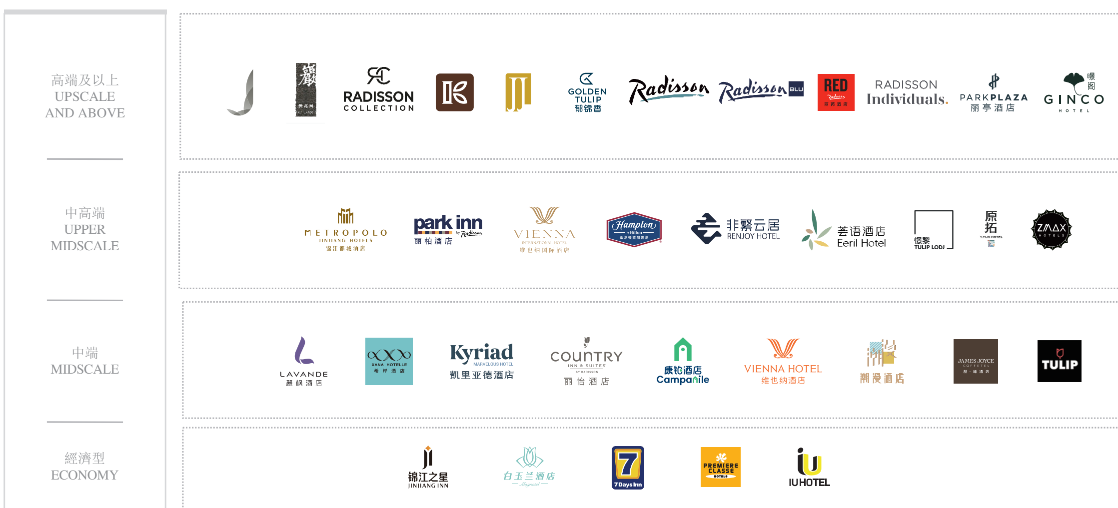
SUMMARY

This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the whole Document before you decide to [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a hotel group with an international footprint. As of December 31, 2025, we have 14,132 hotels and 1,368,057 hotel rooms in operation, covering 339 cities in 31 provinces, municipalities and autonomous regions in China and 57 countries or regions overseas across Europe, Asia (excluding China), Africa, and Americas.

Our major hotel brands as of the Latest Practicable Date comprised the following:



Our brand "*Jin Jiang*" has a history of 90 years, tracing its origin back to our Jin Jiang Teahouse which was established in 1935. In 1951, our *Jin Jiang* hotel was established and since then, it has hosted over 500 heads of state and government officials from more than 150 countries and regions. In 1994, our B Shares were listed on the Shanghai Stock Exchange, making us the first hotel group publicly listed on a stock exchange in China, and our A Shares have been listed and traded on the Shanghai Stock Exchange since 1996.

Over the years, we have built a comprehensive brand portfolio. We opened the *Jin Jiang Inn* hotel at Shanghai Jin Jiang Amusement Park as China's first economy hotels in 1997, and acquired *Vienna Hotel*, (one of China's earliest midscale hotel chains brands) in 2016. We acquired Groupe du Louvre in 2015, Keystone Group and Vienna Hotels Group in 2016, and Jin Jiang Hotels Management in 2023. These expanded our brand portfolio into upper scale and above market segments. As of December 31, 2025, we have 10 hotel brands under which have over 500 hotels in operation per brand, and five of such 10 brands have over 1,000 hotels in operation each. All of these brands covered economy to upper midscale hotels. Among those in our brand portfolio, *Jin Jiang Inn, 7 Days and 7 Days Premium,* were among our key economy hotels brands in China's hotel markets and *Vienna Series, Lavande, Hampton by Hilton* and *Xana Hotelle,* were among our key midscale and above hotels brands in China's hotel markets. In addition, we launched hotel brands such as *Metropolo Jin Jiang, James Joyce Coffetel, and Y.TUO* in the upper midscale and midscale segments, and launched our hotel brand *J* in the upper scale and above segment. We have also expanded into Southeast Asia by launching hotels under the brands of *Jin Jiang Inn* in 2011, *7 Days Premium* in 2017, and *Metropolo Jin Jiang* in 2025. Moreover, we have actively promoted the localization of overseas hotel brands in China. For instance, we introduced the brands operated by Groupe du Louvre including *Campanile and Kyriad*, and we brought the *Radisson Series* hotels into China by management license agreements with the Radisson Hotel Group, a subsidiary of Jin Jiang International. Meanwhile, international hotel chains groups such as the Hilton brand have partnered with us to expand their presence (for example with the Hampton by Hilton hotels) in China. We also established a joint venture with Ascott to expand our collaboration in serviced apartments in the PRC.

BUSINESS MODEL

Our hotel operation and management business are carried out under two business models, namely, (i) owned and leased ("**O&L**") hotels; and (ii) franchised and manachised ("**F&M**") hotels. Under the O&L model, we own or lease hotel properties and directly operate the hotels, generating revenue primarily from room accommodation and food and beverage sales while bearing all operating costs. Under the F&M model, hotel owners are authorized to use our brands and systems, with revenue derived from franchise or management fees rather than hotel operating income. The F&M model comprises franchised hotels, under which hotel owners retain full responsibility for day-to-day operations and we provide brand licensing and support services, and manachized hotels, under which we assume direct operational control pursuant to management agreements while hotel owners generally bear capital expenditures. Compared with the O&L model, the F&M model allows our Group to expand with lower capital intensity while maintaining varying degrees of operational involvement depending on the arrangement. The table below sets forth a breakdown of our revenue generated from the different types of hotels we managed and operated for the periods indicated:

	Year ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
O&L hotels in China						
– Upper scale and above hotel brands	83,480	0.6	87,229	0.6	91,075	0.7
– Upper midscale hotel brands	1,113,360	7.6	897,786	6.4	787,337	5.7
– Midscale hotel brands	460,625	3.1	417,441	3.0	442,029	3.2
– Economy hotel brands	2,028,592	13.8	1,611,780	11.5	1,443,805	10.5
Sub-total	3,686,057	25.2	3,014,237	21.4	2,764,246	20.0
O&L hotels overseas						
– Midscale and above hotel brands	489,345	3.3	472,917	3.4	579,185	4.2
– Economy hotel brands	3,031,122	20.7	3,056,312	21.7	2,457,901	17.8
Sub-total	3,520,467	24.0	3,529,229	25.1	3,037,086	22.0
Total (O&L)	**7,206,524**	**49.2**	**6,543,466**	**46.5**	**5,801,332**	**42.0**
F&M hotels in China	5,467,780	37.3	5,492,461	39.1	6,098,457	44.2
F&M hotels overseas	743,365	5.1	693,204	4.9	764,361	5.5
Total (F&M)	**6,211,145**	**42.4**	**6,185,665**	**44.0**	**6,862,818**	**49.7**
Others	1,231,710	8.4	1,333,850	9.5	1,146,682	8.3
Total	**14,649,379**	**100.0**	**14,062,981**	**100.0**	**13,810,832**	**100.0**

As of December 31, 2025, our hotel network covered 18,215 hotels, including 14,132 hotels in operation and 4,083 hotels under development. Amongst the 14,132 hotels in operation, (i) 613 were O&L hotels and (ii) 13,519 were F&M hotels. Amongst 4,083 hotels under development, (i) eight were O&L hotels and (ii) 4,075 were F&M hotels.

MARKET COMPETITION

The global and China hotel markets are highly competitive, driven by key factors including (i) increasing business and leisure travel demand; (ii) better mobility of people and continuing urbanization; and (iii) digital transformation driven by the technology development. We believe that we compete primarily based on brand recognition, reputation, location, guest satisfaction, room rates, range and quality of services, amenities and quality of accommodations, geographic coverage, and convenience of the central reservation system. Our primary competitors are other hotel groups, including other major hotel chains with well-established and recognized brands, as well as various independent hotels in each of the markets in which we operate in. We also face competitions from lodging platforms and serviced apartments.

CUSTOMERS AND SUPPLIERS

Our customers are primarily (i) individual guests and corporate clients at our O&L hotels, (ii) investors of F&M hotels, and (iii) business partners using our supply chain services. The revenue generated from our relevant five largest customers in each year during the Track Record Period amounted to RMB119.1 million, RMB178.1 million, and RMB191.6 million accounted for 0.8%, 1.3%, and 1.4% of our total revenue, respectively. Our suppliers are primarily our lessors of hotel properties and vendors that provide hotel supplies and supporting services necessary for our operation. Purchases from our relevant five largest suppliers in each year during the Track Record Period amounted to RMB637.7 million, RMB689.9 million and RMB569.1 million, respectively, accounting for 16.2%, 16.2%, and 14.8% of our total purchases for each of the same year.

STRENGTHS AND STRATEGIES

We believe that the following competitive strengths are critical to our success and distinguish us from our competitors: (i) we are a hotel group with a worldwide footprint; (ii) our asset-light business model focuses on F&M hotels; (iii) we have a comprehensive portfolio of hotel brands; (iv) we have a track a record of acquiring and integrating hotels across cultures; (v) our performance is driven by our central reservation and membership management systems; (vi) we are advancing digital transformation to improve operational efficiency and users' experience; (vii) we are led by an experienced management team; and (viii) we are supported by Jin Jiang International, our Controlling Shareholder. We will be pursuing the following strategies: (i) expand our global network and build on existing capabilities; (ii) expand our business through an asset-light business model; and (iii) strengthen our brand portfolio.

RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our H Shares. Some of the major risks we face include: (i) we operate in a highly competitive industry, and our revenue, profit or market share may be adversely affected if we are unable to compete successfully; (ii) our business is sensitive to global economic conditions as well as the economic conditions of the market where our hotels locate, particularly China and Europe. A severe or prolonged downturn in global economy could materially and adversely affect our revenues and results of operations; (iii) if our brand portfolio, the value of brand image or reputation diminishes, our business and results of operations may be adversely affected; (iv) our success could be adversely affected by the performance of our F&M hotels. Termination or inability to renew of our franchise and/or management agreements could have an adverse impact on our business, financial condition and results of operations; (v) we could suffer from impairment losses for our goodwill; (vi) we could suffer from impairment losses for our intangible assets; and (vii) we face risks associated with our international operations. If we are unable to effectively manage these risks, our results of operation, financial conditions, business and prospects may be materially and adversely affected.

IMPACT OF COVID-19

The outbreak of COVID-19 has affected the Chinese and global economy. During its resurgence in 2022, Chinese government implemented some anti-pandemic restrictive measures that had caused a decline in social networking and business activities, which in turn negatively affected China's hotel industry as well as our hotel operation and management business. As a result, we experienced a business downturn in 2022 with lower levels of revenue, occupancy rate, and RevPAR for as compared to those of 2023. In light of economy recovery in 2023 especially with the increasing demand on recreational travel and business trips after COVID-19, our business surged. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the COVID-19 outbreak did not materially and adversely impact on our business, results of operations and financial condition.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Jin Jiang Capital, a wholly owned subsidiary of Jin Jiang International, directly held approximately 45.20% of our total issued Shares, (ii) Jin Jiang International Hong Kong Investment Management, a wholly owned subsidiary of Jin Jiang International Hong Kong, which is ultimately wholly owned by Jin Jiang International through Jin Jiang Capital, directly held approximately 2.05% of our total issued Shares, and (iii) Jin Jiang International is ultimately owned as to 90.00% by Shanghai SASAC and 10.00% by Shanghai Municipal Finance Bureau.

Pursuant to the Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants, Jin Jiang International, Jin Jiang Capital, Jin Jiang International Hong Kong and Jin Jiang International Hong Kong Investment Management constitute our Controlling Shareholders, holding in aggregate approximately 47.26% of our total issued Shares as of the Latest Practicable Date. Immediately following completion of the [**REDACTED**], our Controlling Shareholders will in aggregate hold approximately [**REDACTED**]% of our Shares (assuming the [**REDACTED**] is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). Therefore, upon [**REDACTED**], they will remain as our Controlling Shareholders as defined under the Listing Rules.

Having considered the factors as demonstrated in the section headed "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders" in this Document, our Directors are of the view that our Group is capable of carrying on our businesses independently from our Controlling Shareholders following completion of the [**REDACTED**]. Notwithstanding the fact that there are certain overlappings in the hotel investment, operation and management business between Jin Jiang International Group (through its wholly owned subsidiary Radisson Hotel Group) and our Group, our Directors are of the view that there are clear business delineation considering that our Group's overall hotel brands positioning, geographical focus and management team are distinct from Radisson Hotel Group and our Group's hotel operation scale is substantially larger than Radisson Hotel Group. We have obtained various non-competition undertakings issued by Jin Jiang International to avoid actual and potential business competition with our Group. We have adopted concrete measures and will further adopt measures and policies to maintain business delineation and independence. See "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Business Independence" in this Document for details.

Our Group has entered into certain continuing connected transactions with Jin Jiang International Group. See "Connected Transactions" in this Document for details. In relation to these continuing connected transactions, having considered the factors as demonstrated in the section headed "Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Operational Independence" in this Document, our Directors are of the view that our Group does not have material reliance on our Controlling Shareholders.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of consolidated statements of profit or loss and other comprehensive income

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**14,649,379**	**100.0**	**14,062,981**	**100.0**	**13,810,832**	**100.0**
Cost of sales	(8,674,289)	(59.2)	(8,660,888)	(61.6)	(8,646,295)	(62.6)
Gross profit	**5,975,090**	**40.8**	**5,402,093**	**38.4**	**5,164,537**	**37.4**
Other net income	451,340	3.1	372,470	2.6	205,845	1.5
Selling and marketing expenses	(1,160,020)	(7.9)	(1,067,590)	(7.6)	(1,006,244)	(7.3)
Administrative expenses	(2,744,958)	(18.7)	(2,546,487)	(18.1)	(2,269,526)	(16.4)
Research and development costs	(24,393)	(0.2)	(24,231)	(0.2)	(26,894)	(0.2)
Impairment (losses)/reversal on trade and other receivables	(54,674)	(0.4)	(129,848)	(0.9)	(7,902)	(0.1)
Profit from operations	**2,442,385**	**16.7**	**2,006,407**	**14.3**	**2,059,816**	**14.9**
Finance costs	(900,461)	(6.1)	(913,319)	(6.5)	(728,629)	(5.3)
Net gain on disposal of subsidiaries	–	–	415,458	3.0	103,463	0.7
Changes in the fair value of financial instruments	160,962	1.1	42,221	0.3	(46,981)	(0.3)
Share of profit less losses of joint ventures and associates	90,443	0.6	94,283	0.7	79,627	0.6
Profit before taxation	**1,793,329**	**12.2**	**1,645,050**	**11.7**	**1,467,296**	**10.6**
Income tax	(516,145)	(3.5)	(500,744)	(3.6)	(477,914)	(3.5)
Profit for the year/period	**1,277,184**	**8.7**	**1,144,306**	**8.1**	**989,382**	**7.2**
Attributable to:						
Equity shareholders of the Company	1,001,746	6.8	911,031	6.5	925,461	6.7
Non-controlling interests	275,438	1.9	233,275	1.7	63,921	0.5
Profit for the year/period	**1,277,184**	**8.7**	**1,144,306**	**8.1**	**989,382**	**7.2**
Other comprehensive income for the year/period						
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit plan obligations	2,832	0.0	(2,130)	(0.0)	635	0.0
FVOCI – net movement in fair value reserves (non-recycling)	3,004	0.0	5,672	0.0	3,787	0.0
	5,836	0.0	3,542	0.0	4,422	0.0
Items that is or may be reclassified subsequently to profit or loss:						
Exchange differences on translation of:						
– financial statements in overseas subsidiaries	4,855	0.0	(22,053)	(0.2)	67,248	0.5
– others	(104)	(0.0)	(123)	(0.0)	(74)	(0.0)
	4,751	0.0	(22,176)	(0.2)	67,174	0.5
Other comprehensive income for the year/period	10,587	0.1	(18,634)	(0.1)	71,596	0.5
Total comprehensive income for the year/period	**1,287,771**	**8.8**	**1,125,672**	**8.0**	**1,060,978**	**7.7**

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with HKFRSs, we also use EBITDA (non-HKFRS measure), by adding back (i) income tax, (ii) net finance costs, and (iii) depreciation and amortization, as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. We believe these measures provide useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of EBITDA (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRSs.

The following table sets out a reconciliation from profit for the year to EBITDA (non-HKFRS measure) for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Reconciliation of profit for the year to EBITDA (non-HKFRS measure)			
Profit for the year	1,277,184	1,144,306	989,382
Add:			
Income tax	516,145	500,744	477,914
Finance costs	900,461	913,319	728,629
Less: interest income	208,577	160,682	97,893
Depreciation and amortization	2,229,998	2,224,395	2,194,808
EBITDA (non-HKFRS measure)	**4,715,211**	**4,622,082**	**4,292,840**

Note:

(1) The amount of depreciation and amortization represents the depreciation of property, plant and equipment, the amortization of intangible assets, and the depreciation of right-of-use assets.

Revenue

Our revenue decreased from RMB14,649.4 million in 2023 to RMB14,063.0 million in 2024, and then to RMB13,810.8 million in 2025, primarily due to a decrease in our revenue from O&L hotels as a result of the strategic exit of certain O&L hotels to align with our strategy of asset-light model, as well as a decline in our revenue as a result of the challenging market environment overseas.

Gross profit and gross profit margin

For 2023, 2024, and 2025, our gross profit margin was 40.8%, 38.4%, and 37.4%, and our gross profit decreased from RMB5,975.1 million in 2023 to RMB5,402.1 million in 2024, and to RMB5,164.5 million in 2025, primarily due to a decline in our revenue from O&L hotels as a result of the strategic exit as explained above, and a decrease in RevPar of both our O&L hotels and F&M hotels as a result of the market environment overseas, while our costs are relatively stable.

Profit for the year

For 2023, 2024, and 2025, our profit for the year amounted to RMB1,277.2 million, RMB1,144.3 million, and RMB989.4 million, respectively. The reduction in our net profit was attributable to a decrease in non-recurring gains, primarily arising from the disposal of assets and a decline in revenue as a reflection of the prevalent market conditions. Our net profit margin was 8.7%, 8.1%, and 7.2%, respectively.

Summary of consolidated statements of financial position

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	37,036,166	33,654,453	34,018,631
Total current assets	13,550,870	12,455,515	11,886,273
Total current liabilities	(12,671,908)	(13,981,552)	(11,911,821)
Total non-current liabilities	(20,554,555)	(16,445,910)	(17,717,945)
Net current (liabilities)/assets	878,962	(1,526,037)	(25,548)
Net assets	17,360,573	15,682,506	16,275,138
Non-controlling interests	683,538	273,948	270,609

We had net current liability of RMB1,526.0 million as of December 31, 2024 as compared to net current asset position as of December 31, 2023, primarily due to decrease of our time deposits and trade and other receivables as well as increase in our loans and borrowings and increase in trade and other payables. We had a net current liabilities of RMB25.5 million as of December 31, 2025, primarily due to a substantial decrease in our current liabilities as a result of repayment of loans and borrowings. This improvement was mainly attributable to a decrease in loans and borrowings as a result of (i) extension of long-term borrowings due within one year to beyond one year, and (ii) repayment of loans and borrowings.

During the Track Record Period, our net assets experienced fluctuations, which can be attributed to a combination of recurring profitability, equity transactions, and other comprehensive income movements, as detailed in the consolidated statements of changes in equity for 2023, 2024, and 2025. For example, our profit attributable to equity shareholders decreased from RMB1,001.7 million in 2023 to RMB911.0 million, while other comprehensive loss was RMB17.4 million in 2024. We completed the acquisition of all remaining non-controlling interests in Lavande Holdings Limited and two other subsidiaries of Keystone, resulting in a reduction of RMB1,315.7 million in capital reserve. Dividends declared and approved during the year amounted to RMB662.5 million. In August 2024, we repurchased 8,000,000 shares for RMB189.1 million as part of our Restricted Share Incentive Plan (RSIP), which was recognized as treasury shares and reduced equity. The grant of restricted shares under the RSIP resulted in a share-based payment expense of RMB4.1 million. These factors led to a further decrease in total equity to RMB15,682.5 million as of December 31, 2024. Our profit attributable to equity shareholders then increased to RMB925.5 million, and other comprehensive income was RMB79.6 million in 2025, mainly due to favorable foreign currency translation differences. Dividends declared and approved during the period amounted to RMB405.9 million, which increased dividends payable at period-end. We also reversed RMB4.1 million of previously recognized share-based payment expense following the forfeiture of 2,625,259 restricted shares under the RSIP. As a result, total equity increased slightly to RMB16,275.1 million as of December 31, 2025.

Summary of consolidated statements of cash flows

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	5,161,719	3,561,684	3,301,352
Net cash generated from/(used in) investing activities	1,110,941	2,849,325	(2,056,548)
Net cash used in financing activities	(3,569,488)	(6,247,011)	(3,241,678)
Net (decrease)/increase in cash and cash equivalents	2,703,172	163,998	(1,996,874)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents, beginning of year	5,771,246	8,506,385	8,637,637
Effect of exchange rate changes on cash and cash equivalents	31,967	(32,746)	63,208
Cash and cash equivalents, end of year	**8,506,385**	**8,637,637**	**6,703,971**

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
Return on equity(1)	5.92%	5.68%	5.89%
Return on assets(2)	2.57%	2.37%	2.15%
Gearing ratio(3)	138.62%	133.94%	124.84%
Gross profit margin(4)	40.79%	38.41%	37.39%
Net profit margin(5)	8.72%	8.14%	7.16%

Notes:

(1) Return on equity is calculated based on the profit for the year attributable to owners of our Company divided by the arithmetic mean of the opening and closing balances of the total equity attributable to equity shareholders of our Company and multiplied by 100%.
(2) Return on assets is calculated based on the profit for the year divided by the arithmetic mean of the opening and closing balances of the total assets and multiplied by 100%.
(3) Gearing ratio is calculated based on total indebtedness (including loans and borrowings, trade and other payables – non trade and lease liabilities) divided by total equity and multiplied by 100%.
(4) Gross profit margin equals gross profit for the year divided by revenue for the year and multiplied by 100%.
(5) Net profit margin equals net profit for the year divided by revenue for the year and multiplied by 100%.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HKD[REDACTED] per H Share	Based on an [REDACTED] of HKD[REDACTED] per H Share
Market [**REDACTED**] of our H Shares(1)(2)	HKD[**REDACTED**]	HKD[**REDACTED**]
Market [**REDACTED**] of our Shares(2)(3)	HKD[**REDACTED**]	HKD[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share(4)(5)	HKD[**REDACTED**]	HKD[**REDACTED**]

Notes:

(1) All statistics in the table are based on the assumption that the [**REDACTED**] is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].
(2) The calculation of market [**REDACTED**] of our H Shares is based on the assumption that [**REDACTED**] H Shares will be in [**REDACTED**] immediately upon completion of the [**REDACTED**].
(3) The total market [**REDACTED**] of our Company is calculated based on (i) 910,298,444 A Shares in issue as of the Latest Practicable Date (excluding treasury Shares) at the average closing price of the A Shares of our Company for the five trading days immediately preceding the Latest Practicable Date at RMB27.88 (or approximately HK$31.72) per Share, (ii) 156,000,000 B Shares in issue as of the Latest Practicable Date at the average closing price of the B Shares of our Company for the five trading days immediately preceding the Latest Practicable Date at USD1.46 (or approximately HK$11.47) per Share, and (iii) the expected market [**REDACTED**] of our Company's H Shares at [**REDACTED**] (assuming the [**REDACTED**] are not exercised).
(4) The unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to the equity shareholders of our Company per Share is arrived at after the adjustments referred to in the section headed "Appendix II — Unaudited [**REDACTED**] Financial Information" and on the basis that [**REDACTED**] Shares (which is calculated based on 1,066,298,444 Shares as at 31 December 2025, adjusted by the [**REDACTED**] Shares to be newly [**REDACTED**] upon [**REDACTED**]) were in issue immediately following the completion of the [**REDACTED**] and assuming that the [**REDACTED**] had been completed on 31 December 2025 without taking into account of the Shares which may be [**REDACTED**] upon exercise of the [**REDACTED**].
(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range), [**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] (HK$[**REDACTED**]), comprising: (i) [**REDACTED**] of RMB[**REDACTED**] (HK$[**REDACTED**]); and (ii) [**REDACTED**] of RMB[**REDACTED**] (HK$[**REDACTED**]), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB[**REDACTED**] (HK$[**REDACTED**]); and (b) other fees and expenses of RMB[**REDACTED**] (HK$[**REDACTED**]), approximately RMB[**REDACTED**] (HK$[**REDACTED**]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] (HK$[**REDACTED**]) of which is expected to be deducted from equity upon the completion of the [**REDACTED**]. The [**REDACTED**] are expected to represent approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and that the [**REDACTED**] is not exercised. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Our B Shares have been listed on the Shanghai Stock Exchange since December 15, 1994, and our A Shares have been listed on the Shanghai Stock Exchange since October 11, 1996. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser advised us that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any substantial administrative penalties imposed by PRC securities regulatory authorities and we have complied with the relevant laws and regulations on A Share and B Share listings applicable to us in all material respects. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the Shanghai Stock Exchange in any material respect.

FUTURE PLANS AND USE OF [REDACTED]

We estimate the net [**REDACTED**] of the [**REDACTED**] which we will receive, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this Document), will be approximately HK$[**REDACTED**], after deduction of [**REDACTED**] and estimated [**REDACTED**] payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the following purposes assuming the [**REDACTED**] is fixed at HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range): (i) [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used each year from 2026 to 2030 for comprehensive digital transformation, initiatives; (ii) [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to repay (i) part of our RMB670 million credit facility granted by Shanghai Pudong Development Bank with annual interest rate of 2.15% due in December 2026, which was primarily intended for general corporate purpose and replenishing working capital; (ii) part of our RMB550 million credit facility granted by Jin Jiang International Finance Company with annual interest rate of 2.0% due in October 2026, which was primarily intended for general corporate purpose and replenishing working capital; and (iii) part of our RMB450 million credit facility granted by Jin Jiang International Finance Company with annual interest rate of 2.0% due in December 2026, which was primarily intended for general corporate purpose and replenishing working capital; (iii) [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to pursue strategic investments or acquisitions in high-quality, asset-light targets within the hotel management industry, including value-adding upstream and downstream participants along the industry chain, that are aligned with our strategic development plans. The objective of such investments is to strengthen our competitive position and enhance our overall operational performance; and (iv) [**REDACTED**]% of the net [**REDACTED**], or approximately HK$ [**REDACTED**], will be used for the working capital and general corporate purposes.

DIVIDEND AND DIVIDEND POLICY

Pursuant to the Articles of Association, which we adopted and became effective in June 2025, if our Company meets the conditions to pay cash dividends, we target to declare cash dividends that accounted for not less than 50% of the year's net profit (as shown in the consolidated financial report) during the year. Furthermore, unless something beyond our control occurs, the ratio of the cash dividends so declared to the net assets attributable to our Company's shareholders shall be no lower than the one-year deposit benchmark rate as published by PBOC. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends or any other form that is permitted by the law or the regulations. Cash dividends shall be the preferred method of profit distribution. During the Track Record Period, we declared and paid dividends of RMB64.2 million, RMB662.5 million, and RMB405.9 million in 2023, 2024, and 2025, respectively.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, our Group has continued to operate in a stable and orderly manner, with its overall business direction and operating model remaining unchanged. Our Group has maintained its focus on expanding its F&M hotel network, strengthening brand positioning, and enhancing operating efficiency, while exercising prudence with respect to new capital-intensive investments. Market conditions subsequent to the Track Record Period have remained broadly consistent with those experienced in 2025, and our Group has not experienced any material adverse changes in its operations, financial position, or liquidity.

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the years reported on in the Accountants' Report as set out in Appendix I to this Document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this Document.