



金茂酒店及金茂(中國)酒店投資管理有限公司
JINMAO HOTEL & JINMAO (CHINA) HOTEL
INVESTMENTS AND MANAGEMENT LIMITED

根據香港法律按日期為 2014 年 6 月 13 日的信託契約組成，
其受託人為金茂（中國）投資管理人有限公司
於開曼群島註冊的有限公司

股份代號：06139

Jinmao Hotel 2019 Annual Results Presentation

24 March 2020



1. Financial Highlights

Profit and Loss

Unit: RMB MN

	2019	2018	Change	Change %
REVENUE	2,474	2,565	(91)	-4%
Cost of Sales	(1,056)	(1,090)	34	-3%
Gross Profit	1,417	1,475	(58)	-4%
Fair value gains on investment properties	102	64	38	60%
Other income and gains	49	35	14	39%
Selling and marketing expenses	(133)	(141)	8	-6%
Administrative expenses	(655)	(688)	33	-5%
Impairment losses on financial and contract asset	2	(4)	6	-54%
Other expenses and losses, net	(6)	(2)	(4)	176%
Net gain on hedge of net investment	0	(3)	3	-100%
Finance costs	(329)	(315)	(14)	5%
Share of profits of joint ventures	1	2	(2)	-66%
Share of profits of an associate	(12)	0	(12)	N/A
PROFIT BEFORE TAX	436	424	12	3%
Income tax expense	(190)	(174)	(16)	9%
PROFIT FOR THE PERIOD	246	250	(4)	-2%

Key Indicators of Profit & Loss

Unit: RMB MN

Item	2019	2018	Change	Change %
Revenue	2,474	2,565	-91	-4%
Net profit	246	250	-4	-2%
Earning Per Share Stapled Unit (Cent)	12.32	12.52	0	-2%
Fair Value Gains on Investment Properties	102	64	38	60%
Profit Excluding Fair Value Gains on Investment Properties	170	203	-33	-16%
EBITDA	992	1,005	-13	-1%
EBITDA MARGIN	40%	39%	1%	2%

Item	1H 2019	1H Change %	2H 2019	2H Change %
Revenue	1,219	-7%	1,255	0%
EBITDA	498	-10%	495	10%

Notes: EBITDA additionally includes the adjustment to the one-off pre-opening expenses and exchange gain or loss to better allow investors to assess our operating performance. In this report, the EBITDA figures for 2018 have been restated to align with the comparable equivalents in 2019.

Balance Sheet

Unit: RMB MN

Item	2019/12/31	2018/12/31	Change %	2017/12/31	Change %
Total Asset	18,012	18,031	0%	18,328	-2%
Equity	5,460	5,830	-6%	6,478	-16%
Loan	12,551	12,202	3%	11,850	6%
Interest-bearing Loan	7,242	7,401	-2%	7,289	-1%
Market Value	26,532	26,218	1%	25,436	4%
Interest-bearing Loan/Market Value	27.3%	28.2%	-3%	28.7%	-5%

Interest-bearing Loan Structure

Unit: RMB MN

Item	2019/12/31	2018/12/31	Change%	2017/12/31	Change%
Interest-bearing Loan	7,242	7,401	-2%	7,289	-1%
Of which: Short-term borrowing	5,011	5,690	-12%	5,250	-5%
Long-term borrowing	2,231	1,711	30%	2,038	9%
Of which: RMB borrowing	1,850	2,250	-18%	2,570	-28%
HKD borrowing	2,862	3,344	-14%	3,087	-7%
USD borrowing	2,401	1,807	33%	1,631	47%
JPY borrowing	128	-	N/A	-	N/A
Long-term interest rate	3.6%	3.4%	0.2%	2.8%	0.8%
Short-term interest rate	3.8%	3.9%	-0.1%	3.9%	-0.1%

Item	2019	2018	Change%	1H 2017	Change%
Financial Interest (Period)	329	315	5%	281	17%

Term Breakdown	2019/12/31		2018/12/31		2017/12/31	
	Amount	%	Amount	%	Amount	%
Within one year	5,011	69%	5,690	77%	5,250	72%
In the second year	0	0%	1,711	23%	2,038	28%
In the third to fifth years	2,231	31%	0	0%	0	0%
Over five years	0	0%	0	0%	0	0%

Overall Profit Analysis

Unit: RMB MN

Revenue	2019	2018	Change	Change %
Total	2,474	2,565	-91	-4%
Hotel operation	1,767	1,864	-97	-5%
Leasing	481	499	-18	-4%
Others	226	202	24	12%

EBITDA	2019	2018	Change	Change %
Total trust EBITDA	992	1,005	-13	-1%
Hotel operation	558	557	1	0%
Leasing	471	459	12	3%
Others	43	37	6	17%

2. Distribution



Distribution

Unit: RMB MN

	2019	2H 2019	1H 2019	2018
EBITDA	992	495	498	1,005
Net finance cost	-310	-158	-151	-304
Taxes paid	-110	-36	-74	-147
FFE reserve capitalized	-16	-10	-6	-20
Others	8	-14	21	31
Total distributable income	564	276	287	565
Total distributable income (HKD)	641	309	332	669
Distribution per share stapled units (HKD cents)	32.03	15.43	16.60	33.43
Yield on closing price of 31 Dec,2019 (HKD 4.00 per share)	8.0%			
Yield on closing price of 23 March,2020 (HKD 2.28 per share)	14.0%			

RMB HKD Currency:

2019: 1.1367

2018: 1.1826

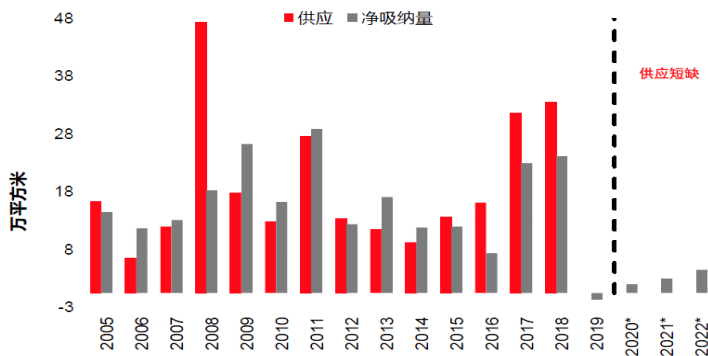
✚ In 2H 2019, the EBITDA was RMB495 million, increased by 9.6% YOY. After deducting other cash flow related cost, the distributable income was HKD498 million. The Company suggests to distribute all the distributable income of 2H 2019(HKD309 million).

3. Operational Review

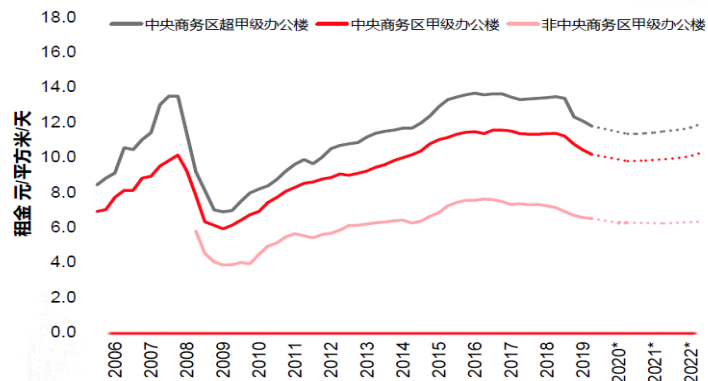
Office Market

- In 2019, the net absorption of Shanghai Grade A office reached 420,000 sq.m., although compared with 2018, there is a little decrease. And by the end of the year, the overall vacancy rate was 18.8%. Among them, there was no new supply in Pudong Central Business District in 2019, but rental demand has slowed down, with a vacancy rate of 12% by the end of the year. Economic uncertainty in 2019 keeps enterprises maintain a cautious attitude towards leasing, cost control is still the main tone of the market, tenants were more conservative on leasing decision-making, and the proportion of lease renewals in leasing activities was increased. New technology media has become a major source of demand in the Grade A office market.

Demand and Supply of Pudong



Rental Forecast of Pudong



Financial liberalization drives new office demand

Asset Management and Investment Bank

- Allow foreign financial institutions to majority control their joint ventures or set up wholly-owned subsidiaries
- Fully liberalize securities, fund management and futures businesses to foreign financial institutions in 2020

Foreign Insurance Company

- Allow foreign insurance to set up wholly-owned subsidiaries in China
- Cancel the requirement for the establishment of foreign-invested insurance companies in China

Foreign Banks

- Allow foreign banks to set up both branches and wholly foreign-owned banks, or branches and joint Chinese-foreign banks

Bond and Stock Market

- Allow foreign rating agencies to rate Chinese bonds and cancel QFII quotas to accelerate foreign capital inflows into the A-share market

Shanghai Jin Mao Tower

Overview

RMB

	2019	2018	Change	Change %
Revenue (MN)	416	436	-20	-5%
EBITDA(MN)	416	407	9	2%
EBITDA%	100%	94%	7%	7%
Occupancy rate (12/31)	92.7%	91.4%	1%	1%
Average rental (RMB/day/sq.m.)	10.56	11.18	-0.61	-5%
New contracted rental (RMB/day/sq.m.)	10.39	11.28	-0.88	-8%
Renewed contracted rental (RMB/day/sq.m.)	11.43	12.29	-0.86	-7%

Key Information of the Tower

Unit: sq.m.

	2020/12/31	2021/12/31	After 2022
Lease expiry	25,545	20,953	58,433
Of total*	22%	18%	51%
Flagship tenants	Baker & Mckenzie, SG Societe Generale, Aon-COFCO Insurance, Itochu Corporation, JT&N, etc		
Connected tenants	Jinmao Commercial Properties (Shanghai) Company Limited		

* The ratio of lease expiry area to total leasable area

Commercial Leasing

Overview

RMB

Shanghai J-LLFE	2019	2018	Change	Change %
Revenue (MN)	57	56	1	1%
EBITDA (MN)	47	45	2	5%
EBITDA%	83%	81%	3%	4%
Occupancy rate (12/31)	99.3%	100.0%	-0.7%	-1%
Average rental (RMB/day/sq.m.)	14.30	14.18	0.11	1%

Renaissance Beijing Commercial Leasing	2019	2018	Change	Change %
Revenue (MN)	7.72	7.06	0.7	9%
EBITDA (MN)	6.79	6.21	0.6	9%
EBITDA%	88%	88%	0%	0%

Shanghai J-LIFE

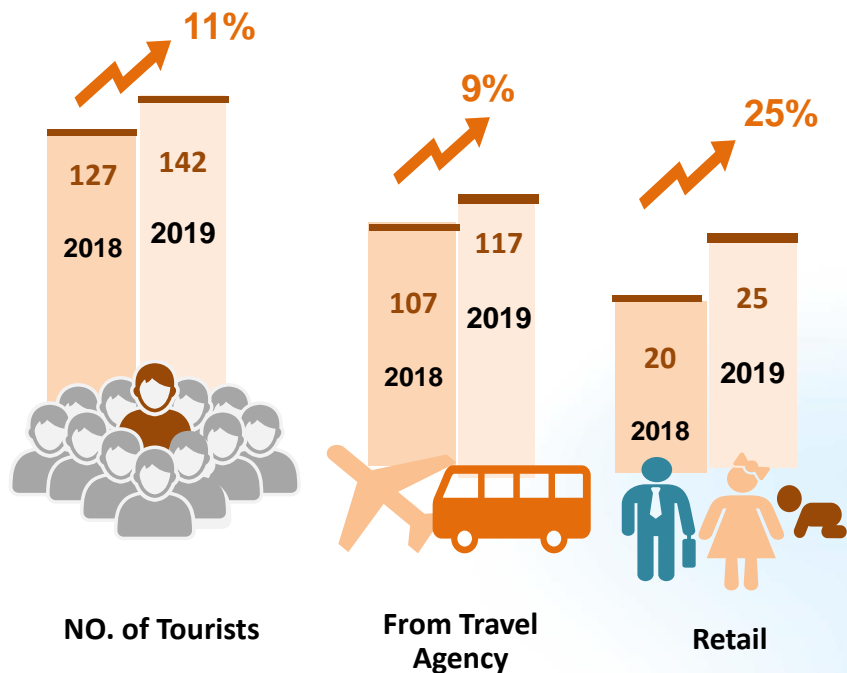
Pursued high performance target, developed innovative channels, broadened ways to increase income, and imported high-flow tenants "HEYTEA". In 2019, the rental collection rate of projects always maintained 100%, while those projects reasonably controlled expenses, and the EBITDA increased by 5% YOY.



88F Observation Deck of Jin Mao Tower

Overview

RMB	2019	2018	Change	Change %
Revenue (MN)	74.25	63.49	11	17%
EBITDA (MN)	44.05	31.50	13	40%
EBITDA%	59.3%	49.6%	0	20%
No. of tourists ('0000 people)	142	127	14	11%
Average ticket price (RMB/person)	53.16	43.98	9.18	21%



Unit: 10k visitors

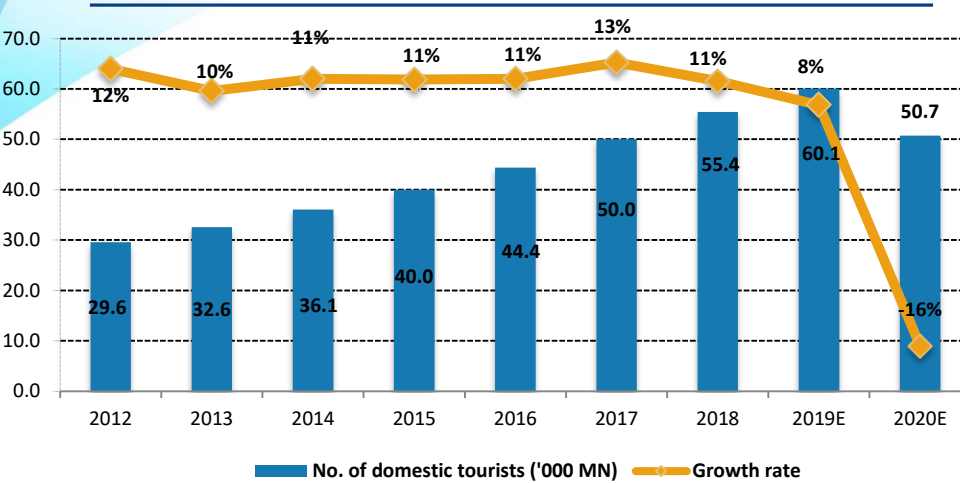


Performance of sightseeing hall in 2019

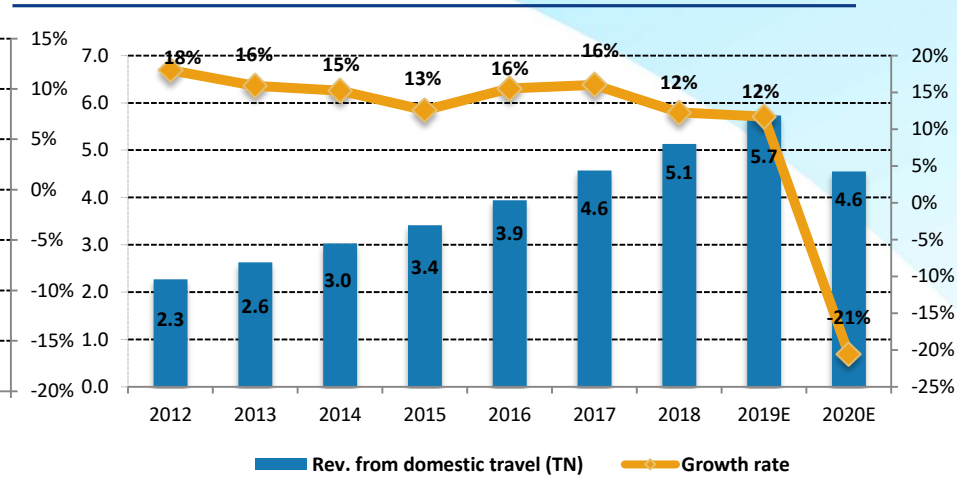
- Revenue and the number of tourists **hit historical high in 20 years** (except for the World Expo Year), recorded growth in No. of tourists from both retail and travel agency. Innovative programme “Skywalk in Jinmao Tower” promoted the cooperation between different brands and the programme could be on the reality shows made by various satellite TV bringing publicity value of over 5.5 billion at zero cost.

China Tourism Market

Number of domestic tourists

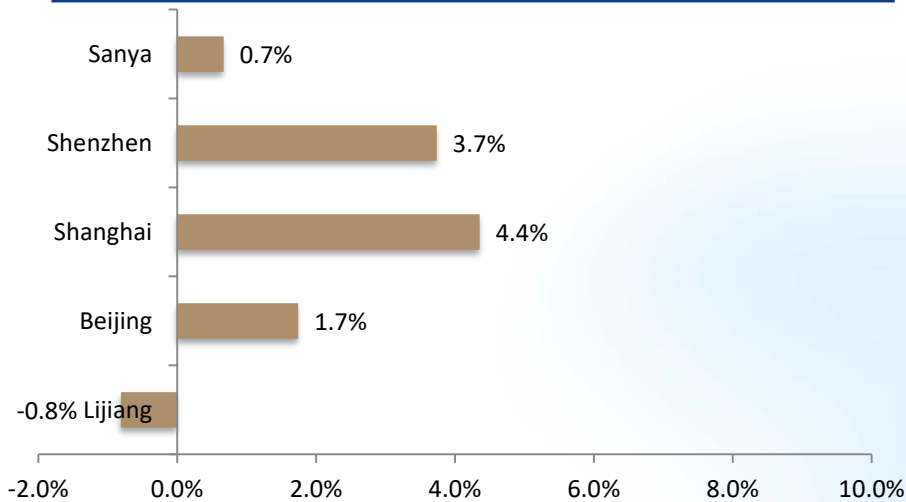


Revenue from domestic travel

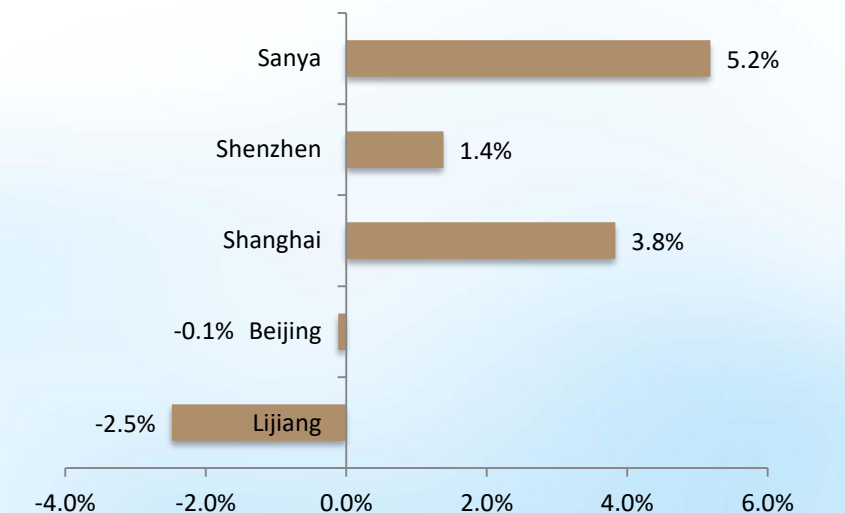


Source: China Tourism Academy

Hotel supply in key cities (2019 vs. 2018)



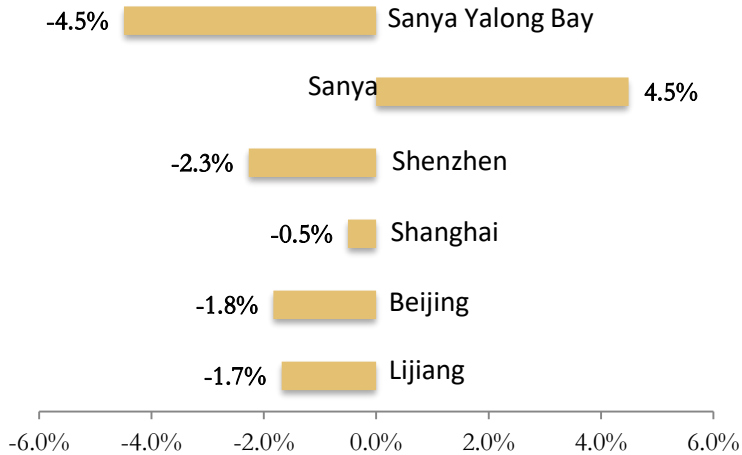
Hotel demand in key cities (2019 vs. 2018)



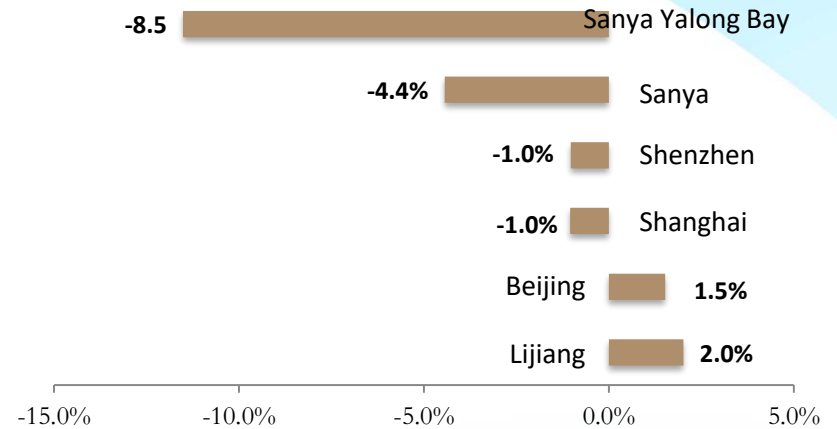
Source: STR GLOBAL

High-end Hotel Performance in Key Cities

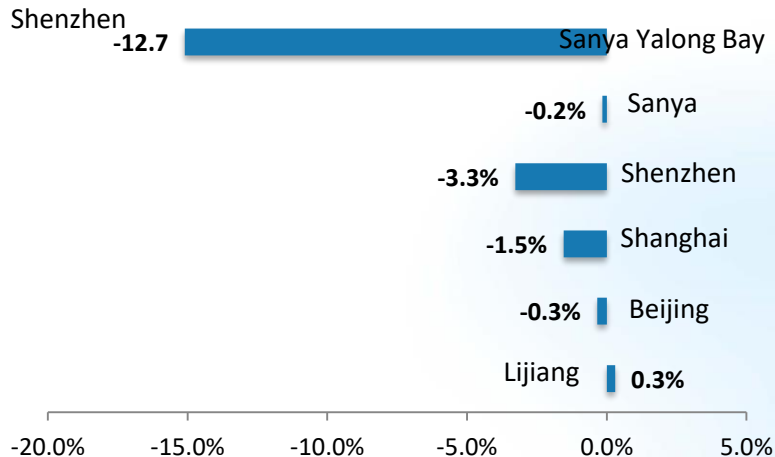
Occupancy rate change in key cities %



Avg. room rate change in key cities %



RevPAR change in key cities %



Hotel Market in Key Cities

- Business Hotels**

Due to the growing economic downward pressure, demand for conference and business activities in tier-1 cities fell significantly. MICE market was pressured and the amount of individual business customers has dropped. However, the situation has been eased in Shanghai and Shenzhen for the second half year.

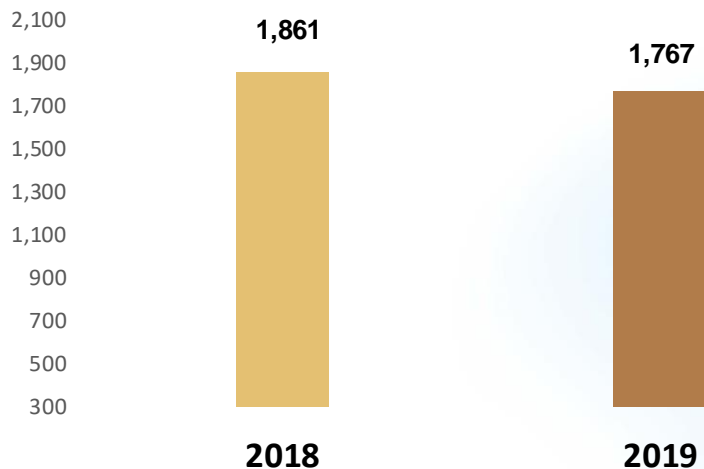
- Resort Hotels**

Large supply in Sanya, mainly from Haitang Bay hotels, escalated competition, and decentralized tourist source in Yalong Bay, with a significant drop in average room rate in Yalong Bay hotels. Room rate of Lijiang hotels rebounded but demands remained scant demand. However, the situation saw improvement in the second half year.

Hotel Operation Overview

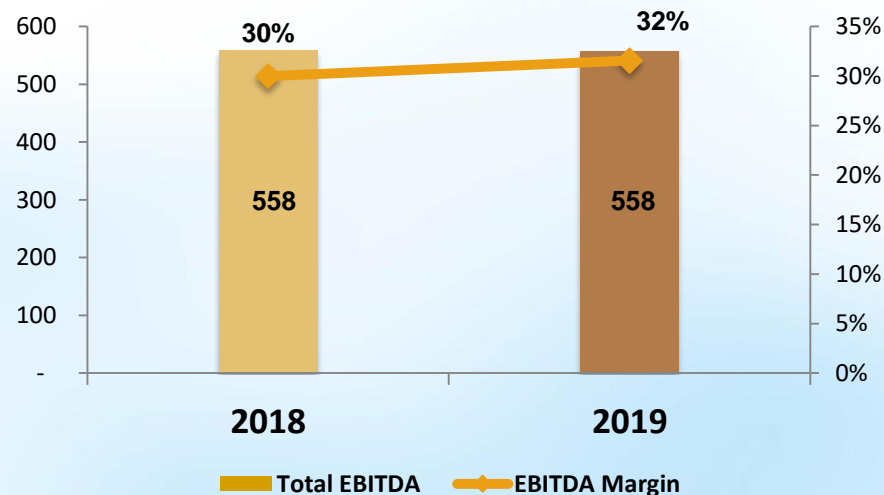
Hotels	Revenue (MN)		EBITDA (MN)		OCC		ADR		REVPAR	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Grand Hyatt Shanghai	465	475	143	141	89.1%	89.4%	1,391	1,411	1,240	1,261
Hyatt Regency Chongming	56	67	3	3	48.2%	54.2%	704	724	339	393
Westin Beijing	281	308	118	109	85.0%	82.4%	1,123	1,218	954	1,004
Renaissance Beijing	168	157	44	38	87.6%	88.6%	1,081	968	947	857
Ritz-carlton SanyaYalong Bay	291	321	95	104	68.4%	62.4%	1,748	2,146	1,196	1,340
Hilton Sanya Yalong Bay	210	242	70	86	86.1%	89.6%	982	1,108	845	993
JW Marriott Shenzhen	209	213	80	75	87.9%	84.7%	1,050	1,096	923	929
Lijiang Jinmao	88	78	3	2	55.8%	48.4%	712	723	398	350

Revenue from hotel



Total EBITDA of hotel

Unit: RMB MN



Grand Hyatt Shanghai

Overview

RMB

Grand Hyatt Shanghai	2019	2018	(19-18)%
Occupancy rate	89.1%	89.4%	0%
Average daily rate (RMB)	1,391	1,411	-1%
RevPAR (RMB)	1,240	1,261	-2%
Total revenue (MN)	465	475	-2%
Room (MN)	248	252	-2%
F&B (MN)	211	217	-3%
EBITDA (MN)	143	141	2%
EBITDA%	30.9%	29.7%	4%



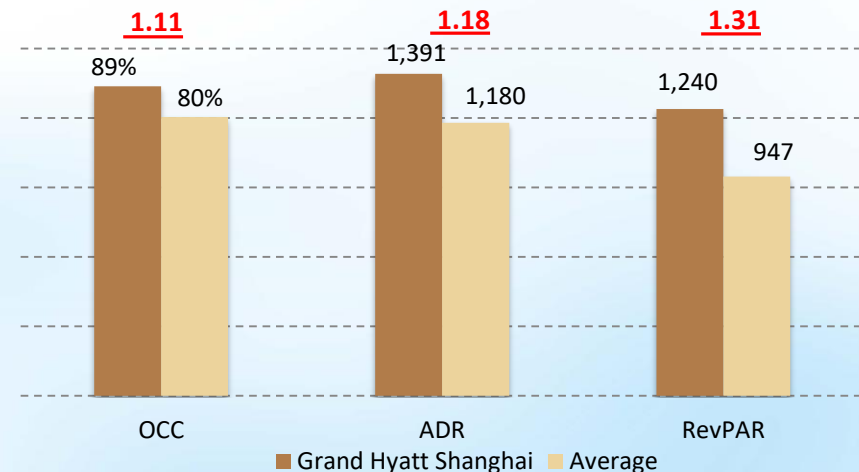
The competitors set includes: Grand Hyatt Shanghai, Shangri-La Pudong Hotel, Luxury Collection The Hongta Hotel Shanghai, Westin Bund Center Shanghai, Grand Kempinski Hotel Shanghai

Hotel Description

- Located on the 53rd to 87th floors of Jin Mao Tower, Grand Hyatt Shanghai embraces the scenic view of Shanghai Bund and the beautiful skyline of the city. It offers guests memorable experience with newly upgraded luxurious rooms and supporting services;
- During the Period, Grand Hyatt Shanghai proactively adjusted its marketing strategy, stabilized its occupancy rate and maintained its market share as No.1 in the competitors set. Regarding the F&B sector, the hotel rapidly renovated and re-positioned the restaurants on the 54th and 56th floor. Customers were enthusiastic with the new restaurants re-opening, bringing a YOY increase in single consumption.

	2019	2018	Market Rank
RGI	1.31	1.29	No.1

Competitors Set



Hyatt Regency Chongming

Overview

RMB

Hyatt Regency Chongming	2019	2018	(19-18)%
Occupancy rate	48.2%	54.2%	-11%
Average daily rate (RMB)	704	724	-3%
RevPAR (RMB)	339	393	-14%
Total Revenue (MN)	56	67	-17%
Room (MN)	28	34	-15%
F&B (MN)	27	33	-18%
EBITDA (MN)	3.5	2.9	18%
EBITDA%	6.2%	4.4%	41%



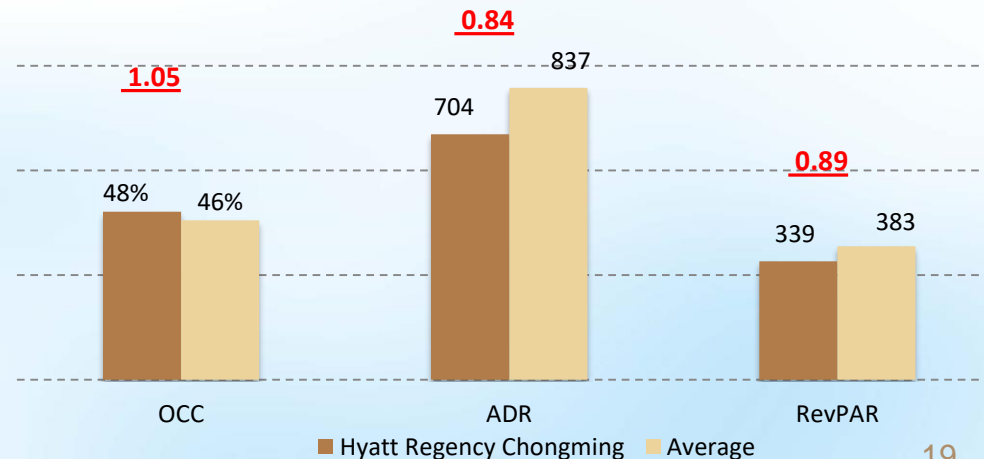
The competitors set includes: Hyatt Regency Chongming, The Yuluxe Sheshan Shanghai A Tribute Portfolio Hotel, Sofitel Shanghai Sheshan Oriental, Fairmont Yangcheng Lake Kunshan, Crowne Plaza Shanghai Harbour City

Hotel Description

- Hyatt Regency Chongming is located in the east of Chongming island, the third largest island in the PRC. It would take less than 60 minutes to get to Lujiazui financial district from the Hotel by driving through the Yangtze River Tunnel and Bridge. The Hotel is situated next to Dongtan Wetland Park, the only wetland park in China and a protected area for migrating birds. Being the first five-star resorts in Chongming Island, the hotel commenced operation on 29 March 2014.
- During the Period, even though the tourism wave in Chongming island was faded as the market was short of tourism attraction, the hotel took more active steps for innovation to introduce external resources and provide venue for a national equestrian competition based on its feature as a "Pet Hotel". At the same time, the hotel constantly reduce costs to increase profit margins

	2019	2018	Market Rank
RGI	0.89	0.90	No.4

Competitors Set



The Westin Beijing Chaoyang

Overview

RMB

Westin Beijing	2019	2018	(19-18)%
Occupancy rate	85.0%	82.4%	3%
Average daily rate (RMB)	1,123	1,218	-8%
RevPAR (RMB)	954	1,004	-5%
Total revenue (MN)	281	308	-9%
Room (MN)	192	202	-5%
F&B (MN)	70	85	-18%
EBITDA (MN)	118	109	9%
EBITDA%	42.1%	35.2%	19%



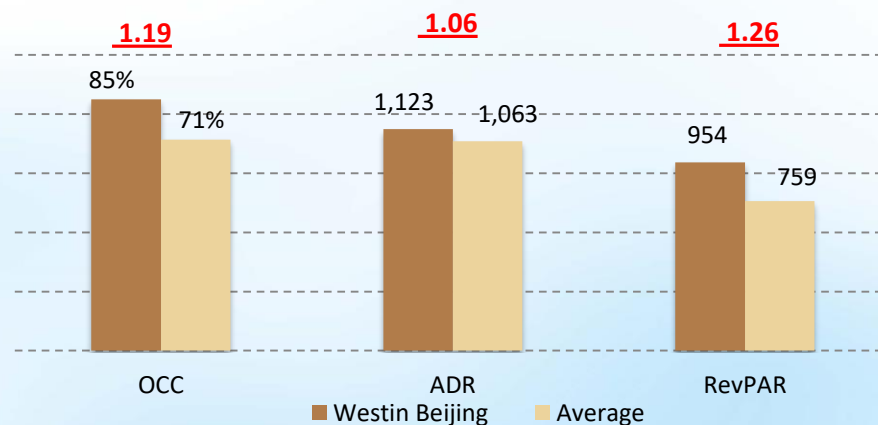
The competitors set includes: Westin Beijing Chaoyang, Hilton Beijing Hotel, Shangri-La China World Hotel, Kempinski Beijing Lufthansa Center; ; Grand Hyatt Beijing; Wanda Vista Beijing

Hotel Description

- The Westin Beijing Chaoyang is a 34-storey luxury hotel located near Beijing CBD Sanlitun, the center of embassies, company headquarters and retail stores.
- During the Period, the demand for hotel in Beijing market has declined and the overall RevPAR has decreased. The Westin Beijing Chaoyang proactively responded to the price competition with the neighboring hotels in the same district, expanded the channels of direct sales and increased the production, thus ensured the growth of occupancy rate.

	2019	2018	Market Rank
RGI	1.26	1.49	No.2

Competitors Set



Renaissance Beijing Wangfujing Hotel

Overview

RMB

Renaissance Beijing	2019	2018	(19-18)%
Occupancy rate	87.6%	88.6%	-1%
Average daily rate (RMB)	1,081	968	12%
RevPAR (RMB)	947	857	10%
Total Revenue (MN)	168	157	7%
Room (MN)	110	100	10%
F&B (MN)	53	53	0%
EBITDA (MN)	44	38	14%
EBITDA%	26.0%	24.3%	7%

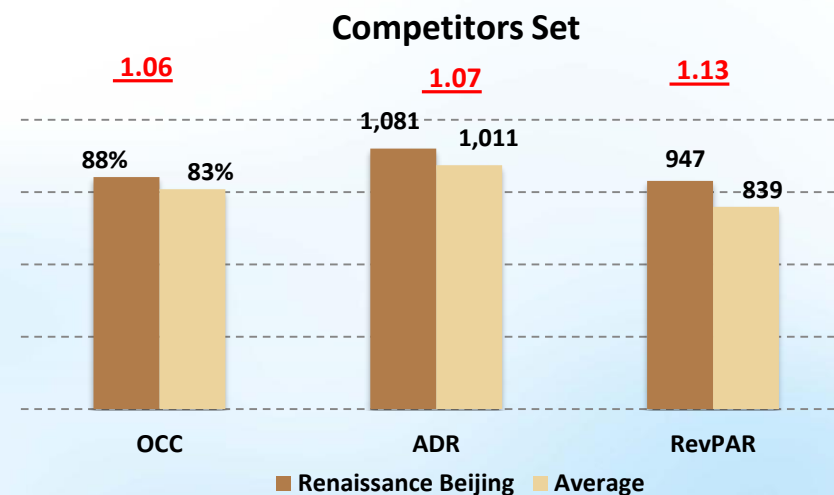


The competitor set includes: Renaissance Beijing Wangfujing Hotel, Crowne Plaza Beijing Wangfujing, Regent Beijing, Hilton Beijing Wangfujing, New World Beijing Hotel

Hotel Description

- The hotel has 329 rooms and commenced operations in August, 2014. Located on the northern section of Wangfujing Avenue in Beijing's major business and shopping district, the hotel enjoys superior geographical location and is within a short distance to the Forbidden City and Tian'anmen Square.
- During the Period, Renaissance Beijing Wangfujing Hotel proactively sought the room for premium price even though the hotel's occupancy rate has already reached a high level, expanded the channels to increase the price of the room, attracted quality customers and increased the sales of high-end housing types. The hotel's average daily rate was increased by 10% and the market ranking of the hotel in the competitors set has increased.

	2019	2018	Market Rank
RGI	1.13	1.02	No.2



The Ritz-Carlton Sanya, Yalong Bay

Overview

RMB

Ritz-Carlton Sanya Yalong Bay	2019	2018	(19-18)%
Occupancy rate	68.4%	62.4%	10%
Average daily rate (RMB)	1,748	2,146	-19%
RevPAR (RMB)	1,196	1,340	-11%
Total Revenue (MN)	291	321	-9%
Room (MN)	198	221	-11%
F&B (MN)	77	84	-8%
EBITDA (MN)	95	104	-9%
EBITDA%	32.6%	32.4%	1%



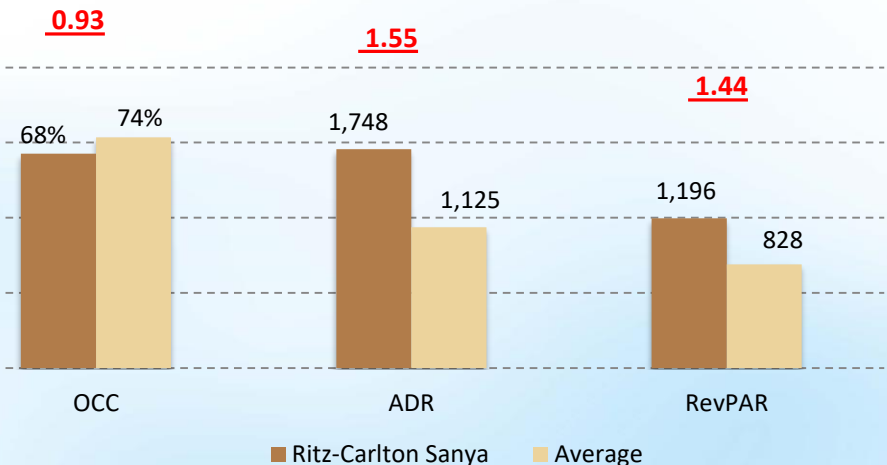
The competitor set includes: Ritz-Carlton Sanya, Sheraton Hotel Sanya Resort, Yalong Bay Mangrove Tree Resort, Mandarin Oriental Hotel Sanya, St Regis Sanya Yalong Bay Resort, MGM Grand Sanya

Hotel Description

- Situated at the enchanting Yalong Bay in Sanya, The Ritz-Carlton Sanya, Yalong Bay boasts the majestic views of South China Sea, miles-long beaches and pristine natural beauty. The hotel has 455 rooms including 20 deluxe suites and 37 private villas.
- During the Period, the competition between bays in Sanya remained fierce and customers became more sensitive to the price, resulting in the constant downturn in the average daily rate. The hotel will keep an close eye on the market and maintain its leading position in the Yalong Bay's market with flexible sales strategy and excellent service quality.

	2019	2018	Market Rank
RGI	1.44	1.40	No.1

Competitors Set



Hilton Sanya Yalong Bay Resort & Spa

Overview

RMB

Hilton Sanya Yalong Bay	2019	2018	(19-18)%
Occupancy rate	86.1%	89.6%	-4%
Average daily rate (RMB)	982	1,108	-11%
RevPAR (RMB)	845	993	-15%
Total Revenue (MN)	210	242	-13%
Room (MN)	152	178	-15%
F&B (MN)	54	58	-7%
EBITDA (MN)	70	86	-18%
EBITDA%	33.5%	35.5%	-6%



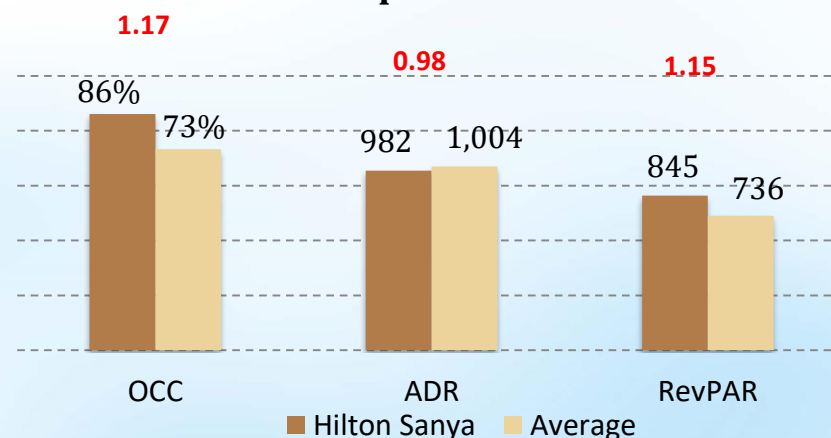
The competitors set includes: Hilton Sanya Resort & Spa, Sheraton Hotel Sanya Resort, Marriott Sanya Resort & Spa, Yalong Bay Mangrove Tree Resort, MGM Grand Sanya

Hotel Description

- Situated on the enchanting Yalong Bay in Sanya, Hainan Province, the hotel has incorporated its value in delivering an “exclusive holiday experience” through its unique architecture style and bespoke services and demonstrated a strong element from the southern part of China.
- During the Period, Hilton Sanya Yalong Bay Resort & Spa proactively respond to the fierce competition between bays in Sanya. By adjusting its marketing strategies and leveraging on a parental-themed selling point which were popular between customers, the hotel’s market share has been increased. Regarding the F&B sector, the hotel will launch the first parental-themed restaurant in the Yalong Bay area conforming with its position of parental-themed hotel.

	2019	2018	Market Rank
RGI	1.15	1.11	No.2

Competitors Set



JW Marriott Hotel Shenzhen

Overview

RMB

JW Marriott Shenzhen	2019	2018	(19-18)%
Occupancy rate	87.9%	84.7%	4%
Average daily rate (RMB)	1,050	1,096	-4%
RevPAR (RMB)	923	929	-1%
Total Revenue (MN)	209	213	-2%
Room (MN)	135	136	-1%
F&B (MN)	65	68	-4%
EBITDA (MN)	80	75	6%
EBITDA%	38.4%	35.5%	8%



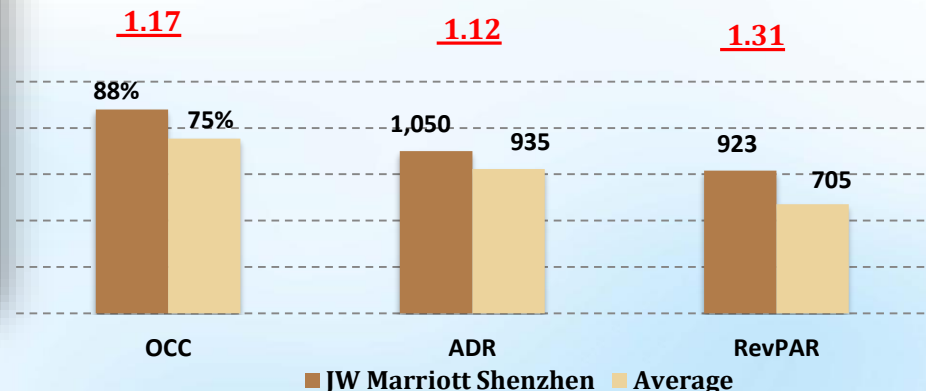
The competitors set includes: JW Marriott Shenzhen, Shangri-La Shenzhen, Kempinski Shenzhen, Marco Polo Shenzhen, Langham Shenzhen

Hotel Description

- JW Marriott Hotel Shenzhen is an international luxury hotel centrally located in Futian Business District in Shenzhen, adjacent to Shenzhen SDG Golf Club. The hotel offers luxurious and contemporary accommodation and supporting facilities;
- During the Period, business activities saw significant decrease because Shenzhen was affected by the Sino-US trade war. JW Marriot Hotel Shenzhen will proactively adjust the pricing strategy to ensure the growth in both occupancy rate and market share YOY.

	2019	2018	Market Rank
RGI	1.31	1.26	No.2

Competitor Set



Statistics Overview

RMB

Hilton Sanya Yalong Bay	2019	2018	(19-18)%
Occupancy rate	55.8%	48.4%	15%
Average daily rate (RMB)	712	723	-2%
RevPAR (RMB)	398	350	14%
Total Revenue (MN)	88	78	13%
Room (MN)	57	49	17%
F&B (MN)	27	27	2%
EBITDA (MN)	3.5	1.6	121%
EBITDA%	3.9%	2.0%	96%



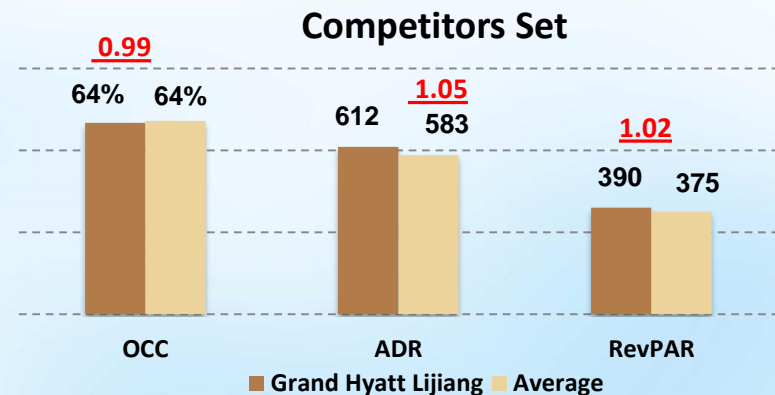
Competitors set includes: Grand Hyatt Lijiang, Narada Grand Hotel Lijiang, InterContinental Lijiang Ancient Town Resort, Hilton Garden Inn Lijiang, Pullman Lijiang Resort & Spa

Note: Statistics of Jinmao Lijiang combines those of Jinmao Hotel Lijiang - The Unbound Collection by Hyatt and Jinmao Purelax Mountain Hotel Lijiang. Performance of the competitor set only includes that of Jinmao Hotel Lijiang In the Unbound Collection by Hyatt.

Description

- Jinmao Hotel Lijiang, formerly named Jinmao Grand Hyatt Hotel Lijiang, consists of The Unbound Collection by Hyatt and Purelax Mountain Hotel. In 2018, the hotel's business model was converted from entrusted management to franchising, with urban and snow mountain parts separated. The two hotels are located between Shuhe Ancient Town and Jade Dragon Snow Mountain in Lijiang, Yunan. Their architecture ingeniously combines the element of modern fashion and the highlights of ethnic characteristics. Lying between mountains and waters, its unique design lets customers closely feel the spectacular natural scenery and cultural connotations of the ancient town.
- During the year, Jinmao Hotel Lijiang - The Unbound Collection by Hyatt proactively adjusted its sales strategies by focusing the expansion of walk-in and tours businesses in order to compensate for the insufficiency in conference market and corporate teams, boosting its market rankings and share. As for Jinmao Purelax Mountain Hotel Lijiang, by organizing various cultural and theme experience activities, attracting high-end leisure walk-in and quality corporate customers as well as maintaining its satisfying reputation for online connections, revenue per room greatly increased.

	2019	2018	Market Ranking
RGI Index	1.04	0.93	No.2



Hotels' Awards in 2019

Awards

Jinmao Hotel and
Jinmao (China)
Hotel
Investments and
Management Ltd.



  'Best Hotel Owners of China' in the '14th China Hotel Starlight Awards'
 '2019 China's Best Hotel Owner' in the '16th Golden-Pillow Award of China Hotels'.




Grand Hyatt
Shanghai



  '2019 China's Top 10 Most Popular Business Hotel' in the '16th Golden-Pillow Award of China Hotels'
 'Best Hotel in Shanghai' by Business Traveller




The Westin
Beijing
Chaoyang



  'The Best Business Travel Hotel' in 'The 2018-2019 Selected High-class Hotels Awards Gala' by Beijing Youth Weekly
 'The Business Hotels of the Year in Greater China Award' by 'China Premium Traveller'

JW Marriott
Hotel
Shenzhen



  'Best Conference Service Hotel' in the 'Hotel Awards 2019' by Metropolitan
 'Best Luxurious Hotel' by Trip.com

The Ritz-
Carlton, Sanya



  '2019 China's Top 10 Most Popular Resort Hotels' in the '16th Golden-Pillow Award of China's Hotel'
 'Popular Tourist Destination Hotel Award of Annual' by Hotels Newrank



携程旅行

Awards of
Trip.com 2019

2019年携程口碑榜
最佳奢华酒店奖

金茂深圳JW万豪酒店
JW Marriott Hotel Shenzhen



Hotels' Awards in 2019

Awards

Hilton Sanya Resort And Spa



'Most Recommended Award (Parent-child)' by CTrip
'2019 China's Best Parent-child Hotel' by ZMJudian

Hyatt Regency Chongming



'Best Leisure Destination Hotel' by Splendeur
'Best Family-friendly Hotel' in 'China Hotel Fashion List Awards'

Renaissance Beijing Wangfujing Hotel



'The Best Parent-Child Hotel' by First Journey
'Best Wedding Hotel' in China Hotel Awards by Fashion Travel

Jinmao Hotel Lijiang In The Unbound Collection by Hyatt



'Certificate of Excellence' by Trip Advisor
'Creative Chinese Restaurant of the Year' by Grand Hotel Media

Jinmao Purelax Mountain Hotel Lijiang



'Top 10 Glamorous Hotels of China' in 'China Hotel Starlight Awards 2018'
'Annual Tourist Resort Hotel' in the '11th Continental Diamond Award'

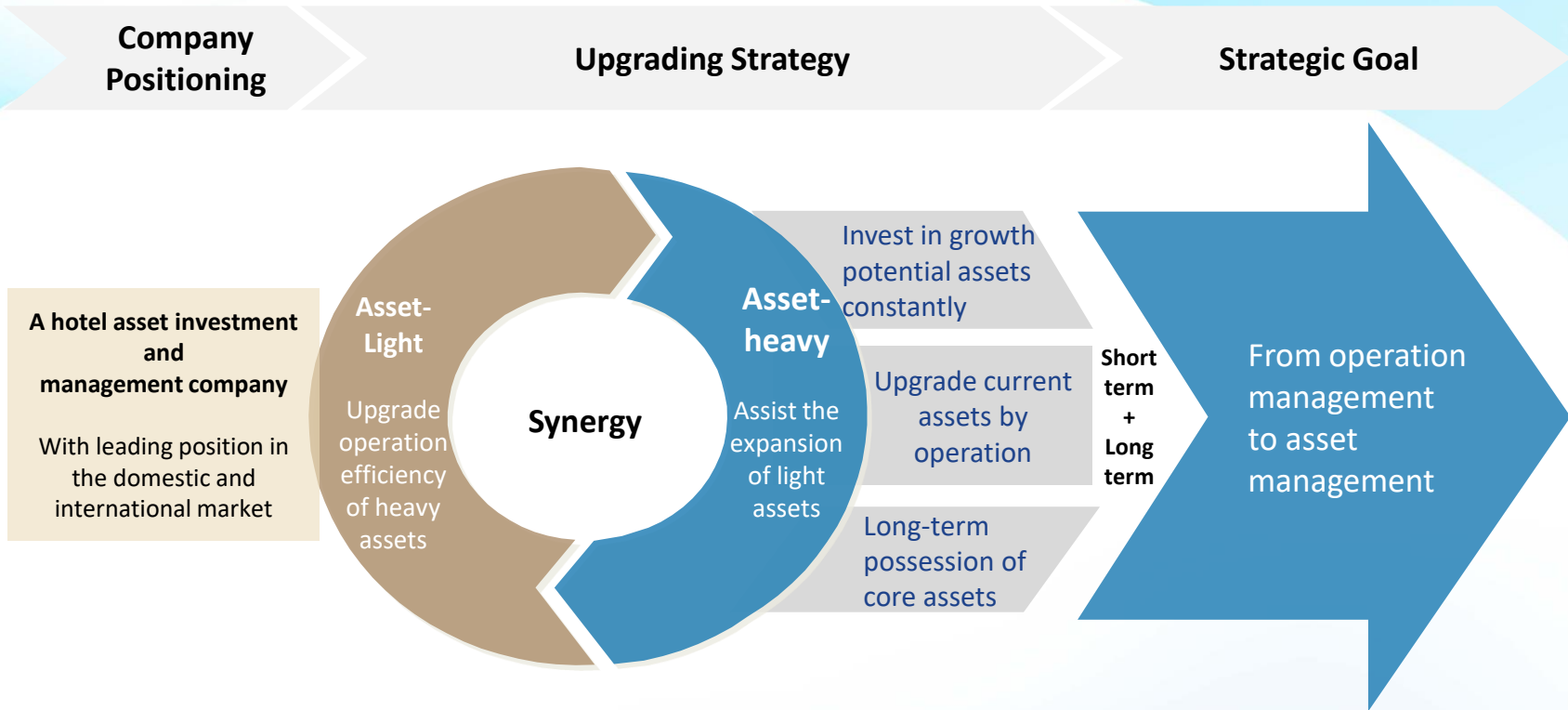
丽江金茂璞修·雪山酒店
JINMAO PURELAX MOUNTAIN HOTEL LIJIANG



4. Strategic Development



Strategic Development



The company will strategically explore asset-light and asset-heavy businesses with a combination of long-term and short-term investments, to realize upgradation and adjustment of business pattern through the improvement of light assets operations and to increase profits and create values for shareholders by a dynamic asset management with synergy of heavy and light assets:

- to upgrade heavy asset operation and profitability with support from all processes of heavy assets investments and, meanwhile, realize the synergy of heavy and light assets with heavy assets assisting the expansion of light assets
- to implement long-term possession for properties in core districts and of positive long-term expectation and, for some properties with improved cash flow through transformation or management, acquire incremental benefits by quitting

Premium & High Quality Assets

Asset Portfolio in Pipeline

Meixi Lake Luxury Collection, Changsha			JW Marriott Nansha, Guangzhou		
Positioning: Top-notch luxury hotel	Completion Time	2016	Positioning: Luxury hotel	Completion Time (Exp.)	2022年
	GFA (sq.m.)	48,592		Planned GFA (sq.m.)	28,000
	No. of Rooms	310		No. of Rooms (Exp.)	267
	Occupancy Rate / Average Room Rate	2019: 65.4%, 736RMB		Hotel Brand	Marriott

Nanjing International Centre Phase I	<p>GFA of Nanjing I is 227,000 sq.m., whilst Nanjing II is approximately 250,000 sq.m. at a height of approximately 300 meters. It is planned to develop a cluster of high-end accommodation with luxurious home concept for businessmen. It will make great landscapes and prime location.</p> <p>Positioning: Top-notch luxury hotel</p>	Opening since	2011
		GFA (sq.m.)	32,514
		No. of Rooms	234
		Occupancy Rate / Average Room Rate	2019 80%, 763RMB
		Management Company	Westin (Marriott)
Nanjing International Centre Phase II		Completion Time (Exp.)	2024年
		Planned GFA (sq.m.)	23,500
		No. of Rooms (Exp.)	200
		Average Room Rate (Exp.)	2021 ≥1,000 RMB
		Management Company	St Regis (Marriott)

5. Impacts of & Measures against COVID-19

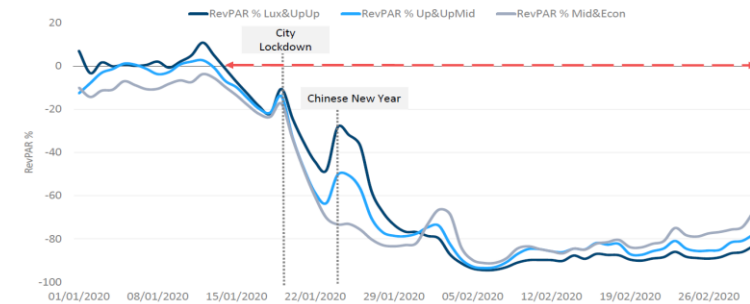
Impacts of COVID-19

Trend of Chinese Hotels' Prosperity Index



RevPAR decline for all classes since 15 January

RevPAR % Change, Mainland China, January 1st – March 1st 2020, CNY



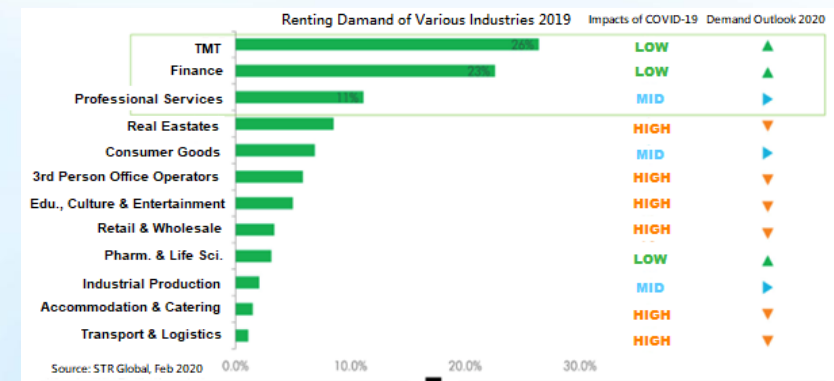
Sentiments among hotel market:

- Bookings were satisfying in early Jan 2020, giving a positive signal. After the outbreak of COVID-19, the overall occupancy rate of hotels in mainland China plunged by 89% in two weeks. Impacts are expected to be more intense in short-term.
- Average room rate of high-ranking hotels did not drop during the epidemic.
- The epidemic has basically been under control in China but become a global emergency health issue. COVID-19 has caused more severe drawbacks than SARS did in 2003.

Sentiments among office market:

- During SARS epidemic in 2003, office market in Shanghai suffered less intense drawbacks and recovered faster than those in Beijing and Hong Kong.
- Overall demand in office market is anticipated to be relatively steady, given various favourable factors, including a complete liberation of financial industry as well as excess demand in Shanghai, Beijing, Shenzhen, Chengdu and Hangzhou derived from 5G technology's entry to commercial world.

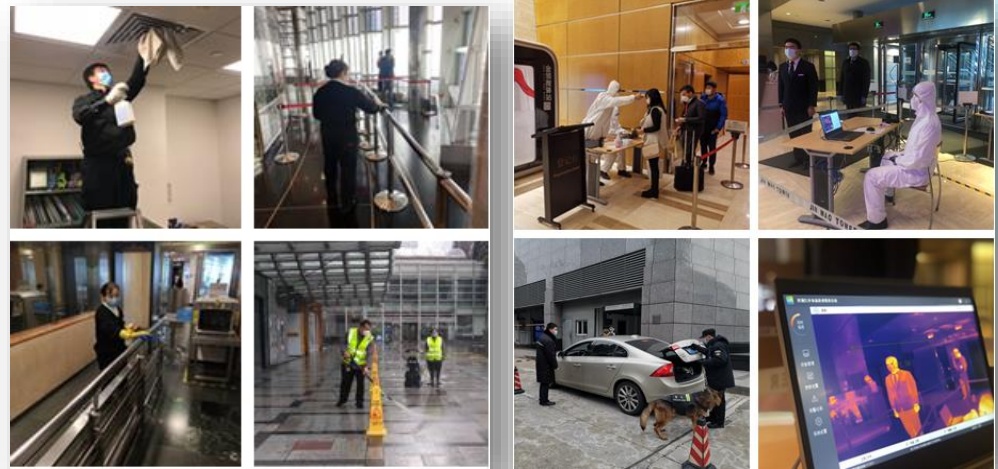
Extent of COVID-19's Impacts on Tenants in Various Industries & Outlook for Demand in 2020



Measures against COVID-19

Safety Management: Ensuring Safety in Jinmao Tower and hotels

- **Personnel Prevention & Control:** Establish an info. tracing mechanism. Require tenants to report resumption of work and 14-day quarantine if needed. Optimize customers' info. registration.
- **Strengthen Sterilization:** Turn off the air return grilles in air conditioners. Sterilize straining tubes and the end of the only way for ventilation every day. Sterilize public areas every hour. Place a soles sterilizing zone at the entrance.
- **Entrances & Exits Control:** Some entrances and exits have been closed. Temperature check has been strengthened by installing visible infra-red thermometers at Jinmao Tower's main entrances. All members must fulfil the temperature requirement before entering Jinmao Tower and hotels under Jinmao.



Operation Mgmt.:

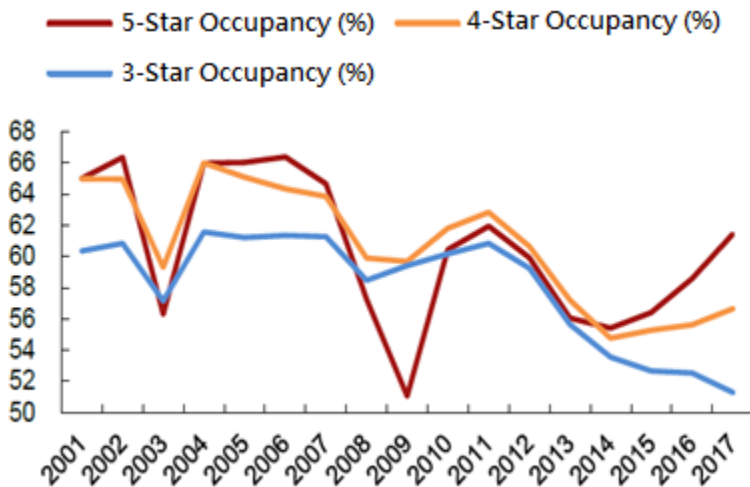
Costs Control, Loss Reduction, Cash Flow Maximization

- **Headquarters' Instructions:** Released guidance on costs and cash flow control at once
- **Energy Costs Control:** Strictly managed room bookings and arrangements. Reduced energy consumption of room areas. According to experience, closure of restaurants and catering areas could save the most gases and electricity for lighting and other machines.
- **Labour costs control:** Adjusted rosters. Cut non-contract staff and stopped recruitment. Paid various leaves off. Encouraged staff to take leaves.
- **Cash flow mgmt.:** Raised accounting income. Strictly controlled procurement. Proactively followed fiscal and taxation policies worldwide. Fought for tax deductions and financial aids.

Preparing for Operation after COVID-19

- **Headquarters' Instructions:** Released guidance on preparation for future operation at once
- **Customers Relationship Maintenance & Marketing Plans:** Keep close contacts with customers. Organize customers' market segments and formulate focused marketing proposals.
- **A Scheme to Raise Customers' Satisfaction:** Analyse online reviews and ratings in the past year. Formulate solutions to mgmt. weakness and customer' concerns.
- **Maintenance & Inventories Mgmt.:** Maintain, check and test equipment and facilities. Formulate mgmt. measures for normal operation afterwards.





- In 2003, the SARS epidemic broke out during Mar and May. Borders had been closed since April and the epidemic was basically controlled in May. STR showed that the decline in hotel occupancy mainly occurred between Apr and Jun. It recovered to 60% in July. A retaliatory rebound in tourism was observed in 2H 2003 as well.
- Industries with compensatory growth, including tourism and business trips, are expected to release together after COVID-19. In short-term, compensatory growth may occur in consumer market. Demand of business trips will rebound before that of tourism, which needs around 3 months to recover. Tourism in the Golden Week in early Oct is likely to apparently climb.

- On 5 Mar 2020, using big data, Trip.com released the Destination Revival Index 2020. **Sanya**, Chengdu, Guizhou, **Shanghai**, **Xi'an**, **Beijing**, Xiamen, Hangzhou, Guangzhou and Kaifeng were selected as most popular destinations in China. **Changsha** and **Shenzhen** were also listed as top 20 destinations. Meanwhile, the report revealed that residents in tier-one cities, such as Beijing, Shanghai and Guangzhou, showed strong interests in touring. Among hot themes, 'parent-child', 'ancient towns' and 'food' ranked top 3 favourites in the index. Shanghai, Guangzhou, Hong Kong and Su/Hang were more attractive to families.



Thank you !