349
Transportation expenses	33,812	70,301
Consulting fee	30,519	137,403
Auditors’ remuneration	17,407	16,514
Depreciation of investment properties	15,738	31,895
Entertainment expenses	2,906	9,572
Impairment loss of property, plant and equipment	1,742	19,331
COVID-19-related rent concessions	(67,071)	—
Others	783,273	890,249
	<u>6,716,574</u>	<u>8,873,080</u>

6 OTHER INCOME AND GAIN

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants income (a)	390,200	70,397
Gain on disposal of equity interest in subsidiaries	318,316	—
Dividend income	175,087	154,583
— Unlisted equity investments	96,860	85,067
— Listed equity investments	78,227	69,516
Interest income from bank deposits	23,819	53,883
Realised fair value gain on financial assets at fair value through profit or loss	5,552	19,730
Gain on disposal of property, plant and equipment	4,903	26,160
Unrealised fair value gain on financial assets at fair value through profit or loss	—	245,954
Government compensation for expropriation of hotel land use right and properties	—	34,344
Others	90,563	44,801
	<u>1,008,440</u>	<u>649,852</u>

(a) Government grants income mainly represents fiscal subsidies granted by local governments to the Group without unfulfilled conditions.

7 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
Mainland China current corporate income tax (“CIT”)	188,690	301,672
Overseas current corporate income tax	6,913	41,416
Deferred tax:		
Mainland China deferred income tax	(163,733)	(23,460)
Overseas deferred income tax	(158,736)	(21,344)
	<u>(126,866)</u>	<u>298,284</u>

Other than the subsidiaries registered in Tibet with preferential income tax rate of 15%, provision for Mainland China CIT is calculated based on the statutory income tax rate of 25% on the assessable income of Group companies operating in Mainland China for the six months ended 30 June 2020 (the six months ended 30 June 2019: 25%) as determined in accordance with the Corporate Income Tax Law of PRC and the Detail Implementation Regulations.

Hong Kong profits tax has been provided at the rate of taxation prevailing in which the Group operates on the estimated assessable profits for the period.

GDL mainly operates in France and subject to income tax at 32.02% for the six months ended 30 June 2020 (the six months ended 30 June 2019: 32.02%)

8 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2020	2019
(Loss)/profit attributable to shareholders of the Company (RMB'000)	(238,456)	501,794
Weighted average number of ordinary shares in issue (thousands)	<u>5,566,000</u>	<u>5,566,000</u>
Basic (loss)/earnings per share (RMB cents)	<u>(4.28)</u>	<u>9.02</u>

As there are no potentially dilutive securities, there is no difference between the basic and diluted (loss)/earnings per share.

9 DIVIDENDS

The final dividend for the year 2019 of RMB6.2 cents (2018 final dividend: RMB8.0 cents) per share, totalling RMB345,092,000 (2018 final dividend: RMB445,280,000) will be paid subsequently in the second half of 2020. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019 interim dividend: nil).

10 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Trade receivables	1,529,006	1,557,482
Less: provision for impairment of trade receivables	<u>(218,210)</u>	<u>(210,340)</u>
Trade receivables — net	<u>1,310,796</u>	<u>1,347,142</u>
Other receivables		
— Loans to related parties by Finance Company	856,050	917,800
— Lease receivable	533,718	579,030
— Government grants receivables	375,131	—
— Deposits	333,319	323,809
— Other amounts due from related parties	283,700	178,702
— Dividend receivables	239,087	20,297
— Loans to related parties by the Group other than Finance Company	137,825	33,700
— Accrued rental revenue	44,649	45,156
— Interest receivables	9,827	10,935
— Others	118,798	46,606
Less: provision for impairment of other receivables	<u>(67,148)</u>	<u>(66,116)</u>
	<u>2,864,956</u>	<u>2,089,919</u>
Prepayments		
— Prepayments to suppliers	542,165	601,895
— VAT recoverable, other prepaid tax and recoverable tax	<u>343,045</u>	<u>326,814</u>
	<u>885,210</u>	<u>928,709</u>
Prepayments and other receivables — net	<u>3,750,166</u>	<u>3,018,628</u>
	<u>5,060,962</u>	<u>4,365,770</u>
Less: non-current portion of trade receivables, prepayments and other receivables	<u>(725,241)</u>	<u>(758,786)</u>
Current portion of trade receivable, prepayments and other receivables	<u><u>4,335,721</u></u>	<u><u>3,606,984</u></u>

Ageing analysis of trade receivables at respective balance sheet dates are as follows:

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Less than 6 months	1,215,302	1,298,238
6 months to 1 year	147,642	84,018
Over 1 year	166,062	175,226
	<u>1,529,006</u>	<u>1,557,482</u>

The carrying amount of the financial assets of trade receivables and other receivables approximates their fair value.

11 TRADE AND OTHER PAYABLES AND ACCRUALS

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Trade payables	714,056	1,209,747
Deposits from related parties in Finance Company	3,478,448	4,266,699
Employee benefits payables	1,721,659	2,010,898
Receipts on behalf of the franchisees	459,028	730,281
Deposits from lessees and constructors	451,696	479,681
Payables for purchases of property, plant and equipment and intangible assets	336,534	428,168
Accrued expenses	318,955	279,409
Other tax payables	287,878	433,891
Other amounts due to related parties	206,895	150,609
Dividend payable to non-controlling interests	177,431	94,623
Notes payable	94,409	120,735
Defined benefit plan of GDL	93,827	89,587
Deferred government grants	85,785	31,118
Financial liabilities due to put options granted to holders of non-controlling interests	64,646	95,521
Interest payable	59,133	21,692
Provisions for other liabilities and charges	47,362	52,189
Payables related to the disposal of Shanghai Galaxy Hotel Co., Ltd. ("Galaxy Hotel")	36,962	36,962
Payables for acquisition of the non-controlling interests of Keystone	15,411	35,610
Deferred payment of acquisition of subsidiaries	13,744	13,938
Others	386,491	473,556
	<u>9,050,350</u>	<u>11,054,914</u>
Less: non-current portion of trade and other payables and accruals	<u>(928,891)</u>	<u>(2,354,089)</u>
Current portion of trade and other payables and accruals	<u>8,121,459</u>	<u>8,700,825</u>

Ageing analysis of trade payables at respective balance sheet dates are as follows:

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Less than 3 months	623,827	1,088,556
3 months to 1 year	63,913	80,359
Over 1 year	<u>26,316</u>	<u>40,832</u>
	<u><u>714,056</u></u>	<u><u>1,209,747</u></u>

The carrying amount of the financial liabilities of trade and other payables approximates their fair value.

12 COMMITMENTS

(a) Capital commitments

Capital expenditure at 30 June 2020 contracted but not yet incurred is as follows:

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Acquisition of property, plant and equipment	<u>60,740</u>	<u>78,882</u>

(b) Operating lease commitments

The Group leases out space in hotels under non-cancellable operating lease agreements.

Leases with different lessees are negotiated for terms ranging from 1 year to 20 years with different renewal options, escalation clauses and restrictions on subleasing. When certain rental receipts of properties are based on the higher of minimum guaranteed rentals or revenue level based rentals, the minimum guaranteed rentals have been used to arrive at the commitments below.

The future aggregate minimum lease rentals receipts under non-cancellable operating leases are as follows:

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Not later than 1 year	182,797	174,240
Later than 1 year and not later than 5 years	444,437	417,849
Later than 5 years	<u>100,264</u>	<u>191,785</u>
	<u><u>727,498</u></u>	<u><u>783,874</u></u>

(c) Loan commitments

As at 30 June 2020, loan commitments of RMB114,894,000 (31 December 2019: RMB177,000,000) represent undrawn loan facilities offered by Finance Company and granted to related parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the first half of 2020, facing the challenges brought by the COVID-19 epidemic and changes in the external environment and in accordance with the strategy of “intensive domestic business development, global deployment and multinational operations”, the Group focused on optimising the allocation of the Company’s hotel assets and resources, enhancing its operational efficiency and expediting industry upgrades through deepening the reform and focusing on the development of main business. A “horse-racing mechanism” for the hotel management companies for each brand in respect of its frontline operations was implemented and a “one-centre, three-platform” (namely, Jin Jiang Hotel Global Innovation Centre, WeHotel Global Shared Hotel Platform, Jin Jiang Global Shared Procurement Platform and Jin Jiang Global Shared Financial Platform) structure for its back office operations was jointly constructed. Emphatic efforts in brand restatement, quality upgrades and efficiency enhancement were made through in-depth resource integration and the construction of shared platforms.

For the Reporting Period, the Group recorded revenue of approximately RMB5,921,948,000, representing a decrease of approximately 40.5% as compared to the same period of last year. Operating profit of the Group amounted to approximately RMB135,219,000, representing a decrease of approximately 91.9% as compared to the same period of last year. Loss attributable to shareholders of the Company amounted to approximately RMB238,456,000, representing a decrease of approximately RMB740,250,000 as compared to the profit attributable to shareholders of the Company of approximately RMB501,794,000 of the same period of last year.

As at the end of the Reporting Period, the Group owned or managed 8,906 hotels in operation throughout the world, with a Total Number of Rooms of approximately 900,000 in 66 countries, amongst which approximately 7,619 hotels in operation with approximately 790,000 rooms were owned or managed by the Group in the PRC. Moreover, 4,916 hotels with approximately 500,000 rooms of the Group were under construction over the world. In terms of the number of hotel guest rooms in operation, the Group together with the guest rooms in operation of Radisson Hotel Group under Jin Jiang International ranked 2nd in the global hotel group ranking as published by HOTELS Magazine, the official publication of The International Hotel & Restaurant Association, in July 2020.

During the Reporting Period, Shanghai Guanglv Enterprise Management Company Limited acquired 100% equity interests in Xi’an Jin Jiang Inn Company Limited and Zhengzhou Jin Jiang Inn Company Limited; and Shanghai Jin Jiang International Investment and Management Company Limited acquired 70% equity interests in Shanghai Jin Jiang Da Hua Hotel Company Limited. Through the series of equity interest transactions mentioned above, the Company was able to realise gains on the

appreciation of asset value, while aligning with the light-asset investment and development strategy of Jin Jiang Hotels, thereby further advancing the innovative business model of hotel industry fund.

During the Reporting Period, the Group supported anti-epidemic measures with its full effort, as it timely provided accommodation, transportation and other supplies and daily necessities to the Shanghai medical groups dispatched to Hubei, so that frontline medical staff could feel the warmth and strong support from hometown Shanghai. The Group provided hotel rooms to support anti-epidemic aid in accordance with the local governments' arrangements for anti-epidemic measures and expropriation. More than 800 hotels under the Group with over 140,000 rooms were expropriated to provide assistance. Currently, many of them are still under expropriation.

In order to support the Group's anti-epidemic operations, Jin Jiang International entered into various buyout agreements for hotel room, car rental and relevant services with Holiday Inn Downtown Shanghai, Wuhan Jin Jiang International Hotel, Jin Jiang Hotels and Jin Jiang Automobile, respectively, during the Reporting Period to procure stable and healthy business development of the Group and its subsidiaries. In the meantime, the Group offered rental concessions to tenants during the epidemic in active support of the policy of rental concessions for small-to-medium and micro private enterprises announced by the government and the Shanghai SASAC.

During the Reporting Period, Jin Jiang Hotels, the subsidiary of the Company, announced the establishment of Jin Jiang Hotels China Company, which was the first organisational restructuring of the frontline brands by the Group following the successive acquisitions of GDL, Plateno Group and Vienna Hotels Group in recent years. The establishment of Jin Jiang Hotels China Company represents a crucial measure of the Group for the advancement of the strategy of "intensive domestic business development, global deployment and multinational operations" in active response to the unprecedented epidemic and evolving global landscapes, in order to seize opportunities amidst the crisis.

During the Reporting Period, the Company, Jin Jiang International, Jin Jiang Hotel and Finance Company entered into a capital increase agreement, pursuant to which the registered capital of Finance Company was proposed to be increased from RMB500 million to RMB1,000 million to support Finance Company's business development and to enhance the capital of Finance Company as well as to comply with the requirements from the China Banking and Insurance Regulatory Commission on the optimization of the shareholding structure of Finance Company.

During the Reporting Period, the Company's website address was changed from "www.jinjianghotels.com.cn" to "www.jinjiangcapital.com", effective on 19 June 2020.

Operational Statistics of Hotels

	January to June 2020	January to June 2019
Average Occupancy Rate		
Full Service Hotels		
— 5-star Luxury Hotels	22%	71%
— 4-star Luxury Hotels	29%	61%
Select Service Hotels in the PRC	47%	73%
— Middle-end hotels	52%	77%
— Budget hotels	40%	71%
Select Service Hotels outside the PRC	35%	64%
— Middle-end hotels	37%	57%
— Budget hotels	34%	66%
Average Room Rate (RMB/room)		
Full Service Hotels		
— 5-star Luxury Hotels	963	881
— 4-star Luxury Hotels	442	536
Select Service Hotels in the PRC	187	207
— Middle-end hotels	222	261
— Budget hotels	137	159
Select Service Hotels outside the PRC (EUR/room)	55	57
— Middle-end hotels (EUR/room)	65	65
— Budget hotels (EUR/room)	51	54
Rev PAR (RMB/room)		
Full Service Hotels		
— 5-star Luxury Hotels	212	624
— 4-star Luxury Hotels	128	329
Select Service Hotels in the PRC	87	152
— Middle-end hotels	116	200
— Budget hotels	55	112
Select Service Hotels outside the PRC (EUR/room)	19	36
— Middle-end hotels (EUR/room)	24	38
— Budget hotels (EUR/room)	17	35

Notes:

1. 5-star Luxury Hotels include: Jin Jiang Hotel, Peace Hotel, Wuhan Jin Jiang International Hotel, Beijing Kunlun Hotel, Jin Jiang Tower, Jin Jiang Tomson Hotel and Shanghai Yangtze Hotel Limited (“Yangtze Hotel”).
2. 4-star Luxury Hotels include: Park Hotel, Jian Guo Hotel, Cypress Hotel, Holiday Inn Downtown Shanghai, Golden Tulip Shanghai Rainbow, Shanghai Hotel, Shanghai Jing An Hotel, Shanghai Sofitel Hotel, Jiangsu Nanjing Hotel, Wuxi Jin Jiang Grand Hotel, West Capital International Hotel and Kunming Jin Jiang Hotel.
3. Under the Select Service Hotels in the PRC, the middle-end hotels include the operational data of all operating chain hotels under the brands of, among others, “Jin Jiang Metropolo”, “Campanile (康铂)”, “Lavande”, “James Joyce Coffetel”, “Xana”, “Venus Royal”, “Vienna International”, “Vienna Classic”, “Vienna Hotels” and “Vienna 3 Best”; the budget hotels include the operational data of all operating chain hotels under the brands of, among others, “Jin Jiang Inn”, “Jinguang Inn”, “Bestay Hotels Express”, “IU”, “7 Days Inn” and “Pai”.
4. Under the Select Service Hotels outside the PRC, the middle-end hotels include the operational data of all operating chain hotels under the brands of, among others, “Golden Tulip”; the budget hotels include the operational data of all operating chain hotels under the brands of, among others, “Premiere Classe”, “Campanile”, “Kyriad” and “Sarovar”.

Full Service Hotels

The business of Full Service Hotels represents one of the major sources of revenue for the Group. During the Reporting Period, operation of Full Service Hotels contributed approximately RMB456,966,000 to the Group’s revenue, decreasing by approximately 54.6% as compared to the same period of last year and accounting for approximately 7.7% of the Group’s turnover, which was mainly attributable to the substantial reduction in demand for hotel accommodation following restrictions on business and leisure travelling under the ongoing impact of the COVID-19 epidemic.

As at the end of the Reporting Period, the Group owned and managed 87 operating Full Service Hotels in the PRC, offering approximately 27,000 guest rooms, among which 66 hotels were owned by third parties and managed by the Group, offering approximately 20,000 guest rooms.

During the Reporting Period, the Full Service Hotels under the Company enhanced their effort in online direct-marketing, promoting sales of hotel rooms, dining and other related products via Internet platforms such as live online streaming and WeChat Mall with the offer of promotional products such as “concessionary family suites”, “timeshare holiday rooms”, “assurance dining” and “assurance lunch boxes”. Meanwhile, the Group actively participated in the “5.5 Shopping Festival” organised by the Shanghai Municipal Government to enhance resumption of operation of hotels.

Select Service Hotels

The business of Select Service Hotels represents another principal business of the Group, covering Select Service Hotels operated by Jin Jiang GDL Asia, GDL, Plateno Group and Vienna Hotels.

For the Reporting Period, the scale of our Select Service Hotels business continued to gross, contributing revenue of approximately RMB3,961,071,000, representing a decrease of approximately 43.7% as compared to the same period of last year and accounting for approximately 66.9% of the Group's turnover.

As at the end of the Reporting Period, there were 8,819 Select Service Hotels in operation offering 868,930 guest rooms in total. Analysed by the nature of the hotel properties, there were 947 self-managed hotels (accounting for approximately 11%) offering 106,608 guest rooms (accounting for approximately 12%) and 7,872 franchised hotels (accounting for approximately 89%) offering 762,322 guest rooms (accounting for approximately 88%). Analysed by the class of hotel brands, there were 3,915 middle-end hotels (accounting for approximately 44%) offering 458,393 guest rooms (accounting for approximately 53%) and 4,904 budget hotels (accounting for approximately 56%) offering 410,537 guest rooms (accounting for approximately 47%).

During the first half of 2020, there was a net increase of 305 Select Service Hotels. Analysed by the nature of the hotel properties, there was a reduction of 42 self-managed hotels and an addition of 347 franchised hotels. Analysed by the class of hotel brands, there was an increase of 352 middle-end hotels and a reduction of 47 budget hotels.

In view of the sudden outbreak of the COVID-19 epidemic, Jin Jiang Hotels timely activated its emergency response mechanism and urgently collected supplies for epidemic prevention and control for dispatch to its hotels in Wuhan and other parts of the country. Supporting policies such as free room cancellation services were introduced immediately, while operational procedures for epidemic prevention and control were announced. Along with the escalating efforts in epidemic prevention and control in various parts of the country, Jin Jiang Hotels reallocated its hotel resources and provided suitable hotels across the country for the accommodation of medical staff. Following the resumption of work and production, Jin Jiang Hotels introduced the "assurance quarantine room" and "accommodation for work resumption" services, to facilitate the implementation of remote work by corporate users during quarantine periods. In response to market changes, the marketing strategy was adjusted in a timely manner with the introduction of innovative marketing models. To effectively minimise the adverse impact of the epidemic for franchisees, Jin Jiang Hotels has also implemented supportive measures such as concessions in ongoing franchise fees and "double low-cost funding" for new franchised hotels.

As Europe suddenly upgraded anti-epidemic measures in March 2020, the overseas hotel business of the Group experienced a substantial decline. As the epidemic escalated, countries such as France, Germany, Spain and Italy announced a range of policies to provide subsidies. Currently, the European nations are starting to relax the anti-epidemic measures by stage and by region, and overseas hotels have gradually resumed operations.

Food and Restaurants

During the Reporting Period, the Group developed its food and restaurant operations through several food and restaurant chain companies invested in by Jin Jiang Hotels, generating revenue of approximately RMB145,642,000 for the Group, which represented a decrease of approximately 10.7% as compared to the same period of last year and accounting for approximately 2.5% of the Group's turnover.

During the Reporting Period, Jin Jiang Hotels continued to develop the group catering business. It carried out the research and development of processed food with input from the national-grade chefs of the Group and enhanced the effort in sales via online e-commerce platforms.

Passenger Transportation Vehicles and Logistics

During the Reporting Period, the revenue of passenger transportation vehicles and logistics was approximately RMB1,148,164,000, representing a decrease of approximately 3.7% as compared to same period of last year and accounting for approximately 19.4% of the Group's turnover.

During the Reporting Period, businesses under Jin Jiang Investment were notably affected by the COVID-19 epidemic. The taxi business reported a higher vacancy rate during the epidemic as fewer people were travelling outside. With respect to the coach bus business, inter-provincial passenger transport, tourist transport, school buses, conference transportation, cruise connection and tourist spot transportation were all suspended, while most corporate shuttle buses were also out of operation. During the first half of 2020, limousine services for national guests and conferences were basically stopped, while the number of foreign car rental customers also decreased. The automobile trading and automobile repair businesses were close to suspension during the epidemic. In active response to such grave challenge caused by the epidemic, Jin Jiang Automobile formulated a number of measures, including the plans for epidemic prevention, emergencies in epidemic prevention, resumption of work and production and epidemic control, as well as media crisis management plan. Following the massive resumption of work and production since the second quarter of 2020, operating conditions have improved substantially. As at the end of the Reporting Period, 99.2% of the corporate shuttle bus services resumed operation.

During the Reporting Period, Jin Jiang Cold managed to basically maintain stable operation. Its subsidiary, Shanghai Xintiantian Cold Logistics Co., Ltd, was engaged in the proactive provision of logistics solutions to customers in the catering sector in an active adjustment of its operational mindset to explore the market in response to the setback for the catering sector amidst the epidemic. Reasonable reduction in logistics costs was achieved by merging routes and reducing the frequency of deliveries, while system updates were strengthened to enhance efficiency. Vigorous measures to solicit new customers and adjust the customer mix were introduced to mitigate the impact of the epidemic on operation. JHJ Transportation has overcome the adverse situation of drastically reduced business volume and decline in profit during the epidemic. Seizing the opportunity presented by the gradual recovery in the business environment since the second quarter of 2020, the air freight and port service companies monitored market developments closely and focused on chartered flights for export. A number of regional or branch companies offered chartered flight services to customers. In the meantime, it was actively engaged in e-commerce supply chain projects. Currently, it has started to provide supply chain services for certain renowned e-commerce companies, while steadily commencing the extended cold-chain preparation service chain business with a view to developing a specialised service for enhancement of profitability.

Travel Agency

During the Reporting Period, operating revenue of the travel agency business amounted to approximately RMB148,639,000, decreasing by approximately 70.3% as compared to the same period of last year and accounting for approximately 2.5% of the Group's turnover.

During the Reporting Period, Jin Jiang Travel persisted in a “two-pronged” approach to business in response to the impact of the epidemic on the tourism sector, emphasising both anti-epidemic measures and resumption of production. It actively adopted measures to implement epidemic control, strengthen management and resume operations. With respect to the prevention and control of the epidemic, Jin Jiang Travel has formulated a plan for epidemic prevention and control for rigorous implementation. During the preliminary stage of the epidemic, the work was focused on maximum protection of tourists' interests, as Jin Jiang Travel completed cancellation of trips due to epidemic control in a timely manner and ensured the safe return to Shanghai of all travelers who had already embarked on their trips.

During the Reporting Period, the business department of Jin Jiang Travel focused on the market of domestic trips to tap on tourism resources which remained open. Strong efforts were made to develop hotel products featuring resort hotels for weekend self travelling as well as summer family travel packages. Approximately 150 routes were offered. Jin Jiang Travel also launched live streaming programmes to create online traffic. In connection with the outbound tour sector, Jin Jiang Travel delivered the “World Tourism via Cloud” programme in association with suppliers and resource owners using the live streaming platform. The marketing segment was actively engaged in cross-industry

operation with a view to promoting the principal business through the secondary businesses, and promoted sales of cultural and creative tourism products to generate new growth points for extended tourism sales. In the conference and award segment, proactive moves were made to bid for every tender project and explore new business deals from old customers by rotating service teams, to identify added value from existing business. As a result, Jin Jiang Travel was selected into the supplier lists of a number of well-known companies.

During the Reporting Period, Jin Jiang Travel accelerated the development of its online business, as the preliminary setup was completed for sharing member's account, points and rights within the Jin Jiang system. In the meantime, synergy with WeHotel was strengthened with the construction of the "Jin Jiang Online" platform, where members of Jin Jiang Online could browse and reserve tourism products, while the function of precise delivery of tourism products can also be simultaneously achieved. The construction of an online distribution platform for Jin Jiang travel services was initiated to facilitate the B2B2C distribution system.

FINANCIAL REVIEW

Turnover

The Group's financial information during the Reporting Period as compared to the same period in 2019 is set out as follows:

	Six months ended 30 June 2020		Six months ended 30 June 2019	
	<i>RMB in million</i>	<i>% of turnover</i>	<i>RMB in million</i>	<i>% of turnover</i>
Full Service Hotels	457.0	7.7%	1,006.6	10.1%
Select Service Hotels — managed and operated in Mainland China	3,050.7	51.5%	5,064.6	50.9%
Select Service Hotels — managed and operated overseas	910.4	15.4%	1,965.3	19.8%
Food and Restaurants	145.6	2.5%	163.2	1.6%
Passenger Transportation Vehicles and Logistics	1,148.2	19.4%	1,192.1	12.0%
Travel Agency	148.6	2.5%	501.3	5.0%
Other Operations	61.4	1.0%	60.0	0.6%
Total	<u>5,921.9</u>	<u>100.0%</u>	<u>9,953.1</u>	<u>100.0%</u>

Full Service Hotels

The following table sets out the percentages of contributions from the Group's Full Service Hotels segment and each type of business to the Group's turnover for the Reporting Period and the same period in 2019:

	Six months ended 30 June 2020		Six months ended 30 June 2019	
	<i>RMB in million</i>	<i>% of turnover</i>	<i>RMB in million</i>	<i>% of turnover</i>
Accommodation revenue	174.8	38.3%	487.7	48.5%
Food and beverage sales	111.2	24.3%	296.9	29.5%
Rendering of ancillary services	32.9	7.2%	43.6	4.3%
Rental revenue	65.4	14.3%	89.8	8.9%
Sales of hotel supplies	2.2	0.5%	2.6	0.3%
Hotel management revenue	70.5	15.4%	86.0	8.5%
Total	<u>457.0</u>	<u>100.0%</u>	<u>1,006.6</u>	<u>100.0%</u>

Accommodation revenue

Accommodation revenue was mainly determined by the number of Available Rooms, Occupancy Rate and ADR of the Group's hotels. Accommodation revenue of the Full Service Hotels for the Reporting Period amounted to approximately RMB174,822,000, decreasing by approximately 64.2% or approximately RMB312,896,000 from the same period of last year. The aforesaid change was mainly attributable to the substantial decline in the average Occupancy Rate of the the Full Service Hotels under the impact of the COVID-19 epidemic.

Food and beverage sales

Food and beverage sales in the Group's hotels comprised catering for wedding banquets and conferences, room catering services for guests and other sales in restaurants and bars in the hotels. Food and beverage sales in Full Service Hotels for the Reporting Period amounted to approximately RMB111,226,000, decreasing by approximately 62.5% or approximately RMB185,713,000 from the same period of last year. The aforesaid change was mainly attributable to the impact of the COVID-19 epidemic on Full Service Hotels. The Full Service Hotels resorted to stronger efforts in online direct marketing, takeaways and Internet live streaming to alleviate the impact of the epidemic on the food and beverage business.

Rendering of ancillary services

Revenue from rendering of ancillary services was mainly generated from gift shops, entertainment, laundry services and other guest services. For the Reporting Period, revenue from the rendering of ancillary services amounted to approximately RMB32,885,000, decreasing by approximately 24.6% or approximately RMB10,714,000 from the same period of last year.

Rental revenue

Rental revenue was mainly generated from the leasing of shops at the Group's Full Service Hotels for retail, exhibition and other purposes, as well as the outsourced leasing of certain restaurant venues. During the Reporting Period, rental revenue amounted to approximately RMB65,352,000, decreasing year-on-year by approximately 27.2% or approximately RMB24,393,000. The aforesaid change was primarily attributable to rental concessions offered to tenants during the epidemic by the Full Service Hotels to respond to the policy of the government and the Shanghai SASAC concerning rental concessions for small-to-medium and micro private enterprises.

Sales of hotel supplies

Turnover from guest supplies and hotel products decreased by approximately RMB386,000 from the same period of last year. Such decrease was mainly attributable to adjustments in the business model of Supplies Company for progressive consolidation and transformation.

Hotel management revenue

The revenue of hotel management was mainly generated from the management fees received for the provision of management services to Full Service Hotels not controlled by the Group. Revenue of hotel management business amounted to approximately RMB70,486,000 for the Reporting Period, decreasing by approximately 18.1% or approximately RMB15,528,000 as compared to the same period of last year. The decrease was principally due to hotel management fee concessions offered by the Group to the hotels managed during the epidemic.

Select Service Hotels — managed and operated in Mainland China

Select Service Hotels business in Mainland China represented mainly turnover from Select Service Hotels managed and operated by the Group in Mainland China. For the Reporting Period, revenue from Select Service Hotels managed and operated in Mainland China amounted to approximately RMB3,050,713,000, representing a decrease of approximately 39.8% or approximately RMB2,013,902,000 as compared to the same period of last year, reflecting mainly the impact of the COVID-19 epidemic on Select Service Hotels in China. Currently, Select Service Hotels in China have basically resumed works and production, and operations are in gradual recovery.

Select Service Hotels — managed and operated overseas

Select Service Hotels business managed and operated overseas represented mainly turnover from Select Service Hotels managed and operated by the Group overseas. For the Reporting Period, revenue from Select Service Hotels managed and operated overseas amounted to approximately RMB910,358,000, representing a decrease of approximately 53.7% or approximately RMB1,054,997,000 as compared to the same period of last year, reflecting mainly the impact of the COVID-19 epidemic on Select Service Hotels overseas. As European countries started to relax the epidemic control measures by stage and by region, overseas Select Service Hotels are starting to resume operation.

Food and Restaurants

Revenue of food and restaurants segment was mainly derived from Jin Ya Catering, Shanghai Jin Jiang International Food Catering Management Co., Ltd., Jing An Bakery Holding Company Limited, Shanghai Jin Jiang International Catering Investment Co., Ltd., Chinoise Story, Shanghai Jinzhu Catering Management Co., Ltd. and Shanghai New Asia Food Company Limited. For the Reporting Period, total sales from the food and restaurants segment amounted to approximately RMB145,642,000, decreasing by approximately 10.7% or approximately RMB17,541,000 as compared to the same period of last year. The group catering business of Shanghai Jin Jiang International Food Catering Management Co., Ltd. remained stable, while stronger efforts in Internet live streaming were made and the “Jin Jiang Food” (錦江食品) WeChat application was launched to identify new points for revenue growth.

Passenger Transportation Vehicles and Logistics

Revenue of passenger transportation vehicles and logistics for the Reporting Period amounted to approximately RMB1,148,164,000, representing a decrease of approximately 3.7% or approximately RMB43,909,000 as compared to the same period of last year. This reflected mainly the impact of the COVID-19 epidemic on the passenger transportation vehicles and logistics business.

Travel Agency

Revenue of travel agency for the Reporting Period amounted to approximately RMB148,639,000, decreasing by approximately 70.3% or approximately RMB352,644,000 as compared to the same period of last year. This reflected mainly the suspension of domestic and international tourism businesses due to the impact of the worldwide COVID-19 epidemic. Currently, inter-provincial tourism in China has gradually resumed.

Other Operations

In addition, the Group is also engaged in other business, including the provision of financial services through Finance Company and the provision of training services by Jin Jiang International Management College (上海錦江國際管理專修學院). Revenue of other operations for the Reporting Period amounted to approximately RMB61,466,000, representing an increase of approximately 2.4% as compared to the same period of last year.

Cost of Sales

Cost of sales for the Reporting Period amounted to approximately RMB5,434,429,000 (same period in 2019: approximately RMB7,252,266,000), representing a decrease of approximately 25.1% or approximately RMB1,817,837,000 as compared to the same period of last year. This was mainly attributable to the decline in the hotel business, passenger transportation vehicles and logistics business and travel agency business due to the impact of the COVID-19 epidemic.

Gross Profit

As a result of the factors described above, the Group recorded a gross profit of approximately RMB487,519,000 for the Reporting Period, representing a decrease of approximately RMB2,213,325,000 or approximately 81.9% as compared to the same period of last year.

Other Income and Gain

Other income and gain for the Reporting Period amounted to approximately RMB1,008,440,000 (same period in 2019: approximately RMB649,852,000), increasing by approximately 55.2% as compared to the same period of last year. The increase was principally due to the fact that the Company recorded gains of RMB318,316,000 from the disposal of equity interests in three subsidiaries by Jin Jiang Hotels.

Selling and Marketing Expenses

Selling and marketing expenses comprised primarily labor costs, travel agent commissions and advertising fees, which amounted to approximately RMB459,614,000 for the Reporting Period (same period in 2019: approximately RMB664,015,000), representing a decrease of approximately 30.8% as compared to the same period of last year. The decrease was mainly attributable to the decline in the hotel business, passenger transportation vehicles and logistics business and travel agency business due to the impact of the COVID-19 epidemic.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to approximately RMB822,531,000 (same period in 2019: approximately RMB956,799,000), representing a decrease of approximately 14.0% as compared to the same period of last year, which was mainly attributable to the substantial decline in the hotel business, passenger transportation vehicles and logistics business and travel agency business due to the impact of the COVID-19 epidemic. The Group has increased the efforts in work and production resumption, lowered costs and increased efficiency as well as actively implemented reform and consolidation measures.

Other Expenses and Losses

Other expenses and losses consisted primarily of bank charges, losses from the disposal of property, plant and equipment and other losses. Other expenses and losses for the Reporting Period amounted to approximately RMB78,595,000 (same period in 2019: approximately RMB64,049,000), increasing by approximately RMB14,546,000 as compared to the same period of last year.

Finance Costs

Finance costs comprised interest expenses in respect of the Group's bank borrowings. Finance costs for the Reporting Period amounted to approximately RMB460,674,000 (same period in 2019: approximately RMB489,833,000), representing a decrease of approximately 6.0% as compared to the same period of last year.

Share of Results of Joint Ventures and Associates

Operating results of joint ventures and associates mainly were the results of joint ventures including Beijing Kunlun Hotel, Jin Jiang Tomson Hotel and JHJ Transportation, and of associates including Shanghai Kentucky Fried Chicken Company Limited, Shanghai Pudong International Airport Transport Terminal Co. Ltd., Jiangsu Nanjing Long Distance Passenger Transport and China Oriental International Travel & Transport Co., Ltd. Share of results of joint ventures and associates for the Reporting Period amounted to approximately RMB23,960,000 (same period in 2019: approximately RMB145,795,000). Such decrease was attributable mainly to the decline in operating results of joint ventures and associates due to the impact of the COVID-19 epidemic.

Taxation

The effective tax rate for the Reporting Period was approximately 42.1% (same period in 2019: approximately 22.6%). It was mainly attributable to the utilisation of unrecognised deductible tax loss of previous years and the increase in income not subject to tax.

Net Profit

As a result of the factors described above, net loss for the Reporting Period attributable to shareholders of the Company amounted to approximately RMB238,456,000, decreasing by approximately RMB740,250,000 or approximately 147.5% (same period in 2019: net profit of approximately RMB501,794,000). This was mainly attributable to the decline in the Group's hotel business, passenger transportation vehicles and logistics business and travel agency business due to the impact of the COVID-19 epidemic.

Borrowings and Pledge of Assets

	At 30 June 2020 <i>RMB'000</i>	At 31 December 2019 <i>RMB'000</i>
Borrowings included in non-current liabilities:		
Bank borrowings — secured	9,543,331	9,946,372
Bank borrowings — unsecured	2,705,987	1,309,839
Borrowings from related parties	5,980,500	4,412,250
	<u>18,229,818</u>	<u>15,668,461</u>
Less: current portion of long-term secured bank borrowings	(1,259,490)	(1,021,879)
current portion of long-term unsecured bank borrowings	(23,097)	(18,224)
current portion of long-term borrowings from related parties	—	(104,500)
	<u>16,947,231</u>	<u>14,523,858</u>
Borrowings included in current liabilities:		
Bank borrowings — secured	33,251	37,908
Bank borrowings — unsecured	2,707,354	1,508,141
Borrowings from related parties	50,000	71,000
Current portion of long-term secured bank borrowings	1,259,490	1,021,879
Current portion of long-term unsecured bank borrowings	23,097	18,224
Current portion of long-term borrowings from related parties	—	104,500
	<u>4,073,192</u>	<u>2,761,652</u>

As at 30 June 2020, the secured bank borrowings included:

- (a) Bank borrowings of EUR745,000,000, equivalent to RMB5,930,945,000 (31 December 2019: EUR746,000,000, equivalent to RMB5,830,363,000), which were guaranteed by Jin Jiang International;
- (b) Bank borrowings of Polish Zloty (“PLN”) 29,863,000, equivalent to RMB53,386,000 (31 December 2019: PLN31,037,000, equivalent to RMB57,009,000), pledged by the property, plant and equipment of certain subsidiaries of GDL located in Poland;
- (c) Bank borrowings of RMB3,559,000,000 (31 December 2019: RMB4,059,000,000), which were pledged by the equity interests in a subsidiary of the Group;
- (d) Bank borrowings of RMB33,251,000 (31 December 2019: RMB37,908,000), which were pledged by certain inventories with the carrying amount of RMB46,500,000 (31 December 2019: RMB46,500,000) of a subsidiary of the Group.

TREASURY MANAGEMENT AND INTEREST RATE RISK MANAGEMENT

Cash and cash equivalents as at 30 June 2020 and 31 December 2019 amounted to approximately RMB10,226,170 and RMB9,958,728, respectively.

Finance Company, a subsidiary of the Company, acts as a non-bank financial institution within the Group that manages available cash resources of the Group’s subsidiaries, joint ventures and associates in a centralised manner. Funding and financing requirements of Group’s members were fulfilled through entrusted loans and self-operated loans, resulting in lower financing costs and greater efficiency in fund application.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income held by the Group mainly included: 80,780,012 shares in Bank of Communications (601328.SH), 57,740,000 shares in Guotai Jun’an (601211.SH), 48,110,700 shares in Bank of China (601988.SH), 14,582,000 shares in Agricultural Bank of China (601288.SH), 116,813 shares in Zhongyuan Xiehe (600645.SH), 1,191,472 shares in Bank of Shanghai (601229.SH) and 437,245 shares in Shenwan Hongyuan (000166.SZ).

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss held by the Group mainly included: 68,330,660 shares in Tongcheng-Elong (00780.HK) held through Ocean BT L.P. and 60,390,877 shares in Bank of Beijing (601169.SH).

HUMAN RESOURCES

During the Reporting Period, the Group made adjustments to its human resources structure and optimised its position establishment and staff allocation to further enhance its marketization.

CORPORATE STRATEGIES AND OUTLOOK FOR FUTURE DEVELOPMENT

The uncertainties in the global politics and economy, periodic structural supply-and-demand correlation in the hotel industry and rapid development of information technology and mobile Internet will continue to affect the development of the Group's principal business. Despite the material negative impacts on the operation of global hotel industry due to the COVID-19 epidemic in early 2020, with the introduction and implementation of government policies to promote the development of the tourism industry, broad prospects for future development hold out for China's hotel and tourism industry. The Group will actively seize any opportunities and address any challenges that might arise.

In pursuit of its strategic plan of “intensive domestic business development, global deployment and multinational operations”, the Group will uphold a development philosophy underpinned by innovation, coordination, eco-friendliness and sharing as it seeks to further entrench supply-side reforms, step up with the development of its core business, forge the “Jin Jiang” brand and advance the progress of international development in a prudent manner. The Group will make vigorous efforts to ensure proper integration relating to mergers and acquisitions, while driving capital, assets and fund operations and industry developments in a concerted manner to facilitate capital innovation and business breakthrough. The Group will also make advances in the innovation of mechanisms and regimes, with a view to enhancing vigour and energy in business development. The Group will step up with the international development and drive the progress of key projects as and when appropriate. Structural adjustments will be implemented and the industry mix will be improved. The Group will persist in a global talents strategy emphasising market-orientation, internationalisation and specialisation. Efforts will also be made to further enhance risk control and corporate governance.

The Group will seize the opportunities presented by the reform of state-owned assets and state-owned enterprises to enhance its development towards a market-oriented corporation. The Group will expedite the reforms of its institutional system and explore the innovation and transformation of operation models compatible with the age of Internet economy, while optimising the market-based remuneration regime and restraint and incentive mechanism. The Group will leverage on its strengths in specialisation, in a bid to foster a modern tourism service industry chain and a sharing economy platform centered on hotel operations. The Group will enhance asset liquidity and structural adjustments to further increase the overall asset return and enterprise value.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period. The Board does not expect any waiver of future dividends by any shareholder.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries have purchased, redeemed or sold any of the listed securities of the Company.

AUDIT AND RISK CONTROL COMMITTEE

The Company has established the Audit and Risk Control Committee, the principal duty of which is to examine and supervise the financial reporting procedures, risk management and internal control of the Company. The Audit and Risk Control Committee comprises three independent non-executive Directors, namely, Mr. Shen Liqiang (chairman), Mr. Ji Gang and Dr. Rui Mingjie.

The Audit and Risk Control Committee held meetings on 15 January 2020, 24 March 2020 and 25 August 2020 respectively. The consolidated financial statements for the year ended 31 December 2019 and the unaudited condensed consolidated interim financial statements as at 30 June 2020 of the Group were respectively reviewed at such meetings. The Audit and Risk Control Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group as at 30 June 2020 and agreed with the accounting treatment adopted by the Company.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules as the Company’s code regarding Directors’ and Supervisors’ securities transactions. Every Director and Supervisor at the time of appointment was given a copy of the Model Code. The Company confirms, having made specific enquiries with all Directors and Supervisors, that during the Reporting Period, the Directors and Supervisors have complied with the requirements relating to Directors’ and Supervisors’ dealing in securities as set out in the Model Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AS SET OUT IN APPENDIX 14 TO THE LISTING RULES

The Board is pleased to confirm that the Group has complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the Reporting Period.

INTERIM REPORT

The interim report for the Reporting Period containing all information required by Appendix 16 to the Listing Rules will be sent to the shareholders of the Company and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jinjiangcapital.com) in due course.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“ADR”	room revenue divided by rooms in use
“Audit and Risk Control Committee”	the audit and risk control committee of the Company
“Available Rooms”	number of rooms available of each hotel after deducting Permanent House Use
“Board”	the board of Directors of the Company
“China” or “PRC”	The People’s Republic of China
“Company”	Shanghai Jin Jiang Capital Company Limited
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union
“Finance Company”	Jin Jiang International Finance Company Limited
“Full Service Hotels”	hotels which are based on comprehensive hotel functions and facilities, and provide all rounded quality services for guests
“GDL”	Groupe du Louvre, a société par actions simplifiée incorporated under the laws of France
“Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to the date of incorporation of the Company, those entities and businesses which were consolidated into and operated by the Company upon its establishment
“JHJ Transportation”	JHJ International Transportation Co., Ltd.
“Jin Jiang Automobile”	Shanghai Jin Jiang Automobile Services Co., Ltd.
“Jin Jiang Cold”	Shanghai Jin Jiang International Cold Logistics Development Co., Ltd.

“Jin Jiang GDL Asia”	Jin Jiang GDL Asia Co., Ltd. (上海錦江盧浮亞洲酒店管理有限公司), formerly known as Shanghai Jin Jiang Metropolo Hotel Management Company Limited
“Jin Jiang Hotel”	Shanghai Jin Jiang Hotel Company Limited, a wholly-owned subsidiary of the Company
“Jin Jiang Hotels”	Shanghai Jin Jiang International Hotels Company Limited, formerly known as “Shanghai Jin Jiang International Hotels Development Company Limited”
“Jin Jiang Inn”	Jin Jiang Inn Company Limited
“Jin Jiang International”	Jin Jiang International Holding Company Limited
“Jin Jiang Investment”	Shanghai Jin Jiang International Industrial Investment Company Limited
“Jin Jiang Travel”	Shanghai Jin Jiang International Travel Co., Ltd.
“Jin Ya Catering”	Shanghai Jin Ya Catering Management Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Occupancy Rate”	rooms in use divided by Available Rooms for a given period
“Plateno Group”	Keystone Lodging Holdings Limited and its subsidiaries
“Radisson Hotel Group”	Radisson Hotel Group (麗笙酒店集團)
“Reporting Period”	the period from 1 January 2020 to 30 June 2020
“RevPAR”	room revenue per Available Room
“RMB”	Renminbi, the lawful currency of the PRC
“Select Service Hotels”	hotels providing guests with basic professional services which are suitable for mass consumption with emphasis on the core function of accommodation
“Shanghai SASAC”	Shanghai Municipal State-owned Assets Supervision and Administration Commission
“Star-rating” or “Star-rated”	number of star(s) conferred by the National Tourism Administration of the PRC to a hotel according to the Star-rating Standard Manual and a Star-rated hotel refers to a hotel with Star-rating conferred as mentioned above

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supplies Company”	Shanghai Jin Jiang International Hotel Supplies Company Limited (上海錦江國際酒店物品有限公司)
“Tongcheng-Elong”	Tongcheng-Elong Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 00780.HK)
“Total Number of Rooms”	number of Available Rooms per hotel
“Vienna Hotels”	Vienna Hotels Group Co., Ltd. (維也納酒店有限公司), a limited liability company established in the PRC
“WeHotel”	Shanghai Qi Cheng Network Technology Co., Ltd. (上海齊程網絡科技有限公司)

By Order of the Board
Shanghai Jin Jiang Capital Company Limited*
Zhang Jue
Joint Company Secretary

Shanghai, the PRC, 31 August 2020

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Ma Mingju, Ms. Zhou Wei and Mr. Sun Yu; and the independent non-executive Directors are Mr. Ji Gang, Dr. Rui Mingjie and Mr. Shen Liqiang.

* *The Company is registered as a non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under its Chinese name and the English name “**Shanghai Jin Jiang Capital Company Limited**”.*