Shanghai Jin Jiang International Hotels (Group) Company Limited*
上 海 錦 江 國 際 酒 店 （ 集 團 ） 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 2015

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2015 ***(RMB'000)***	Six months ended 30 June 2014 *(RMB'000)*	Increase *(%)*
Revenue	**5,454,860**	4,322,778	26.2%
Operating profit	**1,324,680**	879,953	50.5%
Profit attributable to shareholders of the Company	**629,002**	421,511	49.2%
Earnings per share *(expressed in RMB cents)*	**11.30**	7.57	49.2%

RESULTS SUMMARY

The Board announced the unaudited consolidated interim results of the Group. The interim results have been reviewed by the Audit Committee of the Company. For the six months ended 30 June 2015, sales revenue of the Group amounted to approximately RMB5,454,860,000, representing an increase of approximately 26.2% as compared to the same period of last year; operating profit of the Group was approximately RMB1,324,680,000, representing an increase of approximately 50.5% as compared to the same period of last year. Profit attributable to shareholders of the Company amounted to approximately RMB629,002,000, representing an increase of approximately 49.2% as compared to the same period of last year. Earnings per share were approximately RMB11.30 cents, representing an increase of approximately 49.2% as compared to the same period of last year.

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 2015

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenue	4(a)	**5,454,860**	4,322,778
Cost of sales	5	**(4,273,075)**	(3,491,753)
Gross profit		**1,181,785**	831,025
Other income		**1,183,170**	1,383,849
Selling and marketing expenses	5	**(289,321)**	(221,226)
Administrative expenses	5	**(637,266)**	(1,064,813)
Other expenses and other loss		**(113,688)**	(48,882)
Operating profit		**1,324,680**	879,953
Finance costs		**(202,571)**	(84,360)
Share of results of joint ventures and associates		**93,623**	88,101
Profit before income tax		**1,215,732**	883,694
Income tax expense	6	**(323,039)**	(266,645)
Profit for the period		**892,693**	617,049
Attributable to:			
Shareholders of the Company		**629,002**	421,511
Non-controlling interests		**263,691**	195,538
		892,693	617,049
Earnings per share for profit attributable to shareholders of the Company for the period *(expressed in RMB cents per share)*			
— basic and diluted	7	**11.30**	7.57
Dividends	8	**—**	—

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit for the period	**892,693**	617,049
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements on the net defined benefit liabilities	**(855)**	—
Items that may be subsequently reclassified to profit or loss		
Fair value changes on available-for-sale financial assets — gross	**1,883,033**	(111,399)
Transfer of fair value changes on disposal of available-for-sale financial assets — gross	**(172,600)**	(93,224)
Fair value changes on available-for-sale financial assets and transfer of fair value changes on disposal of available-for-sale financial assets — tax	**(427,538)**	51,155
Cash flow hedges — net of tax	**1,377**	—
Currency translation differences	**550**	5,887
Total other comprehensive income for the period	**1,283,967**	(147,581)
Total comprehensive income for the period	**2,176,660**	469,468
Attributable to:		
— Shareholders of the Company	**1,102,728**	350,415
— Non-controlling interests	**1,073,932**	119,053
	2,176,660	469,468

UNAUDITED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2015

	Note	**As at 30 June 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**10,669,498**	6,932,094
Investment properties		**218,802**	221,845
Land use rights		**1,933,299**	1,961,915
Intangible assets		**6,546,734**	429,417
Investments in joint ventures		**1,767,791**	1,394,187
Investments in associates		**597,254**	552,936
Available-for-sale financial assets		**5,254,564**	3,643,840
Deferred income tax assets		**577,195**	262,521
Trade receivables, prepayments and other receivables	9	**140,298**	103,863
Restricted bank deposits		**3,778,848**	—
		31,484,283	15,502,618
Current assets			
Financial assets at fair value through profit or loss		**122,963**	94,629
Available-for-sale financial assets		**293,987**	121,467
Inventories		**185,877**	168,129
Trade receivables, prepayments and other receivables	9	**2,221,948**	1,197,631
Prepaid income tax		**37,860**	—
Restricted cash and bank deposits with maturities ranging from 3 months to 12 months		**1,346,575**	1,140,997
Cash and cash equivalents		**6,117,701**	5,876,801
		10,326,911	8,599,654
Non-current assets held for sale		**—**	61,214
		10,326,911	8,660,868
Total assets		**41,811,194**	24,163,486

UNAUDITED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)
As at 30 June 2015

	Note	**As at 30 June 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		**5,566,000**	5,566,000
Reserves		**3,877,720**	3,053,292
— Proposed dividend	8	**—**	278,300
— Others		**3,877,720**	2,774,992
		9,443,720	8,619,292
Non-controlling interests		**7,738,674**	6,757,006
Total equity		**17,182,394**	15,376,298
LIABILITIES			
Non-current liabilities			
Borrowings		**10,911,670**	1,861,869
Deferred income tax liabilities		**2,519,256**	937,910
Trade payables, provisions and other payables	10	**919,407**	608,167
		14,350,333	3,407,946
Current liabilities			
Financial liabilities at fair value through profit or loss		**5,495**	—
Borrowings		**5,191,463**	1,720,759
Income tax payable		**207,890**	237,619
Dividend payable to shareholders of the Company		**278,300**	—
Trade payables, provisions and other payables	10	**4,595,319**	3,358,221
		10,278,467	5,316,599
Liabilities directly associated with non-current assets held for sale		**—**	62,643
		10,278,467	5,379,242
Total liabilities		**24,628,800**	8,787,188
Total equity and liabilities		**41,811,194**	24,163,486
Net current assets		**48,444**	3,281,626
Total assets less current liabilities		**31,532,727**	18,784,244

NOTES TO THE SELECTED UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was established on 16 June 1995 and its holding company is 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").

The Company is listed on the Main Board of the Stock Exchange (the "Listing"). 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, PRC.

The Group is principally engaged in investment and operation of hotels and related businesses (the "Hotel Related Businesses"), investment and operation of passenger transportation vehicles, logistics and related businesses (the "Vehicles and Logistics Business") and investment and operation of travel agency and related businesses (the "Travel Agency Business").

Key events

(a) Acquisition of 100% shares in GDL

On 27 February 2015, Sailing Investment Co, S.àr.l ("Luxembourg Sailing Investment"), a newly-established wholly-owned subsidiary of Jin Jiang Hotels Development acquired 100% shares in GDL from Star SDL Investment Co S.àr.l. (the "Vendor") with cash consideration of EUR475.1 million (equivalent to RMB3,290,281,000). GDL, together with its subsidiaries (the "Target Group") are principally engaged in the operation of chain budget hotel business. The total cash consideration was paid in February 2015 together with the payment of the net receivable due from Target Group to the Vendor and its affiliate amounted to EUR521.4 million (equivalent to RMB3,610,952,000) and the payment of the syndicated loan owed by Target Group amounted to EUR280.5 million (equivalent to RMB1,942,636,000). The amount of the actual consideration may be adjusted in accordance with the price adjustment mechanism set out in the share purchase agreement of GDL. As at 30 June 2015, the price adjustment has not been finalised.

Upon the completion of the transaction, the Group holds 50.32% indirect interest in GDL.

(b) The disposal of 50% equity interest in Galaxy Hotel

In June 2015, the Company disposed 50% equity interest in Galaxy Hotel to Shanghai Sheng Pu Investment Management Co., Ltd. ("Sheng Pu Investment") with total consideration of RMB421,678,000.

The Company received the consideration of RMB227,706,000 and RMB193,972,000 in June 2014 and June 2015, respectively. The Company further received the related interests of the consideration amounted to RMB9,470,000 in June 2015. In addition, the Company should bear the loss of Galaxy Hotel from March 2014 (valuation date to determine consideration) to June 2015 amounted to RMB41,502,000, which shall be paid to Sheng Pu Investment and recorded in other payables as at 30 June 2015.

Upon the completion of the transaction in June 2015, Galaxy Hotel became a joint venture of the Group and the Group holds 50% interest in Galaxy Hotel.

2 BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2015 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 2014, which were prepared in accordance with HKFRS issued by HKICPA.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31 December 2014, as described in those annual financial statements.

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

(a) Amended standards adopted by the Group

The following amended standards are mandatory for the first time for the financial year beginning 1 January 2015:

HKFRS 3 (Amendment) "Business combinations" and consequential amendments to HKFRS 9, 'Financial instruments', HKAS 37, 'Provisions, contingent liabilities and contingent assets', and HKAS 39, 'Financial instruments — Recognition and measurement' are effective for annual periods beginning on or after 1 July 2014. This standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in HKAS 32, 'Financial instruments: Presentation'. All non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

HKFRS 8 (Amendment) "Operating segments" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity's assets when segment assets are reported.

HKAS 24 (Amendment) "Related Party Disclosures" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to address that the reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

Amendments as mentioned above are not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2016
HKFRS 7 (Amendments)	Financial instruments: Disclosures	1 January 2016
HKAS 19 (Amendment)	Employee benefits	1 January 2016
HKAS 34 (Amendment)	Interim financial reporting	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

None of these new and amended standards is expected to have a significant effect on the interim condensed consolidated financial statements of the Group.

Since the Group acquired GDL on 27 February 2015, GDL's related significant accounting policies adopted by the Group are as follows:

(i) Property, plant and equipment

GDL's property, plant and equipment consist of land, which are recorded at cost and not depreciated.

(ii) Intangible assets

The intangible assets of GDL mainly include the brands acquired in connection with business combination and with remaining legal life ranging from 1 to 9 years, which can be renewed continually with minimal cost of every 10 to 30 years. The useful life of the brands is indefinite and brands are carried at cost less any subsequent accumulated impairment losses.

(iii) Financial derivatives and hedge accounting

GDL designates certain derivatives as hedging instruments for cash flow hedges and fair value hedges.

At the inception of the hedge relationship, GDL documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, GDL documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in other reserves are transferred from other reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the GDL revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the GDL revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(iv) Employee benefits

Retirement benefit costs — GDL

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

GDL presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in GDL's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

4 TURNOVER AND 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 reports.

Upon the acquisition of 100% shares in GDL, the Board assessed the performance of GDL as an individual business segment and named it as "Select Service Hotels — managed and operated by GDL" segment. The former "Select Service Hotels" segment was renamed as "Select Service Hotels — managed and operated by Jin Jiang Metropolo".

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 by Jin Jiang Metropolo: operation of Jin Jiang Metropolo self-owned select service hotels and provision of management and franchising to other parties to operate select service hotels owned by other parties with brands owned by Jin Jiang Metropolo;

(3) Select Service Hotels — managed and operated by GDL: operation of GDL's wholly-owned select service hotels and provision of management and franchising to other parties to operate select service hotels owned by other parties with brands owned by GDL;

(4) Food and Restaurants: operation of fast food or upscale restaurants, moon cake production and related investments;

(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) Turnover

The Group's revenue which represents turnover for the six months ended 30 June 2015 is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Full Service Hotels	**923,618**	927,309
— Accommodation revenue	**447,107**	419,967
— Food and beverage sales	**291,500**	304,754
— Rendering of ancillary services	**50,240**	51,384
— Rental revenue	**86,605**	91,034
— Sales of hotel supplies	**4,288**	13,392
— Hotel management	**43,878**	46,778
Select Service Hotels — managed and operated by Jin Jiang Metropolo	**1,295,369**	1,239,579
— Accommodation revenue	**945,563**	910,452
— Food and beverage sales	**81,360**	84,372
— Rendering of ancillary services	**15,804**	21,032
— Rental revenue	**26,424**	16,713
— Sales of hotel supplies	**19,068**	13,763
— Hotel management, franchise and reservation distribution fee	**166,115**	150,561
— Revenue under customer royalty programme	**41,035**	42,686
Select Service Hotels — managed and operated by GDL	**1,066,924**	—
— Accommodation revenue	**573,052**	—
— Catering and sale of products	**243,878**	—
— Hotel management and franchise	**249,994**	—
Food and Restaurants	**172,031**	172,995
Passenger Transportation Vehicles and Logistics	**1,063,938**	1,050,484
— Vehicle operating	**586,970**	603,390
— Trading of automobile	**425,112**	377,063
— Refrigerated logistics	**39,487**	58,406
— Others	**12,369**	11,625
Travel Agency	**898,514**	884,631
— Travel agency	**881,126**	866,786
— Others	**17,388**	17,845
Other Operations	**34,466**	47,780
	5,454,860	4,322,778

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 2015 (30 June 2014: nil).

(b) Segment information

The segment results for the six months ended 30 June 2015 are as follows:

	Full Service Hotels *RMB'000*	Select Service Hotels — managed and operated by Jin Jiang Metropolo *RMB'000*	Select Service Hotels — managed and operated by GDL *RMB'000*	Food and Restaurants *RMB'000*	Passenger Transportation Vehicles and Logistics *RMB'000*	Travel Agency *RMB'000*	Other Operations *RMB'000*	The Group *RMB'000*
External sales *(note 4(a))*	**923,618**	**1,295,369**	**1,066,924**	**172,031**	**1,063,938**	**898,514**	**34,466**	**5,454,860**
Inter-segment sales	**5,183**	**1,356**	**—**	**3,283**	**2,109**	**7**	**19,988**	**31,926**
Total gross segment sales	**928,801**	**1,296,725**	**1,066,924**	**175,314**	**1,066,047**	**898,521**	**54,454**	**5,486,786**
Profit for the period	**403,578**	**80,308**	**86,487**	**25,112**	**134,710**	**52,312**	**110,186**	**892,693**
Other income	**745,639**	**31,551**	**4,274**	**32,569**	**35,267**	**54,828**	**279,042**	**1,183,170**
Including: interest income	**3,103**	**6,234**	**2,324**	**60**	**7,146**	**5,857**	**92,013**	**116,737**
Depreciation of property, plant and equipment *(note 5)*	**(116,197)**	**(186,674)**	**(73,828)**	**(4,029)**	**(109,479)**	**(4,018)**	**(564)**	**(494,789)**
Depreciation of investment properties *(note 5)*	**(716)**	**—**	**—**	**—**	**(257)**	**(2,070)**	**—**	**(3,043)**
Amortization of land use rights *(note 5)*	**(7,845)**	**(20,034)**	**—**	**—**	**(540)**	**—**	**(197)**	**(28,616)**
Amortization of intangible assets *(note 5)*	**(2,085)**	**(4,792)**	**(10,397)**	**(740)**	**—**	**(258)**	**(46)**	**(18,318)**
(Provision for)/reversal of impairment of trade receivables, prepayments and other receivables *(note 5)*	**(93)**	**(1,015)**	**857**	**—**	**—**	**—**	**—**	**(251)**
Reversal of inventories write-down *(note 5)*	**—**	**41**	**—**	**—**	**—**	**—**	**—**	**41**
Finance costs	**(69,297)**	**(12,706)**	**(50,390)**	**—**	**(1,224)**	**—**	**(68,954)**	**(202,571)**
Share of results of joint ventures and associates	**2,934**	**—**	**5,869**	**14,523**	**70,589**	**203**	**(495)**	**93,623**
Income tax expense *(note 6)*	**(143,673)**	**(73,635)**	**(60,888)**	**(673)**	**(20,611)**	**(5,582)**	**(17,977)**	**(323,039)**
Capital expenditure	**31,528**	**199,522**	**10,117,244**	**7,781**	**108,592**	**706**	**13**	**10,465,386**

The segment results for the six months ended 30 June 2014 are as follows:

	Full Service Hotels *RMB'000*	Select Service Hotels — managed and operated by Jin Jiang Metropolo *RMB'000*	Select Service Hotels — managed and operated by GDL *RMB'000*	Food and Restaurants *RMB'000*	Passenger Transportation Vehicles and Logistics *RMB'000*	Travel Agency *RMB'000*	Other Operations *RMB'000*	The Group *RMB'000*
External sales *(note 4(a))*	927,309	1,239,579	—	172,995	1,050,484	884,631	47,780	4,322,778
Inter-segment sales	5,887	965	—	1,966	2,320	23	18,289	29,450
Total gross segment sales	933,196	1,240,544	—	174,961	1,052,804	884,654	66,069	4,352,228
Profit for the period	262,587	92,620	—	33,256	122,665	38,419	67,502	617,049
Other income	1,168,980	14,576	—	28,342	23,709	40,996	107,246	1,383,849
Including: interest income	38,484	529	—	47	5,891	4,131	503	49,585
Depreciation of property, plant and equipment *(note 5)*	(105,576)	(176,315)	—	(4,176)	(116,857)	(3,636)	(1,909)	(408,469)
Depreciation of investment properties *(note 5)*	(815)	—	—	—	(256)	(2,070)	—	(3,141)
Amortization of land use rights *(note 5)*	(8,860)	(12,414)	—	—	(670)	—	(297)	(22,241)
Amortization of intangible assets *(note 5)*	(2,032)	(4,495)	—	(697)	—	(257)	(45)	(7,526)
Reversal of impairment of trade receivables, prepayments and other receivables *(note 5)*	157	103	—	—	—	—	—	260
Reversal of inventories write-down *(note 5)*	26	—	—	—	—	—	—	26
Finance costs	(55,445)	(686)	—	—	(1,568)	—	(26,661)	(84,360)
Share of results of joint ventures and associates	(142)	—	—	25,014	63,497	(1,429)	1,161	88,101
Income tax expense *(note 6)*	(184,213)	(40,388)	—	(799)	(19,968)	(4,690)	(16,587)	(266,645)
Capital expenditure	2,234	181,512	—	1,841	209,611	5,331	770	401,299

The segment assets as at 30 June 2015 are as follows:

	Full Service Hotels RMB'000	Select Service Hotels — managed and operated by Jin Jiang Metropolo RMB'000	Select Service Hotels — managed and operated by GDL RMB'000	Food and Restaurants RMB'000	Passenger Transportation Vehicles and Logistics RMB'000	Travel Agency RMB'000	Other Operations RMB'000	The Group RMB'000
Segment assets	**4,049,574**	**6,242,180**	**11,662,566**	**126,119**	**4,855,970**	**1,948,365**	**10,561,375**	**39,446,149**
Investments in joint ventures	**1,377,999**	**—**	**—**	**—**	**388,003**	**—**	**1,789**	**1,767,791**
Investments in associates	**46,705**	**—**	**72,845**	**136,254**	**315,067**	**15,776**	**10,607**	**597,254**
Total assets	**5,474,278**	**6,242,180**	**11,735,411**	**262,373**	**5,559,040**	**1,964,141**	**10,573,771**	**41,811,194**

The segment assets as at 31 December 2014 are as follows:

	Full Service Hotels RMB'000	Select Service Hotels — managed and operated by Jin Jiang Metropolo RMB'000	Select Service Hotels — managed and operated by GDL RMB'000	Food and Restaurants RMB'000	Passenger Transportation Vehicles and Logistics RMB'000	Travel Agency RMB'000	Other Operations RMB'000	The Group RMB'000
Segment assets	4,789,954	6,236,032	—	127,227	2,649,119	1,665,836	6,748,195	22,216,363
Investments in joint ventures	1,016,981	—	—	—	375,415	—	1,791	1,394,187
Investments in associates	44,298	—	—	125,963	357,553	15,573	9,549	552,936
Total assets	5,851,233	6,236,032	—	253,190	3,382,087	1,681,409	6,759,535	24,163,486

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

Other income in the segment of "Full Service Hotels" for the six months ended 30 June 2015 mainly includes a gain on disposal of a subsidiary of RMB716,702,000 (for the six months ended 30 June 2014: RMB1,109,652,000). Administrative expense in the segment of "Full Service Hotels" for the six months ended 30 June 2015 includes the employee benefit expense of RMB107,006,000 for early retirement welfare for the employee of Galaxy Hotel (note 5) (for the six months ended 30 June 2014: RMB690,780,000 for termination plan, early retirement plan and redundant employee plan for hotel renovation).

Unallocated costs which mainly represent corporate expenses are included in the segment of "Other Operations". Other income in the segment of "Other Operations" for the six months ended 30 June 2015 mainly includes gains on disposal of available-for-sale financial assets of RMB166,076,000 (for the six months ended 30 June 2014: RMB82,198,000).

Segment assets consist of all assets except for investments in joint ventures and investments in associates. They also include goodwill recognised arising from acquisition of subsidiaries relating to the respective segments.

Capital expenditure comprises additions to property, plant and equipment, investment properties, land use rights and intangible assets including additions resulting from acquisition through business combination and prepayment for capital expenditure.

5 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Employee benefit expenses	**1,596,653**	1,849,301
Cost of inventories sold	**790,595**	701,927
Cost of travel agency	**783,399**	783,399
Depreciation of property, plant and equipment	**494,789**	408,469
Utility cost and consumables	**324,152**	328,683
Operating leases — land and buildings	**293,958**	201,188
Business tax, property tax, VAT through a simplified method and other tax surcharges	**193,642**	171,310
Repairs and maintenance	**142,916**	49,105
Consulting fee	**94,319**	7,713
Advertising cost	**78,712**	37,662
Amortisation of land use rights	**28,616**	22,241
Transactions cost in relation to acquisition of GDL	**23,440**	—
Amortisation of intangible assets	**18,318**	7,526
Transportation expenses	**17,089**	8,742
Commission paid to travel agency	**15,300**	15,335
Laundry costs	**13,468**	12,413
Telecommunication expenses	**9,395**	9,037
Auditors' remuneration	**7,961**	4,809
Depreciation of investment properties	**3,043**	3,141
Entertainment expenses	**2,352**	4,895
Provision for/(reversal of) impairment of trade receivables, prepayments, and other receivables	**251**	(260)
Reversal of inventories write-down	**(41)**	(26)
Others	**267,335**	151,182
	5,199,662	4,777,792

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current tax:		
Mainland China current income tax ("CIT")	**212,364**	32,407
Deferred tax:		
Mainland China deferred income tax	**110,675**	234,238
	323,039	266,645

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 2015 (the six months ended 30 June 2014: 25%) as determined in accordance with the Corporate Income Tax Law of PRC and the Detail Implementation Regulations.

Hong Kong profits tax is provided at a rate of 16.5% on the estimated assessable profits of Group's subsidiary incorporated in Hong Kong for the six months ended 30 June 2015 (the six months ended 30 June 2014: 16.5%). For the six months ended 30 June 2015, the Group's subsidiary incorporated in Hong Kong did not have assessable profit and therefore has not provided for any Hong Kong profits tax (the six months ended 30 June 2014: nil).

GDL and its subsidiaries in France are subject to French income tax at 34.43% for the six months ended 30 June 2015.

Income tax arising in other countries is calculated at the rates prevailing in the relevant countries.

7 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the 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	
	2015	2014
Profit attributable to shareholders of the Company *(RMB'000)*	**629,002**	421,511
Weighted average number of ordinary shares in issue *(thousands)*	**5,566,000**	5,566,000
Basic earnings per share *(RMB cents)*	**11.30**	7.57

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

8 DIVIDENDS

The final dividend for the year 2014 of RMB5.0 cents (2013 final dividend: RMB4.5 cents) per share, totalling RMB278,300,000 (2013 final dividend: RMB250,470,000) was paid subsequently in July 2015. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014 interim dividend: nil).

9 TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Trade receivables	**858,636**	331,512
Less: provision for impairment of trade receivables	**(89,732)**	(7,591)
Trade receivables — net	**768,904**	323,921
Loans to related parties by Jin Jiang International Finance	**338,000**	335,000
Amounts due from related parties	**225,599**	40,659
Loans to related parties by the Group other than Jin Jiang International Finance	**212,200**	219,000
Prepayments and deposits	**565,502**	290,323
Other prepaid tax	**95,913**	—
Interest receivables	**41,684**	3,921
Accrual rental revenue	**39,131**	30,222
Value-added tax ("VAT") recoverable	**8,572**	14,854
Other receivables	**75,611**	48,355
Less: provision for impairment of amounts due from related parties and other receivables	**(8,870)**	(4,761)
Prepayments and other receivables — net	**1,593,342**	977,573
	2,362,246	1,301,494
Less: non-current portion of trade receivables, prepayments and other receivables	**(140,298)**	(103,863)
Current portion of trade receivables, prepayments and other receivables	**2,221,948**	1,197,631
Non-current portion of trade receivables, prepayments and other receivables:		
Amounts due from related parties	**9,000**	9,000
Prepayments and deposits	**92,167**	64,641
Accrual rental revenue	**39,131**	30,222
	140,298	103,863

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

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
0 to 3 months	**627,445**	311,817
3 months to 1 year	**207,277**	13,546
Over 1 year	**23,914**	6,149
	858,636	331,512

The carrying amount of trade receivables, prepayments and other receivables approximates their fair value.

10 TRADE PAYABLES, PROVISIONS AND OTHER PAYABLES

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Trade payables	**793,148**	493,198
Employee benefits payables	**1,349,258**	977,684
Advances from customers	**739,963**	614,468
Deposits from related parties in Jin Jiang International Finance	**552,132**	407,397
Other amounts due to related parties	**341,246**	118,948
Payables for purchases of property, plant and equipment, and intangible assets	**337,364**	331,404
Other tax payables	**313,748**	175,677
Deposits from lessees and constructors	**299,988**	292,109
Dividend payable to non-controlling interests	**283,079**	28,234
Accrued expenses	**108,776**	126,493
Provisions for other liabilities and charges	**68,810**	6,981
Deferred government grants	**64,655**	67,999
Interests payable	**45,378**	20,512
Payables related to the disposal of Galaxy Hotel *(note 1(b))*	**41,502**	—
Deferred revenue for customer royalty programme	**39,609**	5,793
Deferred payment of acquisition of a subsidiary	**9,796**	9,796
Advance for the transaction of a subsidiary disposed *(note 1(b))*	**—**	227,706
Other payables	**126,274**	61,989
	5,514,726	3,966,388
Less: non-current portion of trade payables, provisions and other payables	**(919,407)**	(608,167)
Current portion of trade payables, provisions and other payables	**4,595,319**	3,358,221
Non-current portion of trade payables, provisions and other payables:		
Employee benefits payables	**747,176**	521,241
Provisions for other liabilities and charges	**68,810**	6,981
Deferred government grants	**52,413**	55,432
Deferred revenue for customer royalty programme	**39,609**	5,793
Payables for purchases of property, plant and equipment, and intangible assets	**3,163**	11,768
Other payables	**8,236**	6,952
	919,407	608,167

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

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
0 to 3 months	**679,156**	419,520
3 months to 1 year	**104,916**	71,670
Over 1 year	**9,076**	2,008
	793,148	493,198

The carrying amount of trade payables, provisions and other payables approximates their fair value.

11 COMMITMENTS

(a) Capital commitments

Capital expenditure at 30 June 2015 contracted but not yet incurred is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Acquisition of property, plant and equipment	**70,625**	75,019

(b) Operating lease commitments

The Group leases various premises, offices and machinery and also leases out space in hotels under non-cancellable operating lease agreements. The rental revenue recognised and the lease expenditure expensed in the unaudited condensed consolidated interim income statement during the six months ended 30 June 2015 is disclosed in note 4(a) and note 5, respectively.

Leases with different lessees and lessors 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 and lease payments 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 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Not later than 1 year	**159,307**	187,940
Later than 1 year and not later than 5 years	**487,515**	519,757
Later than 5 years	**581,783**	647,267
	1,228,605	1,354,964

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

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Not later than 1 year	**527,823**	366,966
Later than 1 year and not later than 5 years	**2,102,330**	1,406,715
Later than 5 years	**3,179,616**	2,224,365
	5,809,769	3,998,046

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the first half of 2015, the Group overcame unfavourable factors and capitalised on favourable ones to actively engage in developments and innovations amidst a complicated economic landscape and market circumstances. While procuring proper handover of our external investments and international acquisitions, we also focused on the transformation and development of our operations and management. Our business scale has been expanding and our asset efficiency and shareholders' equity have been effectively enhanced as a result.

During the Reporting Period, the Group realised sales revenue of approximately RMB5,454,860,000, representing an increase of approximately 26.2% as compared to the same period of last year. Operating profit of the Group amounted to approximately RMB1,324,680,000, representing an increase of approximately 50.5% as compared to the same period of last year. Profit attributable to shareholders of the Company amounted to approximately RMB629,002,000, representing an increase of approximately 49.2% as compared to the same period of last year.

As at 30 June 2015, the Group owned or managed over 3,000 hotels throughout the world, with a total number of rooms over 360,000 in 55 countries, amongst which approximately 1,400 hotels are owned or managed by the Group in the PRC and are in operation or under construction with approximately 190,000 rooms.

As at the end of the Reporting Period, J Club (錦江禮享+), an electronic commerce platform of Jin Jiang, had more than 20 million registered members.

Following its development strategy of "global deployment and multinational operation", the Group entered into a "Share Purchase Agreement" with Star SDL Investment Co S.á r.l. on 16 February 2015 through Luxembourg Sailing Investment, a wholly-owned subsidiary of Jin Jiang Hotels Development for the acquisition of 100% equity interests in GDL. On 27 February 2015 (Beijing time), all procedures relating to the closing of the transaction were completed and the Company acquired effective control of GDL, the financial results of which had been included in the consolidated financial statements of the Company as from 28 February 2015. The successful acquisition of GDL has contributed to significant growth in the Group's total assets, operating income, cash flow, number of hotels and number of guest rooms. In the meantime, the Group advanced various post-acquisition tasks, such as management structure, system improvement, platform building and business handover in a steady manner.

During the Reporting Period, the business segments of the Company and its relevant subsidiaries focused on requirements to enhance quality and efficiency and attempted cross-segment cooperation in line with the development of the Internet, making new endeavours in marketing innovation, joint application of resources and R&D for the transformation and upgrade of products. Modern information technology and management concepts were applied, while active efforts were made to learn from advanced enterprises and introduce performance excellence management. Headquarters control was strengthened and further improvements were made to the refined management model, driving continuous upgrade in management abilities and standards in a steady manner towards the construction of a standardised platform.

Operational Statistics of Hotels

	January to June 2015	January to June 2014
Average Occupancy Rate		
Full Service Hotels		
— 5-star Luxury Hotels	**69%**	67%
— 4-star Luxury Hotels	**68%**	65%
Select Service Hotels		
— Jin Jiang Metropolo	**74%**	77%
— GDL	**65%**	—
Average Room Rate *(RMB)*		
Full Service Hotels		
— 5-star Luxury Hotels	**847**	832
— 4-star Luxury Hotels	**515**	499
Select Service Hotels		
— Jin Jiang Metropolo	**190**	190
— GDL *(EUR/room)*	**61**	—
RevPAR *(RMB)*		
Full Service Hotels		
— 5-star Luxury Hotels	**582**	555
— 4-star Luxury Hotels	**350**	324
Select Service Hotels		
— Jin Jiang Metropolo	**142**	147
— GDL *(EUR/room)*	**39**	—

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 Yangtze Hotel.

2. 4-star Luxury Hotels include: Park Hotel, Jian Guo Hotel, Cypress Hotel, Holiday Inn Downtown Shanghai, Rainbow Hotel, Shanghai Hotel, Shanghai Jing An Hotel, Sofitel Hotel, Jiangsu Nanjing Hotel, Wuxi Jin Jiang Grand Hotel, West Capital International Hotel and Kunming Jin Jiang Hotel.

3. Amongst Select Service Hotels, hotels operated by Jin Jiang Metropolo included all operating self-owned chain hotels under the brands of: "Jin Jiang Metropolo", "Jin Jiang Inn", "Bestay Hotels Express" and "Jinguang Inn". Hotels operated by GDL included operational data of four brands, namely, "PremiereClasse", "Campanile", "Kyriad" and "GoldenTulip", for April to June 2015.

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 RMB923,618,000 to the Group's revenue, representing a decrease of approximately 0.4% as compared to the same period of last year and accounting for approximately 16.9% of the Group's turnover.

As at 30 June 2015, the Group owned and managed 126 Full Service Hotels in the PRC, offering 38,561 guest rooms.

During the Reporting Period, the Group's Full Service Hotels recorded steady growth in RevPAR, which increased by nearly 6.1% for self-managed hotels and nearly 8.3% for self-managed hotels in Shanghai. There was a slight decrease in labour cost even though we managed to sustain growth in per capita salary and benefits. Meanwhile, the Group has effectively lowered its financial costs by enhancing income management and adjustment its funding structure.

During the Reporting Period, in connection with joint brand marketing, Jin Jiang International Hotel Management Company Limited ("Jin Jiang Hotel Management") actively pursued partnerships in an Internet-driven business environment, as it entered into a marketing alliance with Prince Hotel of Japan to leverage the respective resources of the two parties in markets with ascertained sources for key customers, in a bid to enhance its brand reputation. Jin Jiang Hotel Management was also engaged in joint applications of resources with Jin Jiang Travel in the first-ever online pre-sale for guest rooms in new hotels; one-stop services covering accommodation, transportation and travel, which provided quality assurance for Jin Jiang Travel's domestic travel packages. Jin Jiang Hotel Management instructed its hotels to enhance the standard of refined management in the areas of income management, customer evaluation and integration of membership resources by actively employing Internet technologies. The Jin Jiang Public Feedback System, launched in association with Brand Wisdom website (慧評網) with a focus on the multi-dimensional performances of hotels, has helped to optimise our products and services and enhance online interaction with and closeness of customers. Our cooperation with IDEAS has been conducive to accurate analysis of the competitive landscape of the hotels for better income management.

During the Reporting Period, the hotel assets management centre of the Group steadily developed the operation and management of its hotel assets to enhance asset efficiency. The Full Service Hotels continued to report progress in asset liquidity, business transformation and lease operation. During the Reporting Period, the Group completed the transfer of 50% equity interest in of Galaxy Hotel (the podium complex) through an open listing process, which has further enhanced the Group's asset liquidity and financial conditions and optimised the Group's asset allocation.

During the Reporting Period, the Group further strengthened collective management and resource integration in respect of its hotel assets. The construction of a centralised procurement system and unified payment platform was optimised and rolled out in full scale among companies within the Group, resulting in effective reduction of working capital outlay and an enhanced fund utilisation ratio. Centralised control was exercised in respect of resource allocation in the process of corporate structure realignment, as subsidiary hotels were instructed to convert various equipment for energy-saving purposes and control costs and expenses within reasonable limits, resulting in improvements in the core competitiveness of our hotels. Through implementation of the lease management system, management over lease projects has been further enhanced.

During the Reporting Period, IHR Group reported stable business development with sound operation of its three major operation platforms in the PRC, the United States and Europe. The average room rate of IHR Group's managed hotels for the first half of 2015 was US$147.8 with an average occupancy rate of 76.9%, while RevPAR was US$113.6, representing an increase of 7.6% as compared to the same period of last year.

Select Service Hotels

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

During the Reporting Period, the Group completed the acquisition of 100% equity interests in GDL, the results of which were included in the Group's consolidated financial statements. Turnover of Select Service Hotels increased substantially, contributing approximately RMB2,362,293,000 to the Group's revenue, representing an increase of approximately 90.6% as compared to the same period of last year and accounting for approximately 43.3% of the Group's turnover.

As at 30 June 2015, there were a total of 2,435 contracted chain Select Service Hotels (comprising 1,258 Jin Jiang Metropolo Hotels and 1,177 GDL hotels), offering 249,428 guest rooms in aggregate. There were 1,877 contracted franchised hotels, accounting for approximately 77% of all contracted Select Service Hotels.

As at 30 June 2015, there were a total of 2,153 contracted chain Select Service Hotels in operation offering 215,522 guest rooms in aggregate, comprising 1,022 Jin Jiang Metropolo Hotels with 121,891 guest rooms and 1,131 GDL hotels with 93,631 guest rooms.

Out of the Select Service Hotels that had commenced operation, 525 were self-managed hotels, accounting for approximately 24%, while 1,628 were franchised hotels, accounting for approximately 76%.

During the Reporting Period, Jin Jiang Metropolo advanced its pilot attempts under the performance excellence management model in a steady manner and developed the operating system for the performance excellence management. Meanwhile, through the commissioning of the new paging centre of Jin Jiang Metropolo and strengthening of its promotional efforts for online reservation, the room reservation functions have been continuously enhanced, thereby providing additional marketing support for chain outlets throughout the PRC with increasing capacity for guest reception.

During the Reporting Period, GDL entered into a brand cooperation framework agreement with Magnuson Hotel Group of the United States and a general financial service cooperation framework agreement with the Industrial and Commercial Bank of China Corporation. Preparatory work for the introduction of brands such as Companile to the PRC market also advanced steadily.

Food and Restaurants

During the Reporting Period, the Group reported stable development of food and restaurant operations through several food and restaurant chain companies invested by Jin Jiang Hotels Development, generating revenue of approximately RMB172,031,000, which represented a decrease of approximately 0.6% as compared to the same period of last year and accounting for approximately 3.2% of the Group's turnover.

During the Reporting Period, Jin Jiang Hotels Development made a major effort to develop the group catering business, managing 48 group catering restaurants as at the end of the Reporting Period, as compared to 43 at the end of last year. As at 30 June 2015, Shanghai KFC, "New Asia Snacks" and "Shanghai Yoshinoya" had a total of 300, 47 and 9 outlets, respectively. "Chinoise Story" currently operates 2 feature restaurants. In addition, 2 "Ting Mei Yuen" (鼎味源) restaurants were managed by Shanghai Jinzhu Catering Management Co., Ltd.

Jin Jiang Catering Investment Company worked actively with Jin Jiang Hotel to establish a R&D centre to develop processed food with input from the national-grade chefs of Jin Jiang Hotel, and started to market food products under the Jin Jiang brand to other customers, in addition to direct supply to our hotels.

Passenger Transportation Vehicles and Logistics

During the Reporting Period, passenger transportation vehicles and logistics business reported an operating revenue of approximately RMB1,063,938,000, representing growth of approximately 1.3% as compared to the same period of last year and accounting for approximately 19.5% of the Group's turnover.

During the Reporting Period, the "Jin Jiang Automobile Service Centre" was actively engaged in the conversion of surrounding facilities to fully realise the accumulative effect. The four 4S auto sales outlets of the centre sold more than 3,400 new cars and completed over 35,000 car maintenance orders.

During the Reporting Period, Jin Jiang Automobile advanced its efforts in performance excellence management and achieved cost reductions and efficiency enhancement by employing information-based methods, such as dynamic control and data analysis. A total of 445 new Touran (途安) white cabs were put into service to provide more comfortable and convenient services for citizens and tourists. Meanwhile, regarding our travel coach business, 63 coaches were added to the business shuttle service, 83% of which were providing charter services. We topped the cruise reception business in Shanghai as our travel coaches served 21 cruise ships, including Sapphire Princess and Arcadia, in 728 outings.

During the Reporting Period, in accordance with requirements to upgrade industrial capabilities and standards and to accelerate transformation, Shanghai Jin Jiang International Cold Logistics Development Co., Ltd. ("Jin Jiang Cold Logistics") developed a customer-oriented, end-to-end supply chain management business model covering food imports, customs declaration, inspection, storage and distribution on the back of its logistics service chain, as part of its efforts to transform into a modern service business.

Travel Agency

During the Reporting Period, operating revenue of the travel agency business amounted to approximately RMB898,514,000, representing a growth of approximately 1.6% as compared to the same period of last year and accounting for approximately 16.5% of the Group's turnover.

During the Reporting Period, Jin Jiang Travel reported a higher proportion of long-haul tours as a result of adjustments to its product mix. In particular, the quality and services for outbound tours have been significantly improved, evidenced by a notable increase in per capita spending despite the decline in the number of tour participants.

During the Reporting Period, Jin Jiang Travel leveraged the resources afforded by Jin Jiang Hotel and actively facilitated business cooperation with LHG. As an "Approved Travel Service Provider" for the China Corporate United Pavilion ("CCUP") at the Milan Expo 2015, Jin Jiang Travel appointed business teams to work with CCUP during the preparatory stage and subsequent VIP reception and to organise various travel agencies to undertake 24 corporate sponsorships. Its meticulous and attentive services were widely commended by all parties concerned.

During the Reporting Period, Jin Jiang Travel organised its travel agencies to participate in the Shanghai World Travel Fair 2015. Innovative sales approaches and product planning were introduced, with a flexible combination of online and offline pre-sales and on-site sales during the fair. A total of 208 travel routes were promoted during the fair, giving visitors full exposure to the one-stop services of Jin Jiang.

During the Reporting Period, Jin Jiang Travel actively fostered new businesses by enhancing its ability to cover the MICE sector and extending its business outreach to increase its competitiveness. The provision of standardized, premium convention high-quality meeting and incentive services has been identified as one of the major focuses for development in future, with a special emphasis on extended services relating to business meetings and incentive tourism.

FINANCIAL REVIEW

Turnover

The Group's financial information during the Reporting Period as compared to the same period in 2014 is set out as follows:

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	RMB in million	***% of turnover***	*RMB in million*	*% of turnover*
Full Service Hotels	**923.6**	**16.9%**	927.3	21.5%
Select Service Hotels — managed and operated by Jin Jiang Metropolo	**1,295.4**	**23.7%**	1,239.6	28.7%
Select Service Hotels — managed and operated by GDL	**1,066.9**	**19.6%**	—	—
Food and Restaurants	**172.0**	**3.2%**	173.0	4.0%
Passenger Transportation Vehicles and Logistics	**1,063.9**	**19.5%**	1,050.5	24.3%
Travel Agency	**898.5**	**16.5%**	884.6	20.5%
Other Operations	**34.6**	**0.6%**	47.8	1.0%
Total	**5,454.9**	**100.0%**	4,322.8	100.0%

Full Service Hotels

The following table sets out the percentage of contribution from the Group's Full Service Hotels segment and other types of business to the Full Service Hotels segment's turnover for the Reporting Period and the same period in 2014:

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	RMB in million	***% of turnover***	*RMB in million*	*% of turnover*
— Accommodation revenue	**447.1**	**48.4%**	420.0	45.3%
— Food and beverage sales	**291.5**	**31.6%**	304.7	32.9%
— Rendering of ancillary services	**50.2**	**5.4%**	51.4	5.5%
— Rental revenue	**86.6**	**9.4%**	91.0	9.8%
— Sales of hotel supplies	**4.3**	**0.5%**	13.4	1.5%
— Hotel management	**43.9**	**4.7%**	46.8	5.0%
Total	**923.6**	**100.0%**	927.3	100.0%

Accommodation revenue

Accommodation revenue was mainly determined by the number of available rooms, occupancy rate and ADR (room revenue divided by rooms in use) of the rooms of the Group's hotels. Accommodation revenue of the Full Service Hotels for the Reporting Period was approximately RMB447,107,000, representing an increase of approximately 6.5% or approximately RMB27,140,000 as compared to the same period in 2014. The aforesaid change mainly reflected a year-on-year growth in ADR and occupancy rate attributable to the Group's proactive response to challenges and implementation of a range of measures to enhance income by capitalising on favourable factors and market opportunities, such as the increasing number of conventions and exhibitions held at the National Exhibition and Convention Center and the robust demand in Shanghai's hotel market.

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. During the Reporting Period, the food and beverage sales in Full Service Hotels amounted to approximately RMB291,500,000, representing a decrease of approximately 4.3% or approximately RMB13,254,000 from the same period of last year. The aforesaid change was mainly attributable to the change in social sentiments, budget cuts on banquets and conferences, as well as the decline in wedding banquet sales, which had affected revenue from food and beverage sales.

Rendering of ancillary services

Revenue from rendering ancillary services was mainly generated from gift shops, entertainment, laundry services and other guest services. During the Reporting Period, revenue from the rendering of ancillary services amounted to approximately RMB50,240,000, representing a decrease of approximately 2.2% or RMB1,144,000 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 catering, retail, exhibition and other purposes, as well as the outsourced leasing of certain restaurant venues. During the Reporting Period, rental revenue amounted to approximately RMB86,605,000, representing a decrease of approximately 4.9% or approximately RMB4,429,000, which was mainly attributable to the disposal of Jin Yun Company in the same period of last year and to a certain extent affected by the discontinuation of certain hotel shop tenancies upon expiry of their leases.

Sales of hotel supplies

Turnover from guest supplies and hotel products decreased by approximately RMB9,104,000 from the same period of last year. Such decrease was mainly attributable to adjustments in the business model of the supplies company to transform from a merchandise supplier to a system platform service provider.

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 Full Service Hotels management amounted to approximately RMB43,878,000 during the Reporting Period, representing a decrease of approximately 6.2% or RMB2,900,000 as compared to the same period of last year. The decrease was mainly attributable to the year-by-year decrease in supply in the China market and the adjustment in demand, which resulted in more balanced demand and supply. While hotels managed by Jin Jiang Hotel Management in East China and the Northern Region reported year-on-year increase in RevPAR, hotels managed in other regions in China reported year-on-year decrease in RevPAR, resulting in the reduction of management fees received.

Select Service Hotels — managed and operated by Jin Jiang Metropolo

The revenue of Select Service Hotels during the Reporting Period amounted to approximately RMB1,295,369,000, representing an increase of approximately RMB55,790,000 or approximately 4.5% as compared to the same period of last year. The increase reflected mainly revenue from new directly-operated hotels amounting to approximately RMB31,250,000 and revenue from Minxing Hotel, which was re-opened after renovation during the year, amounting to approximately RMB14,310,000. Revenue from franchise fee and central room reservation channels increased by approximately 15.6% and 16.1%, respectively, as compared to the same period of last year.

Select Service Hotels — managed and operated by GDL

The Group has incorporated GDL into its consolidated financial statements as from 28 February 2015. Revenue from newly added hotels managed and operated by GDL amounted to approximately RMB1,066,924,000 for the period from March to June 2015.

Food and Restaurants

Revenue of food and restaurants segment was mainly derived from Shanghai Jin Ya Catering Management Co., Ltd. (上海錦亞餐飲管理有限公司) (the "Jin Ya Catering", formerly known as Shanghai New Asia Café de Coral Company Limited), Jing An Bakery, Jin Jiang International Catering, Chinoise Story, and Shanghai New Asia Food Company Limited. During the Reporting Period, total sales from the food and restaurants segment amounted to approximately RMB172,031,000, representing a decrease of approximately RMB964,000 or approximately 0.6% as compared to the same period of last year. The decrease in food and restaurants revenue for the Reporting Period primarily reflected the decline in operating revenue as a result of the downsizing of outlets by Jin Ya Catering.

Passenger Transportation Vehicles and Logistics

During the Reporting Period, the revenue of passenger transportation vehicles and logistics was approximately RMB1,063,938,000, representing an increase of approximately 1.3% or approximately RMB13,454,000 as compared to same period of last year. The increase primarily reflected the increase in revenue from auto and related trading businesses.

Travel Agency

During the Reporting Period, the revenue of travel agency was approximately RMB898,514,000, representing an increase of approximately 1.6% or approximately RMB13,883,000 as compared to the same period of last year. The increase was attributable mainly to the ongoing rapid development of the outbound travel business.

Other Operations

In addition, the Group is also engaged in other business, including the provision of financial services via Jin Jiang International Finance and the provision of training services by Jin Jiang International Management Institute. During the Reporting Period, revenue of other operations was approximately RMB34,466,000, representing a decrease of approximately 27.9% as compared to the same period of last year, which was primarily due to a decrease in interest income from borrowings to related parties of Jin Jiang International Finance.

Cost of Sales

Cost of sales for the Reporting Period amounted to approximately RMB4,273,075,000, representing an increase of approximately 22.4% as compared to the same period of last year. The increase reflected mainly the increase in cost of sales attributable to newly added select service hotel chain businesses outside Mainland China, such as GDL. Excluding this factor, cost of sales would have increased by approximately 3% as compared to the same period of last year, which was mainly attributable to the business expansion of select service hotels managed and operated by Jin Jiang Metropolo.

Gross Profit

As a result of the factors described above, the Group recorded a gross profit of approximately RMB1,181,785,000 for the Reporting Period, representing an increase of approximately RMB350,760,000 or approximately 42.2% as compared to the same period of last year.

Other Income

Other income for the Reporting Period amounted to approximately RMB1,183,170,000 (same period in 2014: approximately RMB1,383,849,000), representing a decrease of approximately 14.5% as compared to the same period of last year. The decrease was primarily due to a gain of approximately RMB716,702,000 on transfer of equity interest in Galaxy Hotel during the Reporting Period versus a gain of approximately RMB1,109,652,000 on transfer of equity interest in Jin Yun Company for the same period in 2014, as well as gain of approximately RMB194,897,000 (same period in 2014: approximately RMB94,432,000) on disposal available-for-sale financial assets, such as Changjiang Securities Company Limited and Shanghai Yuyuan Tourist Mart Co. Ltd. in the Reporting Period. Dividend received by the Group during the Reporting Period was approximately RMB96,467,000 (same period in 2014: approximately RMB83,244,000).

Sales and Marketing Expenses

Sales and marketing expenses comprise primarily of labor costs, travel agent commissions and advertising fees, which amounted to approximately RMB289,321,000 during the Reporting Period (same period in 2014: approximately RMB221,226,000), representing an increase of approximately 30.8% as compared to the same period of last year. The increase reflected mainly the increase in sales and marketing expenses attributable to newly added select service hotel chain businesses outside China, such as GDL. Excluding this factor, sales and marketing expenses would have increased by approximately 1% as compared to the same period of last year, which was mainly attributable to the business expansion of select service hotels managed and operated by Jin Jiang Metropolo, and the increase in cost as a result of stronger advertising and promotion efforts.

Administrative Expenses

Administrative expenses for the Reporting Period was approximately RMB637,266,000 (same period in 2014: approximately RMB1,064,813,000), representing a decrease of approximately 40.2% as compared to the same period of last year. Although administrative expenses were incurred as a result of newly added select service hotel chain businesses outside China, such as GDL, during the Reporting Period, administrative expenses for the same period of last year included the Group's provision for staff resettlement costs amounting to approximately RMB690,780,000, which had been applied in redundancy payment, early retirement benefits and long-term employee benefits for the redundant employees during hotel renovations. As a result, administrative expenses decreased substantially as compared to the same period of last year.

Other Expenses and other losses

Other expenses and other losses consisted primarily of bank charges, losses from the disposal of property, plant and equipment and losses from the impairment of financial assets. For the Reporting Period, other expenses and other losses amounted to approximately RMB113,688,000 (same period in 2014: approximately RMB48,882,000), representing an increase of approximately RMB64,806,000 as compared to the same period of last year. The increase mainly reflected the combined effect of losses from the impairment of financial assets for the Reporting Period amounting to approximately RMB84,614,000, a compensatory payment of approximately RMB26,000,000 for the early termination of lease contracts in respect of the transfer of equity interest in Jin Yun Company recorded for the same period of last year, and other expenses and other losses in connection with newly added Select Service Hotel chain business outside China, such as GDL.

Finance Cost

Finance cost comprises of interest expenses in respect of the Group's bank borrowings. During the Reporting Period, finance cost was approximately RMB202,571,000 (same period in 2014: approximately RMB84,360,000), representing an increase of approximately 140.1% as compared to the same period of last year. The increase reflected primarily the combined effect of loan interest expenses arising from the acquisition of GDL and new GDL interest expenses.

Share of Results of Joint Ventures and Associates

Operating results of joint ventures and associates mainly comprised share of results of joint ventures including IHR Group, Beijing Kunlun Hotel, Jin Jiang Tomson Hotel and JHJ Transportation, and of associates including Shanghai Kentucky Fried Chicken Company Limited, Shanghai Yangtze Hotel 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 was approximately RMB93,623,000 (same period in 2014: approximately RMB88,101,000). For the Reporting Period, operating results of newly added associated companies held by GDL amounted to approximately RMB5,869,000, share of operating results of Shanghai Pudong International Airport Transport Terminal Co. Ltd. increased by RMB5,107,000 as compared to the same period of last year, and operating results of other associate companies increased by RMB7,049,000 as compared to the same period of last year, while operating results of Shanghai Kentucky Fried Chicken Company Limited for the first half of 2015 decreased by approximately RMB12,503,000 compared to the same period last year as it continued to be affected by the food safety incidents occurring in the second half of 2014.

Taxation

The effective tax rate for the Reporting Period was approximately 26.6% (same period in 2014: approximately 30.2%). The decrease in effective tax rate was mainly due to the issue of a series of detailed employee arrangement plans during the same period of last year by the Company, provision for employee arrangement expenses and the certain recognition of the corresponding deferred tax assets according to expected profits in the future.

Net Profit

As a result of the factors described above, net profit for the Reporting Period attributable to shareholders of the Company was approximately RMB629,002,000 (same period in 2014: approximately RMB421,511,000), representing an increase of approximately RMB207,491,000 or approximately 49.2%.

Borrowings and Pledge of Assets

As at 30 June 2015, the borrowings included:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Borrowings included in non-current liabilities:		
Bank borrowings — secured	**10,461,433**	1,596,814
Bank borrowings — unsecured	**552,279**	1,320,952
Finance lease liabilities	**157,755**	24,713
	11,171,467	2,942,479
Less: current portion of long-term secured bank borrowings	**(6,498)**	(67,064)
current portion of long-term unsecured bank borrowings	**(242,099)**	(1,010,502)
current portion of long-term finance lease liabilities	**(11,200)**	(3,044)
	10,911,670	1,861,869
Borrowings included in current liabilities:		
Bank borrowings — secured	**33,668**	32,806
Bank borrowings — unsecured	**3,797,998**	507,343
Borrowings from related parties	**1,100,000**	100,000
Current portion of long-term secured bank borrowings	**6,498**	67,064
Current portion of long-term unsecured bank borrowings	**242,099**	1,010,502
Current portion of long-term finance lease liabilities	**11,200**	3,044
	5,191,463	1,720,759

As at 30 June 2015, the secured bank borrowings included:

(a) bank borrowings of US$250,000,000, equivalent to RMB1,528,400,000 (31 December 2014: US$250,000,000, equivalent to RMB1,529,750,000), which were pledged by bank deposits amounted to US$5,000,000, equivalent to RMB30,568,000;

(b) bank borrowings of EUR1,289,126,000, equivalent to RMB8,856,166,000 (31 December 2014: nil), which were pledged by the bank deposits of RMB4,723,560,000 and the ownership of a subsidiary, and guaranteed by Jin Jiang International;

(c) bank borrowings of PLN46,893,000, equivalent to RMB76,867,000 (31 December 2014: nil), pledged by the property, plant and equipment of certain subsidiaries of GDL located in Poland;

(d) bank borrowings of RMB23,668,000 (31 December 2014: RMB32,806,000), which were guaranteed by a non-controlling shareholder of a subsidiary of the Group;

(e) bank borrowings of RMB10,000,000 (31 December 2014: nil), which were secured by the bank deposits amounted to RMB5,000,000 from a subsidiary of the Group and RMB5,000,000 from a non-controlling shareholder of the subsidiary respectively.

As at 31 December 2014, other secured bank borrowings also included:

(f) bank borrowings of US$10,960,000, equivalent to RMB67,064,000, which were guaranteed by Jin Jiang International.

Finance lease liabilities with carrying amount of RMB157,755,000 (31 December 2014: RMB24,713,000) are effectively secured as the rights to the leased assets with carrying amount of RMB389,384,000 (31 December 2014: RMB21,789,000) revert to the lessor in the event of default.

Gearing Ratio

The Group's gearing ratio, calculated as total borrowings divided by total assets, rose from 14.8% as at 31 December 2014 to 38.5% as at 30 June 2015. The rise in gearing ratio was mainly attributable to new loans incurred in connection with the Group's acquisition of LHG.

Treasury Management and Interest Rate Risk Management

Cash and cash equivalents as at 30 June 2015 and 31 December 2014 amounted to approximately RMB6,117,701,000 and RMB5,876,801,000, respectively, providing generally sufficient cash flow.

Jin Jiang International Finance, a subsidiary of the Company, acts as a non-bank financial institution within the Group that centralises available cash resources of the Group's subsidiaries, joint ventures and associates. Funding and financing requirements of Group members were fulfilled through entrusted loans and self-operated loans, resulting in lower financing costs and greater efficiency in fund application. In addition, Jin Jiang International Finance also leverages its expertise to provide consultation services in relation to external financing of the Group's subsidiaries, with a view to optimising external financing plans and their costs.

During the Reporting Period, the Group was not subject to the risk of significant exchange rate volatility. The Company will continue to monitor the foreign exchange and interest rate markets and actively consider the application of relevant financial instruments to manage risks associated with foreign exchange rates and interest rates.

Available-for-sale Financial Assets

Available-for-sale financial assets held by the Group included 119,000,000 shares in Changjiang Securities Company Limited (000783.SZ), 42,973,976 shares in Bank of Communications Co., Ltd. (601328.SH), 13,068,422 shares in Yu Yuan Trade Mart (600655.SH) and 30,514,523 shares in Pudong Development Bank Co., Ltd (600000.SH).

HUMAN RESOURCES

For the six months ended 30 June 2015, the Group has not set up any share option scheme.

For the Reporting Period, the Group implemented structural adjustment of human resources for optimising position establishment and staff allocation, further enhancing its commercialisation.

CORPORATE STRATEGIES AND OUTLOOK FOR FUTURE DEVELOPMENT

The uncertainties in the global economic recovery, slowdown in domestic macro-economic growth, structural oversupply in the hotel industry and the rapid development of information technology relating to the Mobile Internet will continue to affect the development of the Group's principal business. Nevertheless, with the implementation of policies represented by the documents entitled "Certain Opinions on Promoting the Reform and Development of the Tourism Industry" and "Several Opinions on Further Promoting Tourism Investment and Spending" issued by the State Council, as well as the stimulating effect of the opening of Shanghai Disneyland, broad prospects for future development still hold out for China's hotel and tourism industry, which will embrace opportunities as well as challenges. With full confidence in its future development, the Group will actively address any challenges and seize any opportunities that might arise.

The Group will step up with the development of its core business and drive internationalisation. The synergies of our international acquisitions will be brought into full play with the proper handover of the operations of acquired companies. We will seek to improve our management standard and core competitiveness by learning from the expertise and experience of our foreign partners and leveraging the strategy of setting up international businesses while introducing foreign experiences to the domestic operations. We will also further advance our domestic as well as international deployment and strengthen our ability in multinational operations to facilitate transformation from a regional to an international hotel group.

The Group will seize the opportunity presented by the reform of state-owned assets to enhance its development towards a market-oriented corporation. We will advance reforms of our mechanisms and regimes and investigate the innovation and transformation of business and service models compatible with the age of Internet economy, while optimising our market-based remuneration regime and restraint and incentive mechanism. We will leverage our strengths in specialisation to integrate the industry chains of hotel, passenger transport logistics and tourism, in a bid to foster a modern tourism service industry chain centered on hotel operations. We will continue to improve the asset liquidity and adjust our property portfolio to further increase our overall asset return and enterprise value. The construction of functional centres and system platforms will be optimised with the aim of improving quality and enhancing efficiency. Measures in cost reduction and income enhancement will be strengthened and improved, as our marketing network will be expanded through multiple channels, while personnel deployment, staff costs and staff development plans will also be optimised in an effort to expedite the building of a modern human resource management regime compatible with our international business development.

The Group will focus on international business deployment, multinational operations and its vision to build "Jin Jiang Hotel" into a world-class brand name. By strengthening our core competitive strengths in branding, network, human resources and management systems, we will strive to develop into a leader in the PRC hotel and tourism industry with international competitiveness.

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 purchased, redeemed or sold any of its listed securities.

AUDIT COMMITTEE

The Company has established the Audit Committee, the principal duty of which is to review the financial control, internal control and risk management system of the Company. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yang Menghua (chairman), Mr. Sun Dajian and Mr. Ji Gang.

The Audit Committee held meetings on 25 March 2015 and 25 August 2015 respectively. The consolidated financial statements for the year ended 31 December 2014 and the unaudited condensed consolidated interim financial statements as at 30 June 2015 of the Group were respectively reviewed at such meetings. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group as at 30 June 2015 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 ("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, its 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.jinjianghotels.com.cn) in due course.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"ADR"	room revenue divided by rooms in use
"Audit Committee"	the audit 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 International Hotels (Group) Company Limited
"Director(s)"	the director(s) of the Company

"Full Service Hotels"	hotels which are based on comprehensive hotel functions and facilities, and provide all rounded quality services for guests
"Galaxy Hotel"	Shanghai Galaxy Hotel Co., Ltd.
"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
"IHR"	Interstate Hotels & Resorts, Inc.
"IHR Group"	Interstate Hotels & Resorts, Inc. and its subsidiaries
"JHJ Transportation"	JHJ International Transportation Co., Ltd.
"Jin Jiang Automobile"	Shanghai Jin Jiang Automobile Service Co., Ltd.
"Jin Jiang Hotels Development"	Shanghai Jin Jiang International Hotels Development Company Limited
"Jin Jiang Inn"	Jin Jiang Inn Company Limited
"Jin Jiang International"	Jin Jiang International Holdings Company Limited
"Jin Jiang International Finance"	Jin Jiang International Finance Company Limited
"Jin Jiang Investment"	Shanghai Jin Jiang International Industrial Investment Company Limited
"Jin Jiang Metropolo"	Shanghai Jin Jiang Metropolo Hotel Management Company Limited
"Jin Jiang Travel"	Shanghai Jin Jiang International Travel Co., Ltd.
"Jin Yun Company"	Shanghai Jin Yun Assets Management Co., Ltd.
"LHG"	Louvre Hotels Group, a société par actions simplifiée incorporated under the laws of France
"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
"Permanent House Use"	guest rooms which have been removed from the rentable inventory for a period longer than six months
"Reporting Period"	the period from 1 January 2015 to 30 June 2015
"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
"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
"Star-Rating Standard Manual"	the star-rating standard for tourist hotels published by the National Tourism Administration of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"Total Number of Rooms"	number of available rooms per hotel
"US$"	United States Dollars, the lawful currency of the United States

By the order of the Board
Shanghai Jin Jiang International Hotels (Group) Company Limited
Kang Ming
Executive Director and Joint Company Secretary

Shanghai, the PRC, 28 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Yu Minliang, Ms. Guo Lijuan, Ms. Chen Wenjun, Mr. Shao Xiaoming, Mr. Han Min and Mr. Kang Ming, and the independent non-executive directors of the Company are Mr. Ji Gang, Dr. Rui Mingjie, Mr. Yang Menghua, Mr. Sun Dajian, Dr. Tu Qiyu and Mr. Shen Chengxiang.

* *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 International Hotels (Group) Company Limited**".*