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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 the Americas.

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.

We operate our hotels under two business models: (i) owned and leased (“**O&L**”) hotels and (ii) franchised and manachised (“**F&M**”) hotels. As of December 31, 2025, the number of our F&M hotel rooms in operation represented 94.9% of our total hotel rooms, which had increased at a CAGR of 8.4% between 2023 and 2025. During the Track Record Period, our F&M hotels had generated 42.4%, 44.0% and 49.7% of our total revenue, respectively.

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OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are critical to our success and distinguish us from our competitors:

We are a hotel group with a worldwide footprint

We have 14,132 hotels and 1,368,057 hotel rooms in operation as of December 31, 2025, which had increased at a CAGR of 7.2% from December 31, 2023. As of December 31, 2025, our hotel network spanned 339 cities in 31 provinces, municipalities and autonomous regions in China as well as 57 countries or regions outside China across Europe, Asia (excluding China), Africa, and the Americas. Following our acquisition of Groupe du Louvre in 2015, a well-established European hotel group, we have continued to expand our overseas presence, while also introducing selected foreign hotel brands into the Chinese market through localization. Collectively, this scale and geographic breadth reflect our Group’s ability to grow and operate a large, diversified hotel network across multiple markets.

Our asset-light business model focuses on F&M hotels

We adopt the F&M hotel business model to ensure that our operational and quality standards can be consistently applied across our hotels. Our F&M hotel rooms represented 94.9% of our total hotel rooms as of December 31, 2025, which had increased at a CAGR of 8.4% from December 31, 2023. We believe that this model can minimize our upfront costs and capital expenditures, and provide us with steady and sustainable cash return. It can also allow us to expand our geographical coverage and market share, increase the penetration of our hotel brands, provide us with greater flexibility to adapt to evolving market conditions, and protect us against economic fluctuations.

Aside from our extensive hotel networks in the first-tier and second-tier cities in China, we will also seize the market opportunities to penetrate the market of third-tier and lower-tier cities, which we believe presents huge market potentials due to its lower hotel chain penetration rate as compared to first-tier and second-tier cities, according to F&S. As of December 31, 2024, we hold the largest market share among hotel groups in third-tier and lower-tier cities in China, according to F&S. Capitalizing on such a scalable and replicable F&M model, we believe that we could benefit from such first-mover advantage to expand our market share.

We have a comprehensive portfolio of hotel brands

We developed *Jin Jiang Inn* as one of China’s first economy hotel brands, with the first *Jin Jiang Inn* hotel opening in Shanghai in 1997. As of December 31, 2025, we had 1,030 *Jin Jiang Inn* hotels in operation with 103,090 hotel rooms. *Vienna Hotel* is among China’s earliest midscale hotel chains brand, and has evolved into the *Vienna Series*. As of December 31, 2025, we had 3,722 *Vienna Series* hotels in operation with 434,383 hotel rooms. We also cooperate with international hotel groups to introduce established global brands into China. *Hampton* by *Hilton* is an example of an international brand partnering with us to expand its presence in China by leveraging our local operational capabilities together with Hilton’s global brand recognition.

As of December 31, 2025, we had 10 hotel brands under which have over 500 hotels in operation per brand and five of them each with the number of hotels in operation exceeding 1,000. These 10 hotel brands include *Jin Jiang Inn*, *7 Days*, *7 Days Premium*, *Magnotel*, *Lavande*, *Xana Hotelle*, *James Joyce Coffetel*, *Vienna Hotel*, *Hampton by Hilton* and *Vienna International*, covering the market segments of economy, midscale and upper midscale hotels. Within the midscale segment, our brands include *James Joyce Coffetel*, which integrates cafe culture with hospitality, *Xana Hotelle* blending classic elegance and modern luxury, and *Y.TUO* which incorporates traditional Chinese culture and contemporary pop elements. In the upper midscale segment, we have *Metropolo Jin Jiang*, which incorporates Chinese culture and heritage into hotel design. In the upper scale and above segment, we manage *J* hotel under supreme luxury hotel brand *J*, which is located atop the

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Shanghai Tower, China’s tallest and world’s third tallest skyscraper. The ADR of *J* hotel was over RMB3,929 in 2025. We believe that the coverage of our portfolio of brands across market segments reflects our strong brand development capabilities and scalable operating platform.

We have a track record of acquiring and integrating hotels across cultures

We believe that our track record of acquiring and integrating hotel chains in the PRC and overseas demonstrates our ability to integrate businesses accross cultures. In 2015, we acquired Groupe du Louvre, which mainly operated hotels in Europe under the brands of *Golden Tulip*, *Première Classe*, *Campanile*, and *Kyriad Series*. In 2016, we acquired Keystone Group, which operated hotels under the brands, such as *7 Days*. In the same year, we acquired Vienna Hotels Group, which operated hotels under the brands, such as *Vienna International*, and *Vienna Hotel*. In 2023, we acquired Jin Jiang Hotels Management, which operated hotels under the brands, such as *J*, *Jin Jiang* and *Kun Lun*. These transactions not only allowed us to expand our brand portfolio, hotel network, geographic coverage, and scale of operations, but also have yielded great synergies and network effects, allowing the acquired hotel brands to grow as well. For example, the number of *Vienna Series* hotels and hotel rooms in operation increased at a CAGR of 25.3% and 21.2%, respectively, from January 31, 2017 to December 31, 2025. In the case of Groupe du Louvre, we introduced *Kyriad* into China in 2018 and re-designed with a Chinese hotel brand name “凱里亞德”. As of December 31, 2025, we had a total of 298 *Kyriad* hotels in operation and 80 hotels under development in China. By contrast, prior to acquisition, as of December 31, 2014, Groupe du Louvre only had 250 *Kyriad* hotels in operation, all of which were in France.

We believe that our integration efforts have also enabled us to achieve improved organizational and operational efficiency. In particular, our Jinjiang Service Sharing Platform consolidates our hotel management system network and connects our other centralized information technology systems including GPP, WeHotel and centralized pricing management system. This platform allows our management to assess the performance of our hotels, allocate resources, and identify specific market and sales targets, thus facilitating better decision-making and streamlined cost structures. As a result, our administrative expense ratio (calculated as administrative expenses divided by total revenue) decreased by 2.3 percentage points from 2023 to 2025. Our supporting staff to hotel ratio (calculated as the total number of our supporting staff, including sales, technique supporting, finance and administrative personnel divided by the total number of our hotels in operation) decreased from 0.72 as of December 31, 2023 to 0.66 as of December 31, 2025.

Our performance is driven by central reservation and membership management systems

WeHotel offers central reservation solutions and loyalty membership management. It provides members with rewards and benefits and to improve the user experience, satisfaction and loyalty. As a result, WeHotel enables us to attract a stable and substantial stream of hotel guests through online channels and loyalty members. Our multi-brand strategy is also supported by the JJ Rewards, our loyalty program, which covers all of our hotel brands in China. As of December 31, 2025, we had more than 213.1 million members and approximately 1.2 million corporate clients. With this member base, we are able to personalize the lodging experience of hotel guests and foster strong and long-lasting relationships that cultivate their loyalty to our hotel brands.

We are advancing digital transformation to improve operational efficiency and users’ experience

We are committed to digital transformation in our daily operation and service offerings, which enables us to deliver business value to our suppliers, customers and other business partners across the industry chain while enhancing our operating efficiency and profitability.

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GPP is a B2B e-commerce platform that provides one-stop centralized procurement solutions covering hotel renovation, operation and upgrades to participants across the industry chain, including our franchisees and suppliers. GPP enables us to cope with the large procurement needs of our hotels during the course of their daily operations. As of December 31, 2025, there were over 9,000 approved suppliers and general contractors offering their products or services on GPP to over more than 20,000 hotels globally. Our GPP allows our hotels to select pre-certified suppliers, negotiate prices, fix payment terms and arrange delivery. Given the scale of our hotel network and leveraging the GPP, we have the purchasing power to secure favorable terms from suppliers for our hotels, enabling us to achieve economies of scale and reduce procurement costs and better control the quality of supplies used in our hotels. Also, our franchisees generally select qualified general contractors through our GPP to provide one-stop property design and renovation services, which helps us to ensure quality and consistency across our hotel network. As of December 31, 2025, GPP was used by approximately 99.3% of our franchisees in China. In 2023, 2024, and 2025, GMV generated through our GPP by our franchisees in China amounted to RMB5,812.3 million, RMB8,349.5 million, and RMB10,397.9 million, representing a CAGR of 33.8%.

Moreover, we are in the process of rolling out a full digital transformation for our hotel operations focusing on self-service, smart technology and digital system to improve the lodging experience and operational efficiency. Our integrated smart ecosystem includes eight core modules, which are smart kiosks for one-click check-in, self-check-in and fast check out, self service multi-functional vending machine, self-service laundry, delivery robots, AI voice-powered in-stay services, smart security systems, room automation controls and cross-devices streaming. We believe these initiatives have enabled us to achieve high customer satisfaction and enhance our operating efficiency and profitability. According to an independent customer survey conducted by *Brandwisdom* involving the majority of our hotel brands in China, our average customer satisfaction score increased from 89.3 in 2019 to 94.2 in 2025. *Brandwisdom* is an industry-recognised rating organisation according to F&S.

We are led by an experienced management team

Our management team has extensive experience in the hotel industry, with expertise in both strategy formulation and execution. Our executive Director and chairman of the Board, Mr. Zhang Xiaoqiang, our executive Directors, Mr. Xu Ming, Ms. Zhou Wei and Mr. Mao Xiao (the chief executive officer), all have extensive years of experience working in the hotel industry and serviced leadership positions with us for over 10 years. Ms. Zhou Wei has rich experience in overseas operation, investment and merger and acquisitions. See “Directors and Senior Management — Directors” for the biographical details of Mr. Zhang Xiaoqiang, Mr. Xu Ming, Ms. Zhou Wei and Mr. Mao Xiao.

We believe that our employees are valuable assets that contribute to our success, and that we can achieve our best with a fully dedicated workforce. Our management team is committed to nurturing and empowering a team of talent by providing them with comprehensive and multi-layered training programs, flexible rotation and visible promotion opportunities, competitive remuneration packages, a meticulously-designed appraisal scheme and attractive performance incentives, aiming to encourage our employees to take a long-term view of career development and align their long-term interests with ours. Since 2015, we organized a number of international talent exchanges with 20 programs completed and around 170 participants as of December 31, 2025. We were awarded Preferred ESG Practice Employer of Tourism & Hospitality Industry Group in 2024 by Veryeast. See “— Awards and Recognition”.

We take an active role in community programs, fulfill our social responsibilities and support rural development across the country by actions, through which we bring “positive energy” to the society and development. We believe that our success is rooted with “put people first”. By growing together with our employees, business partners and various stakeholders in the society, we

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established the foundation for sustainable and high-quality development. We work in underserved communities, supporting youth education, women’s safety, disaster response and sustainable farming. Through practical initiatives, we foster skills development of talents, community resilience and long-term progress.

We are supported by Jin Jiang International, our Controlling Shareholder

We benefit from the support from our ultimate Controlling Shareholder, Jin Jiang International, a conglomerate with business spanning the lifecycle of business and leisure travels. Its three core business segments include hotel, tourism and passenger transportation & logistics. Apart from us, Jin Jiang International is also the ultimate controlling shareholder of Jin Jiang Online (stock code: 600650 (A shares), 900914 (B shares)), a leading integrated passenger transportation and logistic service provider in China, and Jin Jiang Travel (stock code: 900929), a top travel agency in China. The business of these two subsidiaries could complement ours and help create further synergies.

Jin Jiang International adopts a capital-driven strategy focusing on the hotel industry. By leveraging its strengths in resources, assets, capital, and funding, as well as the synergy between hospitality and finance, Jin Jiang International successfully implemented a development strategy that balances asset-light and asset-heavy business models. Benefiting from this, Jin Jiang International provides us with support, which includes sponsorship or endorsement in certain strategic or special funds investing in hotel industry through which we benefit by operating and managing their hotel assets. Moreover, Jin Jiang International supports our franchisees through a financial information platform that provides easy-to-access financial information and credit enhancement solutions.

In addition, by Jin Jiang International’s industry consolidation experience and expertise, we are well positioned to further expand our footprints and capture the hotel industry’s growth potential. Jin Jiang International acquired Radisson Hotel Group in 2018. Through management licenses agreements, we obtained the right to operate hotels under the brands of *Country Inn & Suites By Radisson*, *Radisson Collection*, *Radisson Blu*, *Radisson Individuals*, *Park inn by Radisson*, *Park Plaza* and *Radisson Red*, further expanding our presence in the upper midscale and upper scale segment.

We are collaborating with Jin Jiang International to build a comprehensive ecosystem with a combination of travel and hotel, which will enable us to, on one hand, capitalize on the customer traffic provided by Jin Jiang International to expose and promote our hotels and further grow the size of our member base, while on the other hand to integrate membership rewards redemption across Jin Jiang International’s ecosystem, so that points can be redeemed spanning dining, accommodation, transportation, travel, shopping and entertainment touchpoints to increase customer stickiness of our loyalty program.

OUR STRATEGIES

Our objective is to become a world-renowned hotel group that is admired by our customers, taken pride in by our employees, well-recognized by our shareholders and positively appraised by the public. We expect to achieve our objective by pursuing the following strategies:

We will expand our global network and build on existing capabilities

We pursue a disciplined, data-driven global expansion strategy integrating digital enablement, membership ecosystem development, and selective overseas investment. Our approach will balance organic growth with asset-light mergers and acquisitions, supported by feasibility analysis, market

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assessment, and robust governance. All initiatives are evaluated for strategic alignment, risk management, and sustainable returns. By strengthening core capabilities and enhancing domestic and international synergies, we aim to optimize our global footprint and reinforce our positioning as a world-class hotel group.

Digital transformation supporting scalable growth

We are developing an integrated hotel management digital platform to cover the full operational lifecycle, including digitalized hotel engineering systems, energy management, and centralized operations management, thus improving real-time monitoring, resource utilization, and operational transparency. We are enhancing our integration with WeHotel to build a digital marketing platform targeting its registered member base. Through this integration, we aim to improve marketing efficiency and outcomes, attract new members, and increase member activity, including subscriptions and purchases. We are further strengthening digital operations through investments in self-service front desks and service automation, alongside the digitalization of investment site selection, investor operations, revenue management, daily hotel operations, and employee management to improve analytics, cost efficiency, and decision-making.

Strengthening membership services and loyalty ecosystems

We plan to continue enhancing our service offerings to improve member satisfaction, loyalty, and repurchase rates. Our initiatives include diversifying membership benefits by enabling members to use points across a range of lifestyle scenarios, including dining, accommodation, transportation, travel, shopping, and entertainment. We also plan to leverage our global hotel network to enhance outbound travel offerings for domestic members. At the same time, we will continue to strengthen our domestic and international hotel networks by improving service quality and expanding our hotel offerings across a range of price segments and styles. This includes diversifying hotel categories to include tourism-oriented lodging such as resorts, providing broader and more attractive choices for members domestically and internationally. For corporate clients, we are enhancing our corporate travel platform to provide a more efficient, one-stop booking experience, while encouraging hotel guests to become members. In addition, we plan to offer personalized marketing to key corporate clients to support growth in our membership base. Through co-branded promotional campaigns with business partners and by leveraging customer traffic from travel industry platforms operated by Jin Jiang International, we aim to recruit additional members in the domestic market.

Expansion in Europe, the Middle East, and Africa (“EMEA”)

Our EMEA strategy focuses on value-accretive portfolio optimization and M&A to enhance scale, profitability, and long-term competitiveness. In parallel, we plan to renovate over 150 O&L hotels across France, Poland, the Netherlands, Germany, and other EMEA countries, primarily in the midscale and economy segments. Renovations will focus on room refurbishment, replacement of key furnishings and equipment, and upgrades to public areas. We will also implement brand standardization across the O&L portfolio, including upgrades to sleep systems, audiovisual equipment, bathroom components, and in-room amenities, alongside investments in customer-facing and back-end IT systems. We will also plan for investments or acquisitions of high-quality, asset-light hotel management targets, including value-adding upstream and downstream participants that can be aligned with our strategy. We aim to acquire equity or controlling interests in targets with established portfolios, strong brands, and proven operating capabilities in mature European markets. Evaluation criteria include portfolio scale, brand influence, geographic coverage, historical performance, valuation, and expected returns.

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Expansion in Asia Pacific, including Southeast Asia and China

Our Asia Pacific strategy targets long-term growth through favorable regional dynamics, with a focus on Southeast Asia, while positioning China as a core operating base and a key source of outbound demand. Southeast Asia offers attractive growth opportunities. We are prioritizing Indonesia, Malaysia, and Vietnam, where hotel room supply is projected to grow at CAGRs of 6.6%, 1.7%, and 5.5% from 2025 to 2030. Chain penetration remains below 20%, supporting opportunities for midscale and economy brands. The region is expected to attract approximately 120 million international tourists in 2026, generating over US\$350 billion in tourism revenue and contributing 8.5% to regional GDP, supported by continued growth in Chinese outbound travel.

Expansion into Southeast Asia also mitigates seasonality risk. As of December 31, 2025, most of our hotels are located in the Northern Hemisphere, where demand is seasonal. Southeast Asia’s year-round leisure demand supports more stable occupancy and revenue. China remains integral to our regional strategy. We will continue to enhance service quality, operational efficiency, and brand strength domestically, while introducing international brands into China and promoting established brands overseas through selective M&A. Supported by strong brand recognition, a large customer base, and integrated loyalty programs, China will continue to serve as a stable earnings base and a key driver of outbound demand across the Asia Pacific region. We will also plan for selective investments or acquisitions of high-quality, asset-light hotel management platforms with scalable portfolios, complementary brands, and strong regional operating capabilities. Assessment criteria include portfolio scale, brand recognition, geographic footprint, historical performance, valuation, and expected returns, with the objective of accelerating expansion while limiting capital intensity and balance sheet risk.

We will continue to expand our business through an asset-light business model

Building on our mature asset-light business model, i.e. the F&M business model, we plan to continue the expansion of our hotel network. While steadily enhancing our presence in the first- and second-tier cities, we also target lower-tier cities and county-level regions with low hotel chain penetration and unsaturated demand. We have a proven track record in strong branding as well as effective end-to-end service offering to franchisees, which enable us to optimize single-store profitability and reinforce the loyalty to our partnership. Through this model, we are able to realize a rapid expansion whereby we established a full-cycle management system that includes partner selection, operational quality monitoring, and exit mechanism based on operational performance. With a combination of standardized service offering and pragmatic management, we are able to ensure a virtuous cycle of brand value and scalable growth.

We will continue to strengthen our brand portfolio

We are committed to strengthening our brand portfolio and advancing the implementation of our “12+3+1” brand strategy. This strategy reflects our aim to maintain our market position while driving sustainable growth. By focusing on a balanced mix of economy, midscale, and upper midscale brands, we aim to cater to diverse customer needs and capture emerging opportunities in both business and leisure travel segments.

Firstly, the “12+3+1” framework comprises 12 core brands, which include five mature brands with a current scale of more than 1,000 hotels, three brands with over 500 hotels that have the potential to expand beyond 1,000 properties, and four brands currently below 500 hotels but with clear positioning and differentiated growth potential. These 12 core brands include *Jin Jiang Inn*, *7 Days*, *Magnotel*, *Vienna Hotel*, *Vienna International*, *Lavande*, *Country Inn & Suites by Radisson*, *Kyriad in China* (“凱里亞德”), *Campanile*, *James Joyce Coffetel*, *Xana*, and *IU*.

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Secondly, this framework focuses on accelerating the development of three upper midscale brands: *Metropolo Jin Jiang*, *Radisson Red*, and *Park Inn by Radisson*. By expanding their presence and improving brand recognition, we aim to increase the proportion of room revenue contributed by upper midscale hotels. This will involve increasing the number of properties and rooms, cultivating a management team and talent pool, and elevating accommodation quality and service standards.

Thirdly, we hope to build a dedicated resort segment, which will allow us to tap into the rising trend of leisure travel and diversify our portfolio beyond urban destinations. Leveraging the resources of our controlling shareholder, Jin Jiang Group, particularly its tourism division, we aim to quickly build a differentiated resort offering and establish a strong competitive moat in the vacation segment.

OUR BRAND PORTFOLIO

The following table sets forth a summary of our hotel brands by market segments as of the Latest Practicable Date:

Market segments	Total hotel brands	Self-developed hotel brands	Acquired hotel brands	Hotel brands with exclusive license	Hotel brands with non-exclusive license
Upper scale and above hotel brands	14	1	3	6	4
Upper midscale hotel brands . . .	15	7	6	2	–
Midscale hotel brands	21	5	15	1	–
Economy hotel brands	17	3	14	–	–
Total	67	16	38	9	4

The following table sets forth certain performance indicators, such as occupancy rates (in %), ADR and RevPAR (in RMB/room for PRC and Euro/room for overseas), of our hotels in operation, by market segment, for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Occupancy Rate	ADR	RevPAR	Occupancy Rate	ADR	RevPAR	Occupancy Rate	ADR	RevPAR
<i>In the PRC:</i>									
Upper scale and above Hotels	54.4	509.2	277.1	52.1	480.8	250.6	51.1	458.2	234.1
Upper midscale Hotels	68.7	308.9	212.2	67.6	294.0	198.7	65.4	289.6	189.5
Midscale Hotels	69.6	258.8	180.1	67.7	240.6	162.8	66.7	231.5	154.5
Economy Hotels	59.7	182.7	109.0	59.4	178.5	106.0	60.5	172.5	104.3
Total	66.1	255.6	169.1	65.2	244.3	159.2	64.6	239.0	154.4
<i>Overseas:</i>									
Midscale and above Hotels	63.0	71.5	45.1	63.3	72.0	45.6	62.9	71.2	44.8
Economy Hotels	62.5	63.9	39.9	60.6	65.4	39.7	58.5	63.5	37.1
Total	62.6	66.3	41.5	61.5	67.7	41.7	60.0	66.3	39.8

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The table below shows the market positioning of our major hotel brands as of the Latest Practicable Date:

高端及以上 UPSCALE AND ABOVE	
中高端 UPPER MIDSCALE	
中端 MIDSCALE	
經濟型 ECONOMY	

Notes:

- In addition to our own brands, we also operate hotels under the brands of *Hampton by Hilton* in China pursuant to the management license agreement entered into with Hilton Group.
- In addition to our own brands, we also operate hotels under the brands of *Radisson Collection*, *Radisson Blu*, *Radisson Individuals*, *Park Plaza*, *Radisson Red*, *Park inn by Radisson* and *Country Inn & Suites By Radisson* in China pursuant to the management license agreements entered into with Radisson Hotel Group.
- As of Latest Practicable Date, *Yan Garden* hotel was not officially opened.

The table below sets forth the respective business model, key feature, ADR, number of hotels and hotel rooms in operation by country and brand source of some of our major hotel brands:

Business model	Key feature	ADR	Number of hotels		Number of hotel rooms		Brand source
		For the the year ended December 31, 2025	As of December 31, 2025				
			In the PRC	Outside the PRC	In the PRC	Outside the PRC	
Upper scale and above hotel brands							
J F&M	Located atop the Shanghai Tower with seven restaurants and bars	RMB3,929.0	1	–	165	–	Local brand
Jin Jiang F&M	Focusing on premium hospitality services for business and leisure travelers	RMB431.2	58	–	15,957	–	Local brand
Golden Tulip Both	Targeting middle-class customers pursuing personalized experiences	Euro75.2	13 (Yu Jin Xiang)	137	2,663 (Yu Jin Xiang)	18,640	Foreign brand joined our brand portfolio after we acquired Groupe du Louvre in 2015 which was introduced into China and re-branded with the name Yu Jin Xiang (“鬱錦香”) by us in 2015

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	Business model	Key feature	ADR	Number of hotels		Number of hotel rooms		Brand source
			For the the year ended December 31, 2025	As of December 31, 2025				
				In the PRC	Outside the PRC	In the PRC	Outside the PRC	
<i>Radisson Red</i> . . .	Both	Providing hotel guests with fine dining options, fitness facilities, as well as social or art venues	RMB378.2	26	–	3,215	–	Foreign brand we introduced into China in 2019 pursuant to the management license agreements with Radisson Hotel Group
Upper midscale hotel brands								
<i>Metropolo Jin Jiang</i>	Both	Designed to serve upper midscale business travelers from China and abroad	RMB275.1	245	–	28,416	–	Local brand
<i>Hampton by Hilton</i> .	F&M	One of our fastest-growing brands targeting business elites and families with children	RMB407.3	509	–	78,940	–	Foreign brand we introduced into China in 2014 through collaboration with Hilton Group
<i>Park Inn</i>	Both	Offering experiences to customers by conveying three core values of good price, good stay and good people	RMB310.5	57	–	6,662	–	Foreign brand we introduced into China in 2019 pursuant to the management license agreements with Radisson Hotel Group
Midscale hotel brands								
<i>Vienna Hotel</i> . . .	Both	One of the China’s earliest mid-scale hotel chains brand targeting mass-market business travel customers	RMB215.2	1,713	–	184,647	–	Local brand joined our brand portfolio after we acquired Keystone Group in 2016
<i>Lavande</i>	Both	Targeting mass-market business travel customers	RMB252.8	1,509	–	147,268	–	Local brand joined our brand portfolio after we acquired Keystone Group in 2016
<i>Kang Bo</i> (“康铂”)	Both	Inviting hotel guests to enjoy modern French style lodging experience	RMB248.6	102	299 (<i>Campanile</i>)	10,365	21,704 (<i>Campanile</i>)	Foreign brand (<i>Campanile</i>) we introduced into China in 2016 through acquisition of Groupe du Louvre in 2015 and was re-branded as “Kang Bo” (“康铂”) in Chinese
<i>Kai Li Ya De</i> (“凱里亞德”)	Both	Dedicated to targeting business travelers	RMB225.7	298	276 (<i>Kyriad</i>)	33,286	16,790 (<i>Kyriad</i>)	Foreign brand (<i>Kyriad</i>) we introduced into China in 2018 through acquisition of Groupe du Louvre in 2015 and was re-named as “Kai Li Ya De” (“凱里亞德”) in Chinese
<i>Country Inn & Suites By Radisson</i>	Both	Offering hotel guests with comfortable lodging experiences	RMB274.4	173	–	15,276	–	Foreign brand we introduced into China in 2019 pursuant to the management license agreements with Radisson Hotel Group

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Business model	Key feature	ADR	Number of hotels		Number of hotel rooms		Brand source
		For the the year ended December 31, 2025	As of December 31, 2025		In the PRC	Outside the PRC	
			In the PRC	Outside the PRC			
Economy hotel brands							
Jin Jiang Inn . . . Both	Economy hotel chain brand in China for satisfactory, simple, safe and comfortable accommodation at reasonable prices	RMB176.5	1,026	4	102,782	308	Local brand
7 Days. Both	Targeting business travelers who prefer prime locations in the city with cost efficiency	RMB150.4	1,165	–	77,572	–	Local brand joined our brand portfolio after we acquired Keystone Group in 2016
Première Classe . . Both	Dedicated to offering basic, clean and comfortable accommodations at affordable prices	Euro45.4	–	212	–	15,551	Foreign brand joined our brand portfolio in 2016 after we acquired Groupe du Louvre in 2015
Magnotel. Both	Dedicated to offering business, social and leisure functions in one destination	RMB205.3	517	–	43,661	–	Local brand

Upper scale and above hotel brands



J is a hotel brand that we launched in 2020. We operate *J* hotel under the F&M model. *J* hotel is located atop the Shanghai Tower, the tallest skyscraper in China and the third-tallest in the world. As of December 31, 2025, *J* hotel has 165 rooms, including 34 suites, with room sizes ranging from 61 to 380 square meters. The ADR of *J* hotel was RMB5,247.9, RMB5,091.0, and RMB3,929.0 in 2023, 2024, and 2025, respectively.

The following pictures demonstrates the features of *J* hotel:



Hotel entrance



Hotel exterior

BUSINESS



Hotel rooms



Dining areas



Our *Jin Jiang* hotel brand traces its origin back to 1935. We operate *Jin Jiang* hotels under the F&M model. *Jin Jiang* hotels had an ADR of RMB468.3, RMB452.2, and RMB431.2 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 58 *Jin Jiang* hotels in operation with 15,957 hotel rooms, and we also had 17 *Jin Jiang* hotels under development with 3,585 hotel rooms. As of the same date, *Jin Jiang* hotels spanned across 34 cities in China, and we did not operate *Jin Jiang* hotels outside of the PRC.

The following pictures demonstrate the features of *Jin Jiang* hotels:



Jin Jiang Hotel Shanghai, the PRC



Jin Jiang Hotel Suzhou, the PRC



Golden Tulip was launched in 1962 and joined our brand portfolio after we acquired Groupe du Louvre in 2015. We operate *Golden Tulip* hotels under both O&L and F&M models. The *Golden Tulip* targets middle-class customers pursuing personalized experiences. *Golden Tulip* hotels had an ADR of Euro77.0, Euro76.4, and Euro75.2 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 137 *Golden Tulip* hotels in operation with 18,640 hotel rooms across 12 countries (primarily in Europe). As of the same date, we also had 35 *Golden Tulip* hotels under development with 5,100 hotel rooms.

The following pictures demonstrate the features of *Golden Tulip* hotels:

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Golden Tulip
Lyon Limonest, France



Swimming pool

We introduced *Golden Tulip* into China with the Chinese brand name “鬱錦香” in 2015. As of December 31, 2025, we had 13 *Golden Tulip* hotels in operation with 2,663 hotel rooms in China. As of the same date, we had one *Golden Tulip* hotel under development with 105 hotel rooms in China. In each period during the Track Record Period, the ADR of *Golden Tulip* hotels in China was RMB400.4, RMB394.1, and RMB393.8, respectively.

Radisson Red

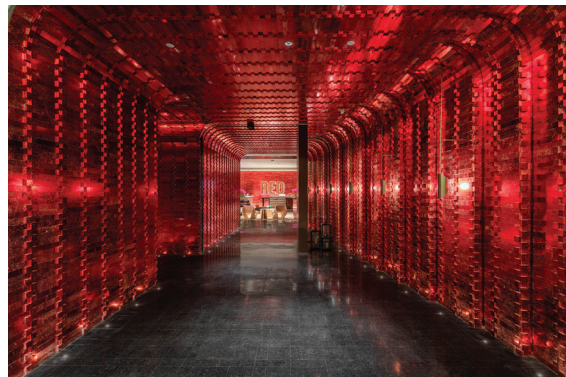


Radisson Red was launched in 2014 by Radisson Hotel Group. We introduced this hotel brand into China in 2019 pursuant to the management license agreements with Radisson Hotel Group. Since then, we operate *Radisson Red* hotels in China under both O&L and F&M models. *Radisson Red* hotels had an ADR of RMB473.1, RMB429.5, and RMB378.2 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 26 *Radisson Red* hotels in operation with 3,215 hotel rooms across 22 cities in China. As of the same date, we also had 23 *Radisson Red* hotels under development with 3,273 hotel rooms in China.

The following pictures demonstrate the features of *Radisson Red* hotels:



Radisson Red Wuxi, the PRC



Hotel lobby

Upper midscale hotels brands



The predecessor of *Metropolo Jin Jiang* hotel is the *Shanghai Metropolo Hotel* which operated in 1930s. We operate *Metropolo Jin Jiang* hotels under both O&L and F&M models. *Metropolo Jin Jiang* had an ADR of RMB300.6, RMB287.8, and RMB275.1 in 2023, 2024, and 2025, respectively. We expand into Southeast Asia market through launching our first *Metropolo Jin Jiang* hotel in Luang Prabang, Laotian in May 2025. As of December 31, 2025, we had 245 *Metropolo Jin Jiang*

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hotels in operation with 28,416 hotel rooms across 112 cities in China. As of the same date, we also had 65 *Metropolo Jin Jiang* hotels under development with 7,018 hotel rooms in the PRC, and one *Metropolo Jin Jiang* hotel under development with 124 hotel rooms in Laos.

The following pictures demonstrate the features of *Metropolo Jin Jiang* hotels:



Metropolo Jin Jiang Shanghai, the PRC



Metropolo Jin Jiang Chengdu, the PRC

Hampton by Hilton



We introduced the *Hampton by Hilton* brand in China in 2014 through the collaboration with the Hilton Group. We operate *Hampton by Hilton* hotels under the F&M model. *Hampton by Hilton* is one of our fastest-growing brands, with the number of hotels increasing at a CAGR of 86.5% between 2015 and 2025. *Hampton by Hilton* hotels had an ADR of RMB428.3, RMB420.1, and RMB407.3 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 509 *Hampton by Hilton* hotels in operation with 78,940 hotel rooms across 179 cities in China. As of the same date, we also had 222 *Hampton by Hilton* hotels under development with 30,926 hotel rooms in the PRC.

The following pictures demonstrate the features of *Hampton by Hilton* hotels:



Hampton by Hilton Tianjin, the PRC



Hotel lobby

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Park Inn is a hotel brand of Radisson Hotel Group, which was launched in 1986. In 2019, we introduced the hotel brand into China by management license arrangements. We operate *Park Inn* hotels under both O&L and F&M models. *Park Inn* hotels had an ADR of RMB344.3, RMB315.0 and RMB310.5 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 57 *Park Inn* hotels in operation with 6,662 hotel rooms across 41 cities in China. As of the same date, we also had 59 *Park Inn* hotels under development with 7,060 hotel rooms in the PRC.

The following pictures demonstrate the features of *Park Inn* hotels:



Park Inn Chengdu, the PRC



Public area

Midscale Hotels Brands



Vienna Hotel is one of the China's earliest mid-scale hotel chains. It became one of our brands since we acquired Keystone Group in 2016. We operate *Vienna Hotel* hotels under both O&L and F&M models. *Vienna Hotel* had an ADR of RMB241.7, RMB219.8, and RMB215.2 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 1,713 *Vienna Hotel* hotels in operation with 184,647 hotel rooms across 298 cities China. As of the same date, we had 269 *Vienna Hotel* hotels under development with 23,319 hotel rooms in the PRC, and we did not operate *Vienna Hotel* hotels outside of the PRC.

The following pictures demonstrate the features of *Vienna Hotel* hotels:



Vienna Hotel Jinan, the PRC



Hotel lobby

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Lavande targets mass-market business travel customers. We operate *Lavande* hotels under both O&L and F&M models. *Lavande* hotels had an ADR of RMB281.2, RMB264.8 and RMB252.8 in 2023, 2024, and 2025, respectively. As of December 31, 2025 we had 1,509 *Lavande* hotels in operation with 147,268 hotel rooms across 270 cities in China. As of the same date, we had 430 *Lavande* hotels under development with 39,425 hotel rooms, and we had one *Lavande* hotel under development with 119 hotel rooms in Malaysia.

The following pictures demonstrate the features of *Lavande* hotels:



Lavande Qufu, the PRC



Hotel lobby

Campanile (also known as “康铂” in China)



Campanile was founded by the Taittinger Family in France in 1976. Through the acquisition of Groupe du Louvre in 2015, we introduced the hotel brand into China in 2016, and added a Chinese brand name “康铂”. We operate *Campanile* hotels under both O&L and F&M models. Such hotels had an ADR of RMB282.1, RMB272.3, and RMB248.6 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 102 *Campanile* hotels in China that are in operation with 10,365 hotel rooms across 57 cities in China. As of the same date, we had 33 *Campanile* hotels in China that are under development with 2,977 hotel rooms in China, we operated 299 *Campanile* hotels in operation with 21,704 hotel rooms outside of the PRC, primarily in France, and we had 10 *Campanile* hotels under development with 1,062 hotel rooms outside of the PRC.

The following pictures demonstrate the features of *Kang Bo* (“康铂”) hotels:



Campanile in The Bund Shanghai, the PRC



Hotel lobby

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Kyriad (also known as “凱里亞德” in China) **Kyriad** MARVELOUS HOTEL 凯里亚德酒店

Kyriad is a hotel brand launched by Groupe du Louvre in 2000. Through the acquisition of Groupe du Louvre, we introduced the hotel brand into China in 2018, with a Chinese brand name “凱里亞德”. We operate *Kyriad* hotels in China under both O&L and F&M models. We operate *Kyriad* hotels in China under both O&L and F&M models. *Kyriad* hotels in China had an ADR of RMB252.3, RMB234.3, and RMB225.7 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 298 *Kyriad* hotels in operation with 33,286 hotel rooms across 128 cities in China. As of the same date, we had 80 *Kyriad* hotels under development with 8,162 hotel rooms in China, we had 276 *Kyriad* hotels in operation with 16,790 hotel rooms outside of the PRC, primarily in France.

The following pictures demonstrate the features of *Kyriad* hotels in China:



Kai Li Ya De (“凱里亞德”) Dongguan,
the PRC



Hotel lobby

Country Inn & Suites By Radisson **COUNTRY** INN & SUITES BY RADISSON 丽怡酒店

Country Inn & Suites By Radisson is a hotel brand founded in 1987 and is owned by Radisson Hotel Group. We introduced the hotel brand into China in 2019 pursuant to the management license agreements with Radisson Hotel Group. Since then, we operate *Country Inn & Suites By Radisson* hotels in China under the both O&L and F&M models. As of December 31, 2025, *Country Inn & Suites By Radisson* hotels had an ADR of RMB294.1, RMB298.6, and RMB274.4 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 173 *Country Inn & Suites By Radisson* hotels in operation with 15,276 hotel rooms across 87 cities in China. As of the same date, we also had 123 *Country Inn & Suites By Radisson* hotels under development with 10,852 hotel rooms in the PRC.

The following pictures demonstrate the features of *Country Inn & Suites By Radisson* hotels:



*Country Inn & Suites By
Radisson* Wuhan, the PRC



Dining area

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Economy hotel brands



We launched *Jin Jiang Inn* in 1996, which was the first economy hotel chain brand in China. We operate *Jin Jiang Inn* hotels under both O&L and F&M models. *Jin Jiang Inn* hotels had an ADR of RMB187.4, RMB175.5, and RMB176.5 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 1,026 *Jin Jiang Inn* hotels in operation with 102,782 hotel rooms across 228 cities in China. As of the same date, we also had 282 *Jin Jiang Inn* hotels under development with 17,498 hotel rooms in the PRC, and we had four *Jin Jiang Inn* hotels in operation with 308 hotel rooms outside of the PRC, primarily in Philippines.

The following pictures demonstrate the features of *Jin Jiang Inn* hotels:



Jin Jiang Inn Shanghai, the PRC



Hotel lobby



7 Days is an economy hotel brand with the largest number of hotels in operation within our Group. We acquired *7 Days* from Keystone Group in 2016. We operate *7 Days* hotels under both O&L and F&M models. *7 Days* hotels had an ADR of RMB163.6, RMB164.3, and RMB150.4 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 1,165 *7 Days* hotels in operation with 77,572 hotel rooms across 271 cities in China. As of the same date, we also had 579 *7 Days* hotels under development with 35,831 hotel rooms in the PRC, and we did not operate *7 Days* hotels outside of the PRC.

The following pictures demonstrate the features of *7 Days* hotels:



7 Days Shenzhen, the PRC



Hotel lobby

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Première Classe



Première Classe is a hotel brand launched by Groupe du Louvre, and it became one of our brands in 2016. We operate *Première Classe* hotels under both O&L and F&M models. *Première Classe* hotels had an ADR of Euro47.2, Euro47.4, and Euro45.4 in 2023, 2024, and 2025, respectively. As of December 31, 2025, we had 212 *Première Classe* hotels in operation with 15,551 hotel rooms across six countries (primarily in France). As of the same date, we also had three *Première Classe* hotels under development with 338 hotel rooms, and we did not operate *Première Classe* hotels in the PRC.

The following pictures demonstrate the features of *Première Classe* hotels:



Première Classe
Marseille-Vitrolles, France



Hotel room

Magnotel

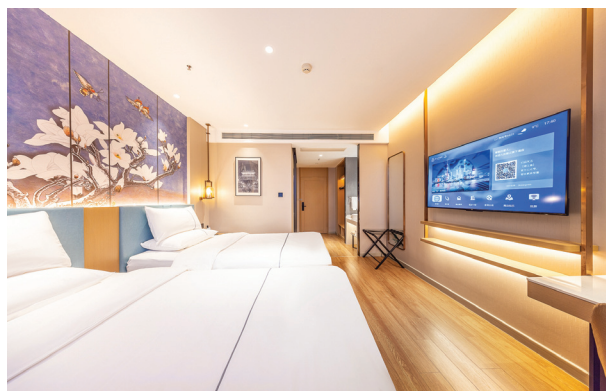


We launched *Magnotel* in 2017, and operate under both O&L and F&M models. *Magnotel* hotels had an ADR of RMB219.8, RMB207.2, and RMB205.3 in 2023, 2024, and 2025 in the PRC, respectively. As of December 31, 2025, we had 517 *Magnotel* hotels in operation with 43,661 hotel rooms across 159 cities in China. As of the same date, we had 201 *Magnotel* hotels under development with 13,951 hotel rooms in the PRC, and we did not operate *Magnotel* hotels outside of the PRC.

The following pictures demonstrate the features of *Magnotel* hotels:



Magnotel Zhangqiu, the PRC



Hotel room

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The table below sets forth the total number of hotels and hotel rooms in operation by hotel brands as of the dates indicated:

	Number of hotels in operation			Number of hotel rooms in operation		
	As of December 31,			As of December 31,		
	2023	2024	2025	2023	2024	2025
Upper scale and above hotel brands						
<i>J.</i>	1	1	1	165	165	165
<i>Jin Jiang</i>	56	54	58	16,951	16,063	15,957
<i>Radisson Red</i>	13	18	26	1,632	2,146	3,215
<i>Golden Tulip</i>	141	135	137	18,646	18,207	18,640
<i>Royal Tulip</i>	23	22	22	5,355	5,270	5,393
<i>Yu Jin Xiang</i> (“鬱錦香”)	15	13	13	2,502	2,607	2,663
<i>Park Plaza</i>	8	12	17	1,024	1,847	2,734
Others ⁽¹⁾	5	6	13	1,858	2,012	3,025
Sub-total	<u>262</u>	<u>261</u>	<u>287</u>	<u>48,133</u>	<u>48,317</u>	<u>51,792</u>
Upper midscale hotel brands						
<i>Metropolo Jin Jiang</i>	206	228	245	23,385	25,873	28,416
<i>Hampton by Hilton</i>	341	418	509	54,307	65,786	78,940
<i>Park Inn</i>	27	39	57	3,069	4,579	6,662
<i>Vienna International</i>	1,094	1,200	1,306	161,713	177,347	186,825
<i>ZMAX</i>	36	36	35	2,508	2,531	2,484
Others ⁽²⁾	179	225	265	18,258	22,496	25,988
Sub-total	<u>1,883</u>	<u>2,146</u>	<u>2,417</u>	<u>263,240</u>	<u>298,612</u>	<u>329,315</u>
Midscale hotel brands						
<i>Vienna Hotel.</i>	1,426	1,562	1,713	157,826	171,281	184,647
<i>Lavande</i>	1,199	1,355	1,509	115,765	132,336	147,268
<i>Kang Bo</i> (“康鉅”)	82	98	102	8,782	10,129	10,365
<i>Kai Li Ya De</i> (“凱裡亞德”)	230	263	298	26,482	29,734	33,286
<i>Country Inn & Suites By</i>						
<i>Radisson</i>	62	120	173	5,063	10,472	15,276
<i>James Joyce Coffetel</i>	526	592	625	43,273	49,632	54,099
<i>Xana Hotelle</i>	616	693	742	47,907	55,780	61,567
Certain other hotel brands of						
<i>Vienna Series</i> ⁽³⁾	688	716	701	60,648	63,812	62,422
Others ⁽⁴⁾	425	457	521	34,606	36,778	43,007
Sub-total	<u>5,254</u>	<u>5,856</u>	<u>6,384</u>	<u>500,352</u>	<u>559,954</u>	<u>611,937</u>
Economy hotel brands						
<i>Jin Jiang Inn</i>	932	964	1,030	102,162	101,741	103,090
<i>7 Days.</i>	1,288	1,250	1,165	87,926	83,917	77,572
<i>Première Classe</i>	229	224	212	16,802	16,430	15,551
<i>Magnotel</i>	337	424	517	29,132	36,425	43,661
<i>7 Days Premium</i>	656	672	638	46,210	47,268	44,790
<i>PAI</i>	481	461	395	22,433	21,405	18,250
<i>IU</i>	451	506	492	29,324	32,894	32,105
Others ⁽⁵⁾	675	652	595	44,960	44,025	39,994
Sub-total	<u>5,049</u>	<u>5,153</u>	<u>5,044</u>	<u>378,949</u>	<u>384,105</u>	<u>375,013</u>
Total	<u>12,448</u>	<u>13,416</u>	<u>14,132</u>	<u>1,190,674</u>	<u>1,290,988</u>	<u>1,368,057</u>

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Notes:

- (1) Others primarily include *Ginco Hotels*, *Kunlun* and *Radisson Collection*.
- (2) Others primarily include *Renjoy* and *FONTOO*.
- (3) Include *Vienna 3 Best*, *Vienna Classic* and *Vienna Apartment*.
- (4) Others primarily include *Tulip Inn* and *O.LIVE Social*.
- (5) Others primarily include *Kyriad Direct*, *Bestay* and *Goldmet*.
- (6) In each period during the Track Record Period, we had 35, 50 and 38 upper scale and above hotels newly opened, respectively and 24, 53 and 12 upper scale and above hotels closed, respectively.
- (7) In each period during the Track Record Period, we had 251, 308 and 295 upper midscale hotels newly opened, respectively and 21, 45 and 24 upper midscale hotels closed, respectively.
- (8) In each period during the Track Record Period, we had 679, 769 and 643 midscale hotels newly opened, respectively and 96, 165 and 115 midscale hotels closed, respectively.
- (9) In each period during the Track Record Period, we had 388, 388 and 338 economy hotels newly opened, respectively and 381, 284 and 447 economy hotels closed, respectively.

Hotel brand incubation

Our hotel brand incubation begins with a market research to gain market insights and understand the needs of franchisees and consumers. These form the foundation for brand development, guiding brand positioning and highlights for brand experience. A sample room will be built to showcase the brand’s core design elements. Once the model room is completed, we move into the pilot testing phase. We closely monitor the feedbacks on design and operation as well as guest experience. After brand optimization, we will develop a viable investment model and compile the brand and hotel experience manuals. When the new hotel brand is officially launched, we incorporate our in-depth market feedbacks collected during the development stage to further refine the marketing strategy and operational planning.

For the period from January 1, 2022 to December 31, 2025, we developed seven new hotel brands and successfully opened 30 hotels under these brands. For instance, *Y.TUO* is one of the new hotel brands that we have developed in the recent years. The first *Y.TUO* hotel was opened in Beijing in August 2022. As of December 31, 2025, *Y.TUO* had eight hotels in operation with 798 hotels rooms and seven hotels under development with 666 hotel rooms, respectively. We also introduced hotel brands from overseas and localized them to cater to the needs of the domestic market. For example, we introduced *Kyriad* into China and rebranded it with a Chinese name of *Kai Li Ya De* and we introduced *Campanile* and rebranded it with a Chinese name of *Kang Bo*. We also introduced *Tulip Residence* and re-designed it into a Chinese hotel brand name *Jing Li*. As of December 31, 2025, we introduced a total of 10 foreign hotel brands.

OUR GLOBAL NETWORK

As of December 31, 2025, our hotels in operation spanned across 339 cities in 31 provinces, municipalities and autonomous regions across China, and our overseas hotel network covered 57 countries or regions worldwide, across Europe, Asia (excluding China), Africa, and the Americas. As of December 31, 2025, among our hotels in operation, we had 740 hotels in France, 111 hotels in other countries and regions of Europe, and 276 hotels in Asia (excluding China), Africa and Americas. Similar to our business model in the PRC, we operate our overseas hotels under both O&L and F&M models.

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The table below sets forth the number of our hotels and hotel rooms by geographic regions as of December 31, 2025:

	Hotels in operation				Hotels under development ⁽¹⁾			
	O&L		F&M		O&L		F&M	
	Number of hotels	Number of hotel rooms	Number of hotels	Number of hotel rooms	Number of hotels	Number of hotel rooms	Number of hotels	Number of hotel rooms
The PRC	378	50,937	12,627	1,224,560	7	1,046	3,869	329,149
Overseas	235	19,119	892	73,441	1	156	206	18,977
Europe	232	18,755	619	41,838	0	0	39	3,323
France	170	12,888	570	36,508	0	0	32	2,419
Others ⁽²⁾	62	5,867	49	5,330	0	0	7	904
Asia (excluding China)	3	364	221	23,540	1	156	146	12,219
Americas	0	0	16	2,683	0	0	12	2,267
Africa	0	0	36	5,380	0	0	9	1,168
Total	613	70,056	13,519	1,298,001	8	1,202	4,075	348,126

Note:

- (1) Include hotels for which we have entered into binding leases, purchase agreements of land use right or property, or franchise or management agreements, but that have not yet commenced operations.
- (2) Include Germany, Poland, the Netherlands, the United Kingdom, and other countries or regions.

The number of our overseas O&L hotels decreased from 272 as of December 31, 2024 to 235 as of December 31, 2025, primarily due to challenging market condition, especially in Europe.

The table below sets forth the geographic breakdown of our revenue for the years/periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
<i>(RMB in thousands, except for percentages)</i>						
The PRC	10,354,477	70.7	9,806,757	69.7	9,960,292	72.1
Overseas	4,294,902	29.3	4,256,224	30.3	3,850,540	27.9
Europe	4,114,373	28.1	4,043,885	28.8	3,625,114	26.2
France	2,859,688	19.5	2,756,578	19.6	2,479,935	17.9
Others ⁽¹⁾	1,254,685	8.6	1,287,307	9.2	1,145,179	8.3
Others ⁽²⁾	180,529	1.2	212,339	1.5	225,426	1.6
Total	14,649,379	100.0	14,062,981	100.0	13,810,832	100.0

Note:

- (1) Include Germany, Poland, the Netherlands, the United Kingdom, and other countries or regions.
- (2) Include Asia (excluding China), Americas, and Africa.

The financial performance of our overseas operations during the Track Record Period did not meet expectations, recording net losses during the Track Record Period. Specifically, our Group recorded consolidated net losses from overseas operations of RMB404.6 million, RMB434.3 million, and RMB662.5 million in 2023, 2024, and 2025, respectively. This was primarily due to (i) elevated operating costs, particularly in labour and energy; (ii) rising interest rates which

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increased borrowing expenses; and (iii) intensified market competition. In response to these challenging conditions, especially in Europe, we have implemented a series of strategic measures: (i) strategic renovation and enhancement of selected hotels to strengthen their market competitiveness and drive revenue growth; (ii) exiting selected O&L hotel properties that underperformed; (iii) accelerating digital transformation across hotel management and operations to enhance efficiency and reduce costs; and (iv) expanding our footprint into new countries and regions to achieve a more balanced and resilient international growth strategy. See “— Hotel operation and management — hotel management — hotel upgrade” for details. Our Directors are of the view that the abovementioned measures are effective.

Hotel brands acquisition

In terms of broad acquisition, in 2015, we acquired Groupe du Louvre, a European hotel group through which we operated hotels under the brands of *Golden Tulip*, *Première Classe*, *Campanile*, and *Kyriad Series*. Our revenue attributable to Groupe du Louvre amounted to Euro566.3 million, Euro556.1 million, and Euro481.5 million in 2023, 2024, and 2025, respectively. In 2016, we acquired Keystone Group, which primarily operated hotels under the brands of *7 Days*, *Lavande*, *James Joyce Coffetel*, *Xana Hotelle* and *IU* and operated *Hampton by Hilton* hotels in China under an exclusive license granted by Hilton Group. Our revenue attributable to Keystone Group amounted to RMB3,810.8 million, RMB3,841.2 million, and RMB4,198.1 million in 2023, 2024, and 2025, respectively. We also acquired Vienna Hotels Groups, which mainly operated hotels under the brands of *Vienna International* and *Vienna Hotel*. Our revenue attributable to Vienna Hotels Groups amounted to RMB3,734.6 million, RMB3,520.5 million, and RMB3,589.1 million in 2023, 2024, and 2025, respectively.

Our Group’s investment policy is to align with its strategic development direction, strengthen and expand core businesses, and emphasize synergy between domestic and international operations. We are committed to continuously enhancing innovation capabilities, brand influence, and core competitiveness, while maintaining strict investment budget management to ensure reasonable returns on investment activities. In addition, we place strong emphasis on internal controls for acquired entities and manages them through a comprehensive framework. At the subsidiary level, we have established internal control systems, including our internal control manual, authorization implementation guidelines, and the management measures for decision reporting on major business matters, to ensure robust governance and decision-making. At the Group level, we have implemented an internal control and risk management manual, which defines segregation of incompatible duties in investment management and sets clear requirements for pre-investment, ongoing, and post-investment processes. We conduct annual internal control self-assessments and issue reports to drive continuous improvement, complemented by yearly inspections under our implementation guidelines for internal control inspection and supervision, covering major investments, financing, guarantees, pledges, and significant fund transfers. An internal audit function has been established to execute audits annually in accordance with an approved audit plan.

OUR BUSINESS MODEL

Our business is carried out under two business models, namely, O&L and F&M. We primarily use the F&M model to expand our network in a less capital-intensive manner, which aligns with our overall strategy. On the other hand, when entering new markets or developing new hotel brands, we use the O&L model as a showcase of branding, positioning and service standards. In addition, we also derive other revenue from loyalty program fee, food and catering services, procurement platform service fees, and rental income. Our revenue from procurement platform service fees presents the commissions we charge suppliers using our e-commerce platform, i.e. GPP, for goods sold. The rate of this commission was approximately 4.1%, 1.7%, and 1.4% in 2023, 2024, and 2025, respectively. We also recognize loyalty program revenues from the loyalty points that can be redeemed for future products and services, and the membership fees from our customer loyalty program. The pricing of loyalty program fees is determined after a comprehensive assessment of industry benchmarks, market acceptance, and the value of product entitlements. Our revenues from

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property management services and food and catering services arise from the operation of canteens, which are priced in accordance with prevailing market rates and determined through participation in tendering and competitive bidding processes. We also recognized rental income from operating leases for renting out our properties. Our rental fees are priced in accordance with prevailing market rates.

The table below sets forth the 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⁾	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

Note:

- (1) Primarily include loyalty program fee, food and catering services, procurement platform service fees, and rental income.

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 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.

The table below sets forth the number of hotels and hotel rooms in operation as of the dates indicated:

	As of December 31,					
	2023		2024		2025	
	Number of hotels	Number of hotel rooms	Number of hotels	Number of hotel rooms	Number of hotels	Number of hotel rooms
O&L hotels	761	85,185	687	76,200	613	70,056
F&M hotels	11,687	1,105,489	12,729	1,214,788	13,519	1,298,001
Total	12,448	1,190,674	13,416	1,290,988	14,132	1,368,057

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The table below sets forth movement of the number of hotels in operation for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
O&L hotels at the beginning of the period	836	761	687
Add:	4	10	12
Less:	79	84	86
At the end of the period	761	687	613
F&M hotels at the beginning of the period	10,781	11,687	12,729
Add:	1,349	1,505	1,302
Less:	443	463	512
At the end of the period	11,687	12,729	13,519

Notes:

- (1) In each period during the Track Record Period, we had four, 10 and six O&L hotels newly opened, respectively and 76, 72 and 43 O&L hotels closed, respectively, in the PRC. In the same periods, 1,308, 1,461, and 1,255 of our F&M hotels were newly opened, respectively and 368, 414 and 458 of our F&M hotels were closed, respectively, in the PRC.
- (2) In each period during the Track Record Period, we had six overseas O&L hotels newly opened and three, 12 and 43 overseas O&L hotels closed, respectively. In the same periods, 29, 47 and 47 of our overseas F&M hotels were newly opened, respectively and 61, 54 and 54 of our overseas F&M hotels were closed, respectively.
- (3) Among our overseas O&L hotels, we had (i) nil O&L hotels newly opened and one, four and 21 O&L hotels closed, respectively, in France, in each period during the Track Record Period and (ii) nil O&L hotels newly opened and two, eight and 16 O&L hotels closed, respectively, in other overseas markets, in each period during the Track Record Period.
- (4) Among our overseas F&M hotels, we had (i) 10, 13 and six F&M hotels newly opened, respectively and 45, 31 and 19 F&M hotels closed, respectively, in France, in each period during the Track Record Period and (ii) 19, 34 and 40 F&M hotels newly opened, respectively and 16, 23 and 35 F&M hotels closed, respectively, in other overseas markets, in each period during the Track Record Period.

The following table sets forth certain performance indicators of, such occupancy rates (in %), ADR and RevPAR (in RMB/room in China and Euro/room overseas), of our hotels in operation, by business model, for the periods indicated:

	Years ended December 31,								
	2023			2024			2025		
	Occupancy Rate	ADR	RevPAR	Occupancy Rate	ADR	RevPAR	Occupancy Rate	ADR	RevPAR
<i>In China:</i>									
F&M hotels	66.5	257.0	170.9	65.5	245.3	160.7	64.8	239.8	155.3
O&L hotels	61.1	234.5	143.3	59.8	225.1	134.5	61.6	221.8	136.7
Total	66.1	255.6	169.1	65.2	244.3	159.2	64.6	239.0	154.4
<i>Overseas</i>									
F&M hotels	62.1	66.0	40.9	61.3	66.9	41.1	60.5	65.7	39.7
O&L hotels	64.2	67.2	43.2	62.1	70.0	43.5	58.8	68.3	40.1
Total	62.6	66.3	41.5	61.5	67.7	41.7	60.0	66.3	39.8

The reasons for hotel closures typically include property-related matters (such as rezoning and expiry of leases and inability of the proposed lease renewal plan to meet the required investment return), failure to meet our requirements for hotel operation quality (such as substandard property

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conditions) or results (such as lack of growth in operating performance), the expiry of franchisee or management agreements, change of financial conditions of our franchisees and other commercial reasons. During the Track Record Period, no hotel closures within our Group were related to any material regulatory and/or legal non-compliance on the part of the Group and/or its F&M hotels.

F&M hotels

As of December 31, 2025, we had 13,519 F&M hotels in operation with 1,298,001 hotel rooms, representing approximately 95.7% and 94.9% of our total number of hotels and hotel rooms in operation as of the same date, respectively. Under the F&M model, hotels are authorized to use our brands, logos, trademarks, and are provided access to our intellectual property, IT systems, reservation platforms, and training resources. However, the operational responsibilities differ between franchised hotels and manachised hotels. For instance, under a franchised arrangement, the franchisee operates independently under our brand. The franchisee is responsible for day-to-day operations, including hiring and managing staff, procurement, and other managerial obligations. Our role is primarily supervisory and brand-oriented: we provide brand standards, training, and access to our reservation and loyalty systems, but we do not participate in daily operational decisions. Revenue to the Group is derived from franchise fees, which typically include an initial fee and ongoing royalties based on room revenue. On the other hand, arrangements with manachised hotels can be seen a hybrid structure combining elements of franchising and management contracts. We assume full responsibility for hotel operations under a management agreement. This includes appointing and dispatching key management personnel to oversee all aspects of the hotel’s operations, such as front office, housekeeping, food and beverage, and revenue management. We implement our standardized operating procedures, quality control systems, and service protocols to ensure consistency across the network. We would manage staffing, training, procurement, and compliance, while the franchisee typically bears the capital expenditure and certain fixed costs. In return, we receive management fees, which may include a base fee and a performance-based incentive fee linked to profitability metrics.

The fundamental distinction lies in operational control and risk allocation. Under the franchise method, our Group’s involvement is limited to brand licensing and support services, leaving operational execution to the franchisee. Under the manachise method, our Group exercises direct control over operations, ensuring uniform service quality and brand standards.

The F&M model allows us to leverage our expertise in hotel management and deliver a consistent guest experience, while reducing the capital intensity compared to O&L hotels. However, it also entails greater operational responsibility compared to franchising. By offering both methods under the F&M model, we can achieve a certain level of flexibility in expanding our network while balancing capital efficiency and operational oversight. The manachise method is particularly suited for owners seeking professional management expertise, whereas the franchise method appeals to owners with strong local operational capabilities who prefer autonomy under a recognized brand. In each period during the Track Record Period, we had seven, four, and four F&M hotels among our top 10 F&M hotels in terms of revenue, each of which is an Independent Third Party.

The table below sets forth our top 10 F&M hotels in terms of revenue for the years/periods indicated:

No.	Year Ended December 31,		
	2023	2024	2025
1. . . Royal Tulip Brasilia Alvorada ⁽¹⁾		Shanghai Jinjiang Hotel* (上海錦江飯店)	Shanghai Jinjiang Hotel* (上海錦江飯店)
2. . . Shanghai Jinjiang Hotel* (上海錦江飯店)		Jin Jiang Park Hotel* (錦江國際飯店)	Jin Jiang Park Hotel* (錦江國際飯店)
3. . . Jin Jiang Park Hotel* (錦江國際飯店)		The Kunlun Jing An* (上海靜安昆侖大酒店)	The Kunlun Jing An* (上海靜安昆侖大酒店)

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No.	Year Ended December 31,		
	2023	2024	2025
4. . .	Jin Jiang Tower Shanghai* (上海新錦江大酒店)	Royal Tulip Brasilia Alvorada ⁽¹⁾	Royal Tulip Brasilia Alvorada ⁽¹⁾
5. . .	KYRIAD PRESTIGE LYON EST – Saint Priest Eurexpo Hotel and SPA ⁽¹⁾	Jin Jiang Tower Shanghai* (上海新錦江大酒店)	The Kunlun Beijing* (北京昆侖飯店)
6. . .	CAMPANILE LYON CENTRE – Gare Part Dieu ⁽¹⁾	Golden Tulip Shanghai Rainbow* (上海虹橋賓館)	Jin Jiang Tower Shanghai* (上海新錦江大酒店)
7. . .	Hampton by Hilton Renhuai Zuimei Avenue* (仁懷醉美大道希爾頓歡朋酒店) ⁽¹⁾	KYRIAD PRESTIGE LYON EST – Saint Priest Eurexpo Hotel and SPA ⁽¹⁾	Golden Tulip Shanghai Rainbow* (上海虹橋賓館)
8. . .	Park Inn by Radisson Beijing Tongzhou Universal Resort* (北京通州環球度假區麗柏酒店) ⁽¹⁾	Shanghai Jianguo Hotel* (錦江建國賓館)	J Hotel Shanghai Tower* (上海中心J酒店) ⁽¹⁾
9. . .	Vienna International Hotel (Qingdao Railway Station East Square)* (維也納國際酒店(山東青島火車站東廣場棧橋店)) ⁽¹⁾	J Hotel Shanghai Tower* (上海中心J酒店) ⁽¹⁾	Hampton by Hilton Wuhan Jingkai* (武漢經開希爾頓歡朋酒店) ⁽¹⁾
10. .	Hampton by Hilton Zhangjiajie Tianmen Mountain* (張家界天門山希爾頓歡朋酒店) ⁽¹⁾	Xiaogan Hampton by Hilton* (孝感市孝武大道希爾頓歡朋酒店) ⁽¹⁾	CAMPANILE LYON CENTRE Gare Part Dieu ⁽¹⁾

Note:

(1) Each of them is an Independent Third Party.

Our Directors believe that there was no concentration among our F&M hotels during the Track Record Period, as the aggregated revenue contributed by each F&M hotel was less than 1%. Except for Jin Jiang International Group, all of our major F&M hotels are Independent Third Parties.

We enter into franchise agreements and management agreements with franchisees in connection with our franchised hotels and manachised hotels, as the case may be. The individual terms of our franchise agreements and management agreements are subject to negotiation among the parties. The general terms of our franchise agreements are summarized below.

Scope of services : We authorize a franchised hotel to use our relevant hotel brand name, logo and trademarks. The franchisee is responsible for the hotel’s construction, renovation and maintenance. We provide guidance to the franchisee on the construction or renovation of the hotel and require the hotel to obtain all necessary licenses and approvals and meet our standards before approving it to commence operations. We also provide our franchisees with central reservation, sales and marketing support, technology support, quality assurance inspections and other operational support and information.

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- Fees collected : We generally charge our franchisee (i) pre-opening service fee, typically comprising (a) a fixed amount or (b) a variable amount calculated with reference to the number of hotel rooms; (ii) floating franchisee fee typically equal to a fixed percentage (i.e. 4% to 7%) of the total revenue and/or (iii) hotel manager fee as the case maybe. We also charge fees based on the type of services we provide. For example, we charge a reservation fee for using our central reservation system, and charge information technology services and support fee for sharing our technical infrastructure with franchised hotels. We also charge a fixed service support fee for the provision of operational support to franchisees.
- Term of services : Our franchise agreement typically runs for an initial term of five to 15 years, and may be extended upon mutual agreement between us and the franchisee three to six months prior to the expiration of the franchise agreement.
- Termination : We typically have the right to early terminate the franchise agreement, if, among others, the franchisee does not commence operations within a specified period, provides us with false information, omits to disclose material information, violates applicable laws and regulations that result in harm to our hotel brand(s) or is in breach of the franchise agreement but fails to rectify within a grace period. We are also entitled to early terminate the franchise agreement in case of a material breach of the agreement by the franchisee. In all of these circumstances, we may claim liquidated damages against the franchisee. The franchisee typically has the right to early terminate the franchise agreement in the event that, among others, we do not perform our obligations under the franchise agreement and fail to rectify within a grace period, we lose the title or rights to use our relevant hotel brand name, logo and trademark(s) or we are criminally convicted.

The general terms of our management agreements are summarized below.

- Scope of services : We provide management services pursuant to the management agreement.
- Fees collected : We charge our manachised hotels a base management fee equal to a fixed percentage of between 1.5% and 4.0% of the total revenue of the hotels and an incentive fee calculated based on the hotel's adjusted gross operating profit ("**Adjusted GOP**") for the relevant period. The incentive fee is calculated based on tiers of gross operating profit (**GOP**). At lower levels of **GOP**, the fee is set at a modest percentage of the adjusted **GOP**. As **GOP** increases, the fee percentage rises progressively in steps, with each higher range of **GOP** attracting a slightly higher fee. At the highest levels of **GOP**, the incentive fee reaches its maximum percentage. For the purposes of this clause, Adjusted **GOP** means, for any period, the difference between the total revenue of the hotel and the expenses and permitted deductions for that period. Permitted deductions include departmental expenses and undistributed operating expenses determined in accordance with the uniform system of accounts, but only to the extent they relate to hotel operations from the opening date. Permitted deductions, in general, may not include, among others, base and incentive fees; insurance premiums and related costs, in accordance to the terms in the management agreements.

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Term of services	:	Our management agreement typically runs for an initial term of five to 15 years, and usually may be extended upon mutual agreement between us and the franchisee.
Termination	:	We are typically entitled to terminate the management agreement early if, among others, the franchisee does not commence construction, renovation or operations within the specified period, or the franchisee is in material breach of the agreement. In all of these circumstances, we may claim liquidated damages from the franchisee.

O&L hotels

As of December 31, 2025, we had 613 O&L hotels in operation with 70,056 hotel rooms, representing approximately 4.3% and 5.1% of our total number of hotels and hotel rooms in operation as of the same date, respectively. We manage and operate these hotels and bear all of the accompanying costs. We generate revenue mainly from room accommodation and food and beverage sales and bear all operating costs, including staffing, utilities, and maintenance. We are responsible for recruiting, training and supervising the hotel managers and employees, paying for leases and costs associated with construction and renovation of these hotels, and purchasing all supplies and other required equipment.

Our leased hotels are located on leased properties. The terms of our leases typically range from 10 to 20 years. Some of our leases enjoy an initial four to eight months’ rent-free period. We generally pay fixed rent on a quarterly or biannual basis for the first three years of the lease term, after which we are generally subject to a 3% to 5% increase on rent every three to five years. Our leases usually allow extensions by mutual agreement. In addition, our lessors are typically required to notify us in advance if they intend to sell or dispose of their properties, in which case we have a right of first refusal to purchase the properties on equivalent terms and conditions. Generally speaking, breakeven period for our O&L hotels ranges from three months to two years depending on the factors such as the size, brand tier and location. The investment payback period for our O&L hotels ranges 4.5 years to six years depending on factors such as strategic positioning, branding and financial returns on the investment.

During the Track Record Period, our Company had O&L hotels which incurred gross operating losses (calculated as the revenue deducting the operating cost and fees), where were primarily due to (i) renovation and upgrading of hotel rooms; (ii) cost for marketing and promotional activities for hotel branding; (iii) relatively low RevPAR for some newly opened hotels; and (iv) the challenging market environment in which our O&L hotels operated. During the Track Record Period, our Company had 41, 55 and 43 loss-making O&L hotels in the PRC with aggregated gross operating losses of RMB13.7 million, RMB24.8 million, and RMB20.7 million, respectively. We operated such O&L hotels primarily under the brands of *7 Days* and *Jin Jiang Inn*. For the same periods, our Company had 41, 41, and 92 O&L overseas hotels with aggregated gross operating losses of EURO3.6 million, EURO4.8 million and EURO8.6 million, respectively. We operated such O&L hotels primarily under the brands of *Campanile* and *Premiere Classe*, which were mainly located in France.

Our business performance

Overall, during the Track Record Period, our Group’s revenue remained broadly stable, declining only slightly from RMB14,649.4 million in 2023 to RMB14,063.0 million in 2024 and further to RMB13,810.8 million in 2025. The modest decrease over the period primarily reflects deliberate strategic actions taken by our Group to optimize its hotel portfolio and accelerate its transition toward an asset light business model, rather than a deterioration in underlying operating fundamentals. In particular, revenue in 2025 decreased compared with 2024 mainly due to a reduction in revenue from our O&L hotels, which was attributable to (i) the strategic exit of certain O&L hotels as part of our portfolio optimization strategy, (ii) temporary room closures at selected

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hotels for renovation and upgrades aimed at enhancing long term asset quality, operating efficiency and capital discipline, and, to a lesser extent, (iii) a softer operating environment that continued to exert pressure on RevPAR across the industry. Notwithstanding the short term revenue impact of these measures, they were implemented with a view to supporting sustainable growth and profitability over the medium to long term. Against this backdrop, our F&M hotel business continued to demonstrate resilience and growth. Revenue from F&M hotels increased by 10.9%, from RMB6,185.7 million in 2024 to RMB6,862.8 million in 2025, with its contribution to total revenue further increasing. This performance underscores the effectiveness of our ongoing shift toward an asset light model, which we believe is conducive to maintaining profitability, improving cash flow quality and mitigating earnings volatility associated with capital intensive O&L operations.

In terms of profitability, our Group’s profit for the year decreased from RMB1,277.2 million in 2023 to RMB1,144.3 million in 2024 and further to RMB989.4 million in 2025, which was broadly consistent with the revenue trend and similarly reflected the impact of our strategic portfolio adjustments rather than a weakening of our core operating capability. The decline in profit in 2025 compared with 2024 was primarily attributable to a reduction in non recurring gains, particularly gains on disposals of subsidiaries and assets, which had contributed meaningfully to profit in 2024, as well as the short term impact of reduced contribution from O&L hotels following the strategic exits and renovation related disruptions. Notwithstanding these factors, our recurring operating performance showed an overall upward trend during the Track Record Period, supported by disciplined costs and expenses control, the continued rationalization of capital intensive operations, the expanding contribution from our asset light F&M hotel business, and an improved central reservation system performance. In particular, the continued growth of management and franchise income, which generally carries higher margins and lower capital requirements, enhanced the resilience and sustainability of our earnings profile. We believe that the increasing weighting of asset light operations positions our Group favorably to preserve profitability, improve returns on invested capital and mitigate earnings volatility associated with cyclical fluctuations and asset disposals going forward.

HOTEL OPERATION AND MANAGEMENT

Hotel development

We primarily expand our hotel network through the F&M model. Under this model, hotels are authorized to use our brands, logos, trademarks, and are provided access to our intellectual property, IT systems, reservation platforms, and training resources. However, under a franchised arrangement, the hotel owner operates independently under our brand. The franchisee is responsible for day-to-day operations, including hiring and managing staff, procurement, and other managerial obligations. On the other hand, arrangements with manachised hotels can be seen a hybrid structure combining elements of franchising and management contracts. We assume full responsibility for hotel operations under a management agreement. This includes appointing and dispatching key management personnel to oversee all aspects of the hotel’s operations, such as front office, housekeeping, food and beverage, and revenue management.

To support our growth, we have established a dedicated department responsible for new hotel development. This team follows a structured process for planning and executing projects. It begins with identifying suitable properties in strategic locations. Once a potential site is selected, we assess the commercial terms, analyze key financial indicators, conduct market research and on-site due diligence, and then develop a comprehensive project proposal. When evaluating franchise and manachise opportunities, we consider the location’s appeal, service quality, and alignment with our hotel brand standards. For lease or acquisition opportunities, we assess several factors, including the local competitive landscape, investment payback period, projected return on investment, expected net cash flow during operations, and the potential impact on nearby existing hotels. Each investment proposal is carefully reviewed to ensure that our expansion enhances both market coverage and overall profitability.

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The following is a description of our new hotel development process:

F&M hotels

Franchisees often bring access to prime locations by leveraging their own assets and local networks, which enhances our coverage in key areas. We typically target locations near major commercial and office districts, where demand for hotel accommodations is consistently strong. To ensure quality and consistency, all F&M hotels must meet specific infrastructure requirements, including reliable water supply, electricity, and sewage systems. We typically identify potential franchisees through word-of-mouth referrals, on-line applications submitted via our website, and industry conferences. Once a candidate is identified, an evaluation will be conducted based on several criteria, including their background, business objectives, value propositions, and ability to meet our service standards. For existing franchisees, we generally begin a re-evaluation process approximately 12 months before expiration of their franchise or management agreement. Some of our franchisees operate multiple F&M hotels. In all cases, we seek partners who align with our values and management philosophy, ensuring consistency and quality across our network. We provide our franchisees with comprehensive guidance on designing and renovating their properties to ensure alignment with the standards applied to our O&L hotels. Franchisees may choose qualified general contractors from our GPP to carry out these renovations. To maintain consistent service quality across all locations, we appoint or train hotel managers and assist in training other hotel staff at F&M hotels.

O&L hotels

Similar to our F&M hotels, we target properties in central or highly accessible locations within selected cities to maximize occupancy and room rates. We typically seek properties to allow us to achieve optimal economies of scale. Once a suitable property is identified, we conduct thorough due diligence and proceed to negotiate a lease or purchase agreement with the property owner or lessor, depending on the arrangement. Once a lease or purchase agreement is finalized, we initiate construction and renovation through a general contractor selected from our GPP. We follow a rigorous contractor selection process and maintain an approved list of certified vendors. Throughout the planning and design phases, we collaborate closely with designers, supervisors, contractors, and material suppliers. During construction, we actively oversee the decoration and renovation work to ensure it meets our standards. Our contracts with general contractors typically include quality warranties and strict deadlines. Contractors are held financially responsible for any construction defects or delays.

Hotel management

Key components of our hotel management infrastructure include:

Budgeting: Our budget and analysis team prepares an annual budget for each of our O&L hotel, and for each of our F&M hotel. These budgets are developed based on several factors, including each hotel’s historical performance, benchmarks from comparable properties, and prevailing local market conditions. Additionally, our hotel managers’ compensation is tied to how well their property performs against the annual budget.

Pricing: The room rates of our hotels are determined and adjusted from time to time through our centralized pricing management system, based on various factors, including the hotel rating and class, the services and facilities being provided, the type of hotel guests, the location and the local market conditions and demand, the occupancy levels and seasonality.

Monitoring: Through our cloud-based hotel management system, we are able to monitor each hotel’s occupancy status, ADR, RevPAR and other operating data.

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Centralized cash management: All our O&L hotels and some of our F&M hotels deposit cash from operations into our central account. We also generally centralize all payments for expenditures of these hotels. Our other F&M hotels manage their cash separately.

Centralized procurement: We utilized GPP to cope with the huge procurement needs of our hotels during the course of their daily operations. Given the scale of our hotel network and leveraging the GPP, we have the purchasing power to secure favorable terms from suppliers for our hotels, enabling us to achieve economies of scale and to better control the quality of supplies used.

Quality assurance: We formed hotel brand standards on hotel facilities and interior decoration. We also developed an operating manual to which our staff closely adhere to ensure the consistency and quality of consumer experience. We conduct periodic internal quality checks of our hotels to ensure that our operating policies and procedures are followed. Furthermore, we actively solicit guest feedback by conducting outbound e-mail surveys and monitor comments posted on our website and third-party websites.

Training: We provide operational and managerial training programs to our management team at the headquarters and hotel managers through a combination of online and offline channels, including field study, lectures, seminars and experience sharing. Accounting, statistics, auditing, human resources and other staff with professional background are required to participate in continuing education and professional capability training courses every year.

Hotel upgrade: According to F&S, during the Track Record Period, the hotel industry in China has witnessed a rising demand for quality accommodations with greater services and better overall lodging experience. To cater to the evolving market trends, we upgraded some of our hotels under the *7 Days*, *Vienna International* and *Vienna brands*. We started with in-depth market analysis and research to obtain information on the latest trends and developments of consumer demands and preferences and identify areas for improvement. We then proceeded to formulate upgrade proposal, mainly covering hotel brand repositioning, experience highlights, business model redesigning, investment model formulation, and the design of sample upgraded hotel rooms. Based on the proposal, we chose a hotel from our existing O&L hotels under such brand and renovated certain hotel rooms. If the sample upgraded hotel rooms receive positive market feedback, we would consider upgrading our other O&L hotels or cooperated with our franchisees to upgrade our F&M hotels under such brand.

We believe that our hotel upgrade efforts have improved performance of the relevant hotels. For example, we introduced *Lavande 3.5* hotels in 2022, we upgraded lighting and furnishings, and introduced smart control panels to enhance convenience and comfort. In 2024, our upgraded *Lavande 3.5* hotels had an ADR of RMB279 while the ADR of *Lavande 2.0* hotels was RMB261 in the same year. The RevPAR for *Lavande 3.5* hotels reached RMB194 in 2024, while the RevPAR for *Lavande 2.0* was RMB179 in the same year.

Internal control measures on safety: We have implemented internal control measures to ensure building safety, focusing on both quality management and continuous improvement. Routine maintenance is performed on guest rooms, and periodic maintenance is carried out on equipment to ensure operational reliability. Continuous repairs are undertaken to resolve common issues as they arise and to address recurring problems promptly. In addition, we will undertake regular renovations for hotels where ageing facilities, outdated design, or visible wear and tear could negatively affect guest experience or compromise brand image. Such renovations may include upgrading guest rooms with modern furnishings, refurbishing bathrooms to meet current hygiene and functionality standards, refreshing public areas to align with brand aesthetics, and implementing technology enhancements such as smart controls or updated entertainment systems. These measures ensure that our properties remain safe, comfortable, and consistent with the Group’s quality standards. Moreover, we also have implemented internal control measures to ensure fire safety. We keep properly records of our hotels, including (i) basic records of overall floor plan, business license and copies of fire safety approval documents; (ii) organizational structure of our fire safety management

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including the appointment of responsible personnel and layout of mini fire station and (iii) all types of fire safety facilities with details including firefighting equipment, evacuation signage and emergency lighting. In addition, we perform regular training and onboard training and conduct drills and inspections as precautionary measures.

Internal control measures on hygiene: we have established comprehensive internal procedures and stringent internal control measures to ensure that all guest rooms and public areas consistently meet the highest standards of hygiene and cleanliness. These measures are designed to protect guest health, maintain operational consistency, and reinforce our commitment to quality and safety. Before entering any guest room, housekeeping staff are required to wear appropriate personal protective equipment, including gloves and masks. They must check the cleaning cart to confirm that all necessary items are available, including color-coded cleaning cloths for different zones, approved disinfectants, fresh linens, and guest amenities. Staff also verify the room status, whether occupied or vacant, and confirm any special guest requests prior to commencing service. Entry into the room follows a strict protocol: staff knock three times and announce clearly, "Hello, housekeeping service." If there is no response, they wait five seconds and knock again. If the guest responds, they confirm the preferred cleaning time. Upon entering, staff open windows for ventilation and place a "Cleaning in Progress" sign outside the door.

Cleaning is carried out in a structured sequence to prevent cross-contamination. The bathroom is cleaned first, beginning with the removal of trash, followed by disinfection of the toilet and sink, wiping of mirrors, cleaning of the shower area, and mopping of the floor. The bedroom is cleaned next, with linens replaced using dust-control techniques, furniture and high-touch surfaces such as door handles and remote controls sanitized, and the floor vacuumed thoroughly, including under the bed. This sequence ensures that sanitary zones are prioritized and contamination risks minimized.

We mandate complete sanitization and linen replacement between every guest stay. Strict protocols govern the use of cleaning cloths, including a color-coded system and quantity requirements to ensure segregation of tools for different areas. Housekeeping teams follow a detailed deep cleaning schedule that includes required tasks on daily, weekly, monthly, quarterly, and annual cycles. These tasks include monthly maintenance of lobby floors, regular deep cleaning of carpets in public areas and guest rooms, and immediate spot treatment for any special stains. All measures are documented and monitored through internal audits to ensure compliance. Before leaving the room, staff replenish guest amenities, verify that all fixtures and equipment are functioning properly, close windows, and set the air conditioning to a comfortable range of 75 to 78 degrees Fahrenheit. The door is securely locked upon completion of the cleaning process. We also regularly audit compliance with these procedures and provides ongoing training to housekeeping staff to maintain consistency and adapt to evolving health requirements. These internal control measures ensure that hygiene management is not only operationally effective but also systematically monitored. This reflects our commitment to guest safety, service excellence, and continuous improvement.

Management on franchisees: We have implemented comprehensive internal control measure for our franchisees to ensure the consistent and high quality service. These measures cover all aspects of the hotel operation including hotel administrative management, front desk services, housekeeping, engineering maintenance, security protocols, sales and marketing, account and financials and food and beverages. We also implemented franchisees management measures establishing a tiered evaluation system for franchisees based on the mandatory indicators, comprehensive indicators and veto indicators. In particular, the mandatory indicators are scored with reference to the conditions of the interior decorations, furniture and facilities in our F&M hotels. Comprehensive indicators are primarily assessed on service quality and veto indicator applies to any material breach by the franchisees. Generally speaking, we evaluate the performance of our franchisees every year. We have an established system to monitor and supervise the operation and management of our F&M hotels and we generate periodic reports to identify any material non-compliance by the franchisees.

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Our Internal Control Consultant has reviewed the aforementioned internal control and risk management measures, as well as the following policies. Our Company has established an operation and management manual, which sets out our hotel operation and management standards and specifies management requirements for franchisee service quality across multiple dimensions, including hotel administrative management, lobby management, room management, engineering management, security management, sales management, and financial management.

Our Company has also established the Management Measures for Investors, which stipulate rules for franchisee rating. An annual franchisee classification evaluation is conducted, reviewing all franchisee’ indicators, such as (i) hard indicators include quality scores; (ii) comprehensive indicators include high-quality business support, such as support for brand-standard renovation; and (iii) one-vote veto indicators include significant breaches of contract.

In addition, our Company has established a compliance supervision and risk warning management system for franchisees, which requires the compliance supervision team to regularly report franchisee supervision results to the General Manager of the Development Management Department and synchronize them with the Audit Department periodically (monthly, quarterly, and annually). Our Legal, Financial, HR, and Audit Departments will review these results and hold violators accountable.

No deficiencies have been identified within the scope of the review by the Internal Control Consultant, and our Directors and the Internal Control Consultant are of the view that these measures were adequate and effective during the Track Record Period and up to the Latest Practicable Date.

TECHNOLOGY INFRASTRUCTURE AND DIGITALIZATION

The following discusses certain key aspects of our technology infrastructure as well as our digitalization initiatives:

WeHotel

WeHotel is a hotel reservation system that offers robust central reservation solutions and loyalty member management, allowing us to further digitalize our operations. Our WeHotel maintains information of Jin Jiang members, including their reservation and consumption history and pattern, points accumulated and redeemed, and prepayment and balance. Subject to obtaining prior consent, by analyzing member information and behavior, we are able to better serve Jin Jiang members and offer targeted promotions to enhance customer loyalty. Further, through our WeHotel, we maintain an around-the-clock, real-time central reservation system available 24 hours a day, seven days a week, covering a majority of our hotels in China. WeHotel platform forms an integral part of our central reservation system. It allows reservations through online direct sales channels primarily comprising of WeHotel and online indirect sales channels primarily comprising of hotel reservation websites maintained by third party operators. The real-time inventory management capability of the system improves the efficiency of reservations, enhances customer satisfaction and customer loyalty to the *Jin Jiang* brand and maximizes our profitability. Our central reservation ratio (calculated as the total number of room nights sold through our online direct channels and online indirect channels divided by the total number of room nights sold by our hotels in China excluding *Hampton by Hilton*) was 62.8% in 2025. Such a high percentage of booking through our central reservation system not only enables us to achieve higher efficiency and profitability compared to hotels that rely heavily on intermediaries, but also allows us to maintain better control over our F&M hotels.

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GPP

GPP is an innovative B2B e-commerce platform that provides one-stop centralized procurement solutions to participants across the industry chain, including franchisees, suppliers and other third-party hotel owners and operators. According to F&S, GPP was one of the largest centralized procurement systems in China’s hotel industry. Moreover, we or our general contractor use GPP as a centralized procurement platform for major supplies in the majority of our hotels in China. As of December 31, 2025, there were over 9,000 approved suppliers and general contractors offering their products or services on GPP to over 40 hotel brands and more than 20,000 hotels globally. In 2023, 2024, and 2025 our aggregate purchase made through the GPP amounted to approximately RMB6,795 million, RMB9,564 million, and RMB11,637 million in China, respectively. In addition to satisfying the procurement needs of our hotels, GPP offers SaaS solutions to facilitate the digitalization of transactions for participants across the industry chain.

Jinjiang Service Sharing Platform

As we have grown significantly in scale, we have established an efficient and centralized service sharing platform to gradually centralize, digitalize and automate various operational and financial functions, including accounting, procurement, payment, budget, asset and tax management processes, across our hotels in China. Our service sharing platform, as the integrated business-finance operations hub, connects the centralized information technology systems including GPP, WeHotel and hotel management system. Our service sharing platform allows management to effectively assess the performance of our hotels on a timely basis and efficiently allocate resources and facilitate more informed decision making.

Other digitalization initiatives

Moreover, we are in the process of rolling out a full digital transformation for our hotel operations focusing on self-service, smart technology and digital system to improve the lodging experience and operational efficiency. Our integrated smart ecosystem includes eight core modules, which are smart kiosks for one-click check-in, self-check-in and fast check out, self service multi-functional vending machine, self-service laundry, delivery robots, AI voice-powered in-stay services, smart security systems, room automation controls and cross-devices streaming.

CUSTOMERS

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, being the procurement platform 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 in 2023, 2024, and 2025, respectively. Our five largest customers typically settle payments with us with bank transfer.

The following table sets forth the details of our five largest customers for each period during the Track Record Period:

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For the year ended December 31, 2023

Customer	Background	Products/services purchased from us	Approximate years of business relationship	Sales amount	Percentage of total revenue of our Group
				RMB'000	%
Jin Jiang International . . .	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, urban services and asset management.	Services (including hotel management) and goods	More than 10 years	62,268	0.4
Customer A . . .	A company that is primarily engaged in purchase and sales of hotel supplies and daily chemical products.	Procurement platform services	5 years	16,761	0.1
Customer B . . .	A company that is primarily engaged in wholesale and import and export of mattresses, bed frames, sofas and bedding.	Procurement platform services	5 years	14,467	0.1
Customer C . . .	A company that is primarily engaged in production and sales of textiles and tourism products.	Procurement platform services	5 years	13,351	0.1
Customer D . . .	A government department	Hotel accommodation	5 years	12,250	0.1
Total				<u>119,097</u>	<u>0.8</u>

For the year ended December 31, 2024

Customer	Background	Products/services purchased from us	Approximate years of business relationship	Sales amount	Percentage of total revenue of our Group
				RMB'000	%
Jin Jiang International . . .	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, urban services and asset management.	Services (including hotel management) and goods	More than 10 years	108,891	0.8
Customer D . . .	A government department	Hotel accommodation	5 years	20,395	0.1
Customer E . . .	An event management company specialised in accommodation for hotel booking	Hotel accommodation	3 years	17,417	0.1
Customer F . . .	A government agency	Hotel accommodation	5 years	15,767	0.1
Customer B . . .	A company that is primarily engaged in wholesale and import and export of mattresses, bed frames, sofas and bedding	Procurement platform services	5 years	15,585	0.1
Total				<u>178,055</u>	<u>1.3</u>

For the year ended December 31, 2025

Customer	Background	Products/services purchased from us	Approximate years of business relationship	Sales amount	Percentage of total revenue of our Group
				RMB'000	%
Jin Jiang International . . .	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, urban services and asset management.	Hotel management, sales of food, etc.	More than 10 years	140,724	1.0

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Customer	Background	Products/services purchased from us	Approximate years of business relationship	Sales amount	Percentage of total revenue of our Group
				RMB'000	%
Customer G . . .	A businessman	Hotel management	More than 10 years	14,288	0.1
Customer B . . .	A company that is primarily engaged in wholesale and import and export of mattresses, bed frames, sofas and bedding	Procurement platform services	5 years	13,296	0.1
Customer H . . .	A company that is primarily engaged in construction	Hotel accommodation and catering services	10 years	12,026	0.1
Customer E . . .	An event management company specialised in accommodation for hotel booking	Hotel accommodation	3 years	11,241	0.1
Total				191,575	1.4

Corporate clients

We enter into contracts with corporate clients, typically for a duration of one year, pursuant to which such corporate customers are charged special rates for rooms, subject to the availability of the rooms, either at a discount to our standard best available rate or fixed or guaranteed rates for rooms during the term of the contract. Although the corporate room rates are generally lower than the retail rates, such corporate contracts provide us with stable revenues and contribute to the occupancy levels.

Individual customers

We value customers’ feedback as a crucial indicator in assessing the performance of our hotel management and customer services. Owing to the nature of services, our O&L as well as F&M hotels occasionally face complaints from customers. During the Track Record Period, we receive customer feedback (including complaints), usually in relation to service quality below customers’ expectation, rooms amenities, membership rewards, refunds and attitude of our staff. In China, during the Track Record Period, the number of tickets we opened for customer feedback (including complaints) as a percentage of total number of room nights was 0.076%, 0.074%, and 0.066%, respectively. The following table sets forth a summary of the complaints our hotels in operation in the PRC have received for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	(Count)	(%)	(Count)	(%)	(Count)	(%)
Service skills/front desk	56,248	33.6	61,359	37.1	30,361	20.6
Cancellations and refund	20,826	12.5	17,469	10.6	28,280	19.2
Membership	20,942	12.5	21,169	12.8	27,222	18.5
Facilities	20,189	12.1	16,601	10.0	15,645	10.6
Services and attitude	8,544	5.1	10,163	6.1	6,912	4.7
Others ⁽¹⁾	40,511	24.2	38,768	23.4	38,842	26.4
Total	167,260	100.0	165,529	100.0	147,262	100.0

Note:

- (1) Other complaints mainly relate to membership benefits (offline services), price discrepancies, parking issues, lost items, safety management, and hygiene. Each category of such complaints accounted for less than 5% of total complaints our hotels in operation in the PRC have received during the Track Record Period.

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For our overseas operation, in 2023, 2024, and 2025, the number of the feedback (including complaints) we received by as a percentage of total number of room nights was 0.016%, 0.027%, and 0.024%, respectively. The following table sets forth a summary of the feedback (including complaints) our hotels in operation overseas have received for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	(Count)	(%)	(Count)	(%)	(Count)	(%)
Room ⁽¹⁾	1,864	57.7	1,655	54.0	2,113	51.3
Hotel ⁽²⁾	1,047	32.4	1,106	36.1	1,603	38.9
Catering ⁽³⁾	219	6.8	189	6.2	211	5.1
Security ⁽⁴⁾	99	3.1	102	3.3	136	3.3
Personal data ⁽⁵⁾	–	–	15	0.5	59	1.4
Total	3,229	100	3,067	100	4,122	100

Note:

- (1) Issues related to room cleanliness, equipment availability and functionality, air conditioning, etc.
- (2) Issues related to incorrect invoicing, reception services, and room staff, etc.
- (3) Issues related to catering services, including food quality and quantity, etc.
- (4) Issues related to theft of personal belongings and unauthorised room entry, etc.
- (5) Issues related to errors in customer profiles and ID document verification, etc.

Management measures on customer feedback (including complaints)

To ensure prompt and proper handling of customer feedback, we have established a standardized and tiered feedback handling procedure within our hotel network. For our operation in China, when a customer raises the disagreement and initiates the feedback, the manager of the relevant hotel shall listen to and deal with the customer’s issue immediately on-site. For those feedback failed to reach a consensus and were reported to our centralized system at the group’s level, we would first open ticket and categorize such feedback by nature and coordinate with the relevant regional department to handle the issues. Depending on the complexity of the feedback, we may escalate the ticket to the provincial or operational departments if necessary. We normally close the tickets once the customer is satisfied with the resolution or confirms that no further action is required. We normally requires the tickets to be closed within two days. For our overseas operations, once we receive the consumers feedback through our digital platform, we categorize the feedback by severity and process the feedback based on the severity and usually settle with our customers by way of refund or voucher. Our complaint resolution framework is designed to ensure transparency, fairness, and customer satisfaction across all hotel operations. Below is an overview of how complaints in each category are managed:

- Complaints related to service skills or front desk processes typically involve issues such as slow check-in, lack of professionalism, or inadequate assistance. These complaints are handled through immediate intervention by the hotel’s duty manager, who ensures the guest’s concerns are resolved on the spot. Staff involved receive coaching and retraining focused on customer service standards, communication etiquette, and problem-solving skills. We will also conduct periodic audits and mystery guest programs to monitor service quality and prevent recurrence.
- When complaints arise regarding room status, such as incorrect availability or delayed readiness, the hotel’s operations team prioritizes swift resolution. Guests are offered alternative rooms or complimentary upgrades where possible. The root cause is analyzed, often involving system synchronization or housekeeping scheduling, and corrective measures are implemented. Training sessions for front desk and housekeeping teams reinforce the importance of accurate room status updates.

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- Complaints about facilities, including malfunctioning equipment or poor maintenance, are treated as high priority. Immediate steps are taken to repair or replace defective items, and guests are offered compensation such as complimentary services or loyalty points. Preventive maintenance schedules are enforced across all properties, and recurring issues are flagged for capital improvement planning.
- Miscellaneous complaints are logged and analyzed for patterns. Corrective actions vary depending on the nature of the issue, but all cases are documented and reviewed during monthly quality meetings to drive continuous improvement.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material customer complaint.

SUPPLIERS

Our suppliers are primarily our lessors of hotel properties and vendors that provide hotel supplies and supporting services necessary for our operation. Our franchisees generally select qualified suppliers through our GPP to provide one-stop property design and renovation services as well as hotel supplies. We use a supplier selection process to assess potential suppliers based on a number of factors. Only those suppliers which fulfill all our requirements are selected. We maintain a certified suppliers list and routinely review and assess our suppliers’ performance and check their qualifications, and update the certified suppliers list accordingly, to ensure the quality of our hotel supplies. Our GPP allows our hotels to select pre-approved suppliers, negotiate prices, fix payment terms and arrange delivery. Our hotels normally source food, fruits and vegetables directly from suppliers as these products require certain degree of freshness. These arrangements ensure stable supply of certain supplies but at the same time provide flexibility to our hotels to purchase supplies according to their actual needs and budgets.

In 2023, 2024, and 2025, 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. We typically settle payments with our five largest suppliers with bank transfer.

The following table sets forth the details of our five largest suppliers for each period during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background	Products/services offered to us	Approximate years of business relationship	Purchase amount <i>RMB'000</i>	Percentage of total purchase of our Group <i>%</i>
Jin Jiang International	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, city services and asset management.	Lease, services, goods and food	More than 10 years	271,148	6.9
Supplier A . . .	A company that is primarily engaged in payment solution	Payments services	More than 10 years	101,826	2.6
Supplier B . . .	A company that is primarily engaged in real estate investment	Hotels lease	More than 10 years	96,713	2.5
Supplier C . . .	A company that is primarily engaged in food products distribution	Food products	More than 10 years	94,108	2.4
Supplier D . . .	A company that is primarily engaged in consulting services	Consulting services tied to new ERP	More than 10 years	73,858	1.8
Total				637,653	16.2

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For the year ended December 31, 2024

Supplier	Background	Products/services offered to us	Approximate years of business relationship	Purchase amount	Percentage of total purchase of our Group
				RMB'000	%
Jin Jiang International	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, city services and asset management.	Lease, services, goods and food	More than 10 years	341,626	8.0
Supplier A . . .	A company that is primarily engaged in payment solution	Payments services	More than 10 years	107,246	2.5
Supplier C . . .	A company that is primarily engaged in food products distribution	Food products	More than 10 years	103,225	2.4
Supplier B . . .	A company that is primarily engaged in real estate investment	Hotels lease	More than 10 years	86,086	2.1
Supplier E . . .	A company that is primarily engaged in energy provision	Energy	More than 10 years	51,758	1.2
Total				<u>689,941</u>	<u>16.2</u>

For the year ended December 31, 2025

Supplier	Background	Products/services offered to us	Approximate years of business relationship	Purchase amount	Percentage of total purchase of our Group
				RMB'000	%
Jin Jiang International	A company that is primarily engaged in hotel operation and management, tourism, passenger transportation, city services and asset management.	Lease, services, goods and food	More than 10 years	254,599	6.6
Supplier A . . .	A company that is primarily engaged in payment solution	Payments services	More than 10 years	95,733	2.5
Supplier B . . .	A company that is primarily engaged in real estate investment	Hotels lease	More than 10 years	91,029	2.4
Supplier C . . .	A company that is primarily engaged in food products distribution	Food products	More than 10 years	70,376	1.8
Supplier G . . .	A company that is primarily engaged in landscaping	Renovation services	7 years	57,353	1.5
Total				<u>569,090</u>	<u>14.8</u>

OVERLAPPING CUSTOMERS AND SUPPLIERS

Two of our five largest customers were also suppliers of us (the “**Overlapping Customers and Suppliers**”) in 2023. The Overlapping Customers and Suppliers are primarily engaged in the business of hotel supplies. We primarily procured hotel supplies from them, in the meanwhile they use our procure platform, namely GPP, to fulfill hotel supplies orders from franchisees, for which we charge a service fee. In 2023, our purchases from each of such overlapping Customers and Suppliers amounted to RMB12.6 million, respectively, accounting for 0.3% of our total purchase amount for the same years, respectively. In 2023, our sales to them amounted to RMB30.1 million, accounting for 0.2% of our total revenue for the same years, respectively.

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One of our five largest suppliers was also a customer of us (the “**Overlapping Supplier and Customer**”) in the year ended December 31, 2025. The Overlapping Supplier and Customer is primarily engaged in food products distribution. We primarily procured food products from it and provided individual accommodation to it. In 2025, our purchases from it amounted to RMB70.4 million, accounting for 1.8% of our total purchase amount for the same period. In 2025, our sales to it amounted to RMB2.1 million, accounting for less than 0.1% of our total revenue for the same period.

Save for the purchases and sales transactions, we do not have any other past or present relationships (including, without limitation, financing, family, employment, trust or otherwise) with Overlapping Customers and Suppliers and/or Overlapping Supplier and Customer, their respective substantial shareholders, directors or senior management, or any of their respective associates.

Jin Jiang International Group, one of our five largest customers in each period during the Track Record Period, was also one of our five largest suppliers in the same periods. For the relationship between our Company and Jin Jiang International Group, as well as the shareholding structure of our Company and Jin Jiang International Group, see “History, Development and Corporate Structure — Our Shareholding and Corporate Structure.” Our sales to Jin Jiang International Group amounted to RMB62.3 million, RMB108.9 million, and RMB140.7 million in 2023, 2024, and 2025, respectively, accounting for 0.4%, 0.8% and 1.0% of our total revenue in the same year/period, respectively; and our purchases from Jin Jiang International Group amounted to RMB271.1 million, RMB341.6 million, and RMB254.6 million in 2023, 2024, and 2025, respectively, accounting for 6.9%, 8.0%, and 6.6% of our total purchase amount in the same periods, respectively. For the products and/or services of our sales to and purchase from Jin Jiang International Group, see “Connected Transactions — Fully-Exempt Continuing Connected Transactions” and “Connected Transactions — Partially-Exempt Continuing Connected Transactions.”

The negotiations of the terms of our sales to and purchases from each of Overlapping Customers and Suppliers and Jin Jiang International Group were conducted on an individual basis and the sales and purchases were not inter-conditional upon each other. Moreover, the major terms of transactions with each of Overlapping Customers and Suppliers and Jin Jiang International Group were similar to those with our other customers and suppliers and were in line with normal commercial terms. Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers in each year/period during the Track Record Period was a supplier/customer of us.

PRIVACY AND DATA SECURITY

We have developed a series of data security policies adapted to the local requirements. We carry out scenario-based management to address the threats and risks of data availability, integrity and confidentiality. We strictly limit and monitor our employee access to user data. We provide data privacy training to authorized employees and require them to report to us promptly on any potential data leakage.

Data usage

We collect personal information of our guests customarily required for their hotel booking, check-ins and check-outs, catering services, including but not limited to their names, mobile phone number, IDs, locations, reservation information, address, cookies, etc. To ensure the confidentiality and integrity of our guests’ data, we maintain comprehensive and rigorous data security measures. We anonymize and encrypt confidential personal information and take other necessary technological measures to ensure the secure processing, transmission, usage and storage of data. We have also established stringent internal protocols under which we grant classified access to confidential personal data only to limited employees with strictly defined and layered access authorization. Our manachised hotels use our operation systems to collect the guests’ data, and the

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data are then stored on the highly secured server that we rent from third-party cloud service providers. Only our authorized staff can read and record the data, and our systems keep records of their access to the data. We have also implemented measures restricting data access and prohibiting data exporting for those hotels.

We have adopted a standard data usage and privacy policy, which is provided on our mobile apps, websites or, for Mainland China, our WeChat mini-app. Specifically, we undertake to manage and use the user data in accordance with applicable laws and make reasonable efforts to prevent the unauthorized access, breach, tampering or loss of personal information.

In our data usage and privacy policy, we detail our commitment to safeguarding users’ data privacy, and fully disclose the potential uses of information and data received from our users, which may include: (i) enabling our services and ensuring our solutions function properly; (ii) ensuring security and reliability of our services by verifying users’ identity against the information and data on file; (iii) providing customized services and information display; (iv) using information and data on an anonymous basis for improving products and services, internal audit, analysis and research purposes; (v) using personal information for membership management; and (vi) assisting with regulatory investigations or other legal proceedings in accordance with applicable laws and regulations, and court or administrative orders.

Data sharing and transfer

We do not share or transfer information and data collected or preserved by us to any person, unless with prior explicit consent. Without consent from our users or business necessity, we are prohibited from disclosing users’ data to any third party, unless such disclosure is mandated by a court or administrative order.

We require that user and transaction data that we collect in our business operations in the PRC be stored and preserved within the PRC, as required by applicable laws and regulations. We have adopted robust internal rules and procedures designed to prevent illegal and/or unauthorized cross-border transmission of data.

Data protection

We employ various technology to protect the data with which we are entrusted. For example, we store user data in encrypted format. We generally de-identify and encrypt confidential personal information and take other technological measures to ensure the secure processing, transmission, usage and storage of data. If such personal information is relevant to our business, we will minimize our employee access to such information and closely monitor their access frequency.

We also adopt a combination of full backup and incremental backup to ensure that the data we collect is well maintained and business continuity is achieved. We use distributed storage of data with multiple data replicas to increase security level. In particular, we have been constantly improving our internal classification and grading system of sensitive data. All sensitive data would be protected by field-level encryption.

Data security awareness

We also enter into confidentiality agreements with our employees. The confidentiality agreements provide that, among others, our employees are legally obligated not to share, distribute or sell confidential information to any party, including other employees who otherwise have no access to such information. We provide regular data privacy and security trainings. Our employees are also legally obligated to return all confidential materials in possession upon cessation or termination of their employment and will remain obligated to maintain confidentiality of such materials thereafter. Our employees may be subject to penalty if they breach their confidentiality obligations or otherwise commit misconduct resulting in a leakage of confidential information.

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Cybersecurity risk management

We operate robust application and infrastructure security controls, which are designed to prevent, identify and respond to information security threats. We have adopted a standard operation procedure to address any potential hacking or data leakage incidents. At the terminal security level, our system is able to identify terminal risks and provide traceability analysis for security risk mitigation with the assistance of terminal data loss prevention products. We closely monitor the flow of sensitive user data on our terminals, and will create alerts in a timely manner when any abnormality is detected.

We have assembled a specialized data security team to oversee all data privacy and security matters across our Group. Our data security team comprises approximately five members with diverse backgrounds and qualifications, including product development and data security management. The head of our data security team possesses over nine years of relevant work experience. To safeguard the confidentiality and integrity of the data we collect and preserve, our material customer-facing information systems have obtained Level 3 Information Security Protection Filing, effectively ensuring information security and customer privacy protection.

We engage third-party cybersecurity companies to conduct regular penetration tests to identify weaknesses in our system and evaluate its security. If an issue is identified, we will take prompt actions to adjust or upgrade our system and mitigate any potential problems that may undermine the security of our system.

As part of our ongoing compliance efforts, we regularly update our internal- and external-facing policies and procedures. To keep abreast with recent regulatory developments, we have engaged an experienced external legal advisor to advise us on the new requirements under the recently enacted data protection laws and regulations of the PRC to ensure the integrity and effectiveness of our data protection policies in compliance with all applicable laws and regulations. With the assistance of such special legal advisor, we have implemented a series of improvements to our data security measures, including, among others, upgrades to our user data classification system and procedures, enhanced centralized management of access to our major business and operational systems by our employees and optimization of user privacy policies. As a result of these internal control and compliance efforts, no material weakness or deficiency has been identified by the special legal advisor in our data security measures and our business operations are in compliance with all current data security laws and regulations in all material aspects. As advised by our PRC Legal Adviser, there were no instances of material information leakage or loss of user data by our Company in the PRC during the Track Record Period and up to the Latest Practicable Date. Our French Legal Adviser also confirmed that our Major Subsidiaries in France (Groupe du Louvre and Louvre Hotels Group) did not experience any material information leakage or loss of user data in France during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we did not experience any material information leakage or loss of user data in the PRC or any overseas market.

SALES AND MARKETING

Our sales channels include in-house online reservation, hotel reservation websites maintained by third-party agencies, corporate clients, travel agencies and walk-in guests.

In-house online reservations

Our in-house online reservation channels primarily include WeHotel platform and social media platforms. We provide our hotel guests with convenient reservation services through our reservation website <https://hotel.bestwehotel.com> and our social media platform such as WeChat ecosystem and douyin. Hotel guests can receive real-time hotel information and make hotel

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bookings through our in-house online reservation channels. Different level of discount may be offered to hotel guests depending on payment method (prepaid in full or not), time of reservation and total number of nights reserved.

Hotel reservation websites maintained by third-party operators

We established business relationships with leading domestic and international OTA platforms, such as ctrip.com, qunar.com, alitrip.com, meituan.com, elong.com, ly.com and booking.com. The OTA platforms can obtain real-time hotel information and make hotel bookings through our central reservation system. We enter into framework cooperation agreements with the OTA platforms, with a term ranging from one to two years, pursuant to which our hotels would offer hotel rooms to the OTA platforms for sale on their systems. The OTA platforms would typically charge us a service fee ranging from 8% to 15% of the revenue generated from the sale of the hotel rooms via the platform. For our F&M hotels, such service fee is paid by the respective franchisees. Our access to these channels allows us to market to a wider potential customer group and further enhance the occupancy rates of our hotels on a day-to-day basis. We review our hotel pricing from time to time and we may adjust room rates based on local market conditions and our operational status.

Travel agencies

A third-party travel agent may reserve hotel rooms online or offline. We set our pricing policy to the travel agencies based on local market condition and our operational status. We typically enter into a yearly framework cooperation agreement with the travel agencies whereby the level of service fee payable would typically depend on the expected number of hotel rooms reservation.

Walk-in guests

Our front desks at our hotels accept direct reservation from walk-in guests. The room rates for our walk-in guests are determined with reference to various factors, including the hotel rating and class, the type of service and facilities, the location and the local market conditions, the occupancy levels and seasonality. Therefore, our room rate for walk-in guests is adjusted from time to time.

Advertising and marketing

Our marketing strategy is designed to enhance our brand recognition and customer loyalty. Building and differentiating the brand image of our hotels is critical to increasing our brand recognition and the expansion of our hotel networks. We focus on targeting the distinct guest segments that each of our hotel serves and adopting effective marketing measures based on thorough analysis and application of data and analytics.

A key component of our marketing efforts is the JJ Rewards, our loyalty program, which covers all of our hotel brands in China. As of December 31, 2025, we had approximately 213.1 million members who were offered different types of benefits and privileges based on their membership level, including discounts on room rates, free breakfast, various check-in benefits (including guaranteed booking, late check-out and room upgrades) and discounts on food and beverages. Our members can also accumulate points by stays in our hotels or purchasing products and services offered by our hotels. These points can be used to offset room charges, buy food and beverages at our hotels, convert to points under our designated airline partners' loyalty program or be redeemed for various other coupons for services in relation to traveling. The JJ Rewards consist of four membership levels: Blue Card, Silver Card, Gold Card and Platinum Card. Blue Card membership is the entry level and can be obtained free of charge through online registration. Memberships can be upgraded to the next level or renewed upon the satisfaction of certain conditions.

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In addition, our marketing activities also include Internet advertising, press and sponsored activities held jointly with our corporate partners and advertisements in travel and business magazines.

PRICING

The room rates of our O&L hotels as well as our F&M hotels are determined and adjusted from time to time through our centralized pricing management system, namely central reservation system, based on various factors. We adopt a transparent and flexible pricing policy, anchored by a publicly available Best Available Rate (BAR) as the standard reference. Guests can benefit from a variety of prepaid options to enjoy a discounted price for advance booking and prepayment, meanwhile members of our loyalty program, i.e. JJ Rewards, enjoy an exclusive discount, further enhancing loyalty and value. Special promotional rates and value-added packages, bundling accommodation with services such as dining or entertainment, are offered in response to seasonal trends and guest needs. Room rates are dynamically adjusted using revenue systems that analyze real-time market data and demand.

We generally charge our franchisee (i) pre-opening service fee, (ii) an on-going franchisee fee, (iii) a service support fee, and (iv) in case of manachise, an on-going management service fee. See “— Our Business Model — F&M Hotels”. Moreover, some of our hotels feature a Chinese restaurant, a western restaurant and ballrooms for food and beverage services and the pricing of our food and services varies depending on the style of dining being served and with reference to the costs of raw materials and food ingredients, seasonal factors, competitions, spending patterns and purchasing power of our hotel guests and other restaurant expenses and costs (such as labor costs and utility expenses).

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.

According to F&S, in 2024, the top five hotel chains groups in global had a combined 51,500 hotels in operation, representing 26.1% of all hotels, they also had a combined 6.3 million hotel rooms in operation, representing 32.6% of all hotel rooms. As a point of reference, we had 13,416 hotels in operation and we had 1,290,988 rooms in 2024. See “Industry Overview — Competitive Landscape of Global Hotel Industry” for details.

SEASONALITY

Due to the nature of our operations, the first quarter, in which both the New Year and Chinese Spring Festival holidays fall, accounts for a lower percentage of our annual revenue than other quarters of the year. Our hotels in China typically have a lower RevPAR in the first quarter and in the fourth quarter, as compared to the second and third quarters, due to reduced travel activities in the winter. For risks associated with this seasonality, see “Risk Factors — Risks Relating to Our Business and Industry — Seasonality of our business and national or regional special events may cause fluctuations in our revenue, and adversely affect our profitability.”

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RESEARCH AND DEVELOPMENT

Our technology innovation of information systems and business modernization have been driven by our investment in research and development activities and personnel over the years. Most of our R&D personnel have a bachelor’s degree or above and extensive experience in the IT and technology industry. We also engage a small number of outsourced research and development personnel to supplement our research and development efforts on an as needed basis. Our research and development expenses amounted to approximately RMB24.4 million, RMB24.2 million, and RMB26.9 million in 2023, 2024, and 2025, respectively.

EMPLOYEES

As of December 31, 2025, we had 23,666 employees. We also engage outsourced labor agencies to perform some of the ancillary functions in relation to our business operations. The table below sets forth a breakdown of our employees by function as of December 31, 2025:

Function	Number of employees	% of Total
Hotel services	14,293	60.39
Sales and marketing	533	2.25
Technical	251	1.06
Finance	196	0.28
Management and administrative	8,393	36.02
Total	23,666	100.0

We enter into individual employment agreements with our employees in accordance with the relevant laws and regulations. Our employment agreements specify terms, including, among other things, remuneration, hours, overtime, leave, and termination provisions. Employees’ remuneration is decided on the basis of functions, performance appraisals and market practices. We contribute to social insurance and housing provident funds for our employees in accordance with applicable PRC laws, rules and regulations.

We provide both in-house and external trainings for our employees to improve their skills and knowledge. We generally recruit our employees from open job markets through advertising on professional job search websites. We provide induction training to every new employee.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major labor dispute or disturbance that had interfered with our operations, and we believe we maintain good employee relations.

Social insurance and housing provident fund contributions

During the Track Record Period, in line with the industry norm and as concurred by F&S, the majority of our hotel frontier employees have relatively high turnover rate; and some of our employees are unwilling to strictly bear the relevant costs of social insurance and housing provident fund contributions based on their salary ratio. Thus as a result, we were unable to make full contribution to social insurance and housing provident funds for these employees.

According to confirmation from our PRC Legal Adviser, we have not been subject to any material administrative penalties for social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date, and certain of our PRC Major Subsidiaries have obtained confirmation letters from relevant authorities confirming that we have not been subject to any administrative penalties in this respect.

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Potential legal consequences

In the case where the contribution of social insurance and housing provident funds are not made full contribution according to relevant PRC laws and regulations, relevant PRC authorities may request the payment of the outstanding social insurance contribution within a prescribed period and pay an overdue charge equal to 0.05% of the outstanding amount for each day of delay. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement. In view of the above and based on the estimation of our Directors, the potential maximum overdue charge as of the Latest Practicable Date that our Group may be exposed to due to the shortfall of social insurance and housing provident fund contributions during the Track Record Period would be approximately RMB60.5 million, RMB59.4 million, and RMB49.0 million for the year of 2023, 2024, and 2025, respectively.

Remedial measures

Our PRC Legal Adviser has advised us that once we pay the outstanding amount of social insurance and housing provident funds in full in a timely manner after receiving notices to rectify the non-compliance from relevant authorities, we will not be subject to the administrative fines other than the overdue charge. If we were required by relevant PRC authorities to pay the outstanding social insurance contribution and housing provident funds, we will actively make the payment in a timely manner. The aforesaid matters will not have any material adverse effect on our business, financial condition, or operating results. Considering the above, our PRC Legal Adviser has advised us that the risk of us being subjected to any material fines or penalties in connection with such non-compliance is remote.

We have adopted the following internal control measures:

- Our Human Resources Department has been designated to review and monitor the declaration and payment of social insurance and housing provident fund contributions on a monthly basis;
- We are communicating and continue to communicate with some of our employees to obtain their understanding and cooperation in complying with the applicable contribution base for social insurance and housing provident funds, which may require employees to make additional contributions; and
- We regularly consult our PRC legal advisor for advice on relevant PRC laws and regulations, so that we remain apprised of any legal and regulatory developments in China, including but not limited to those related to social insurance and housing provident funds, and we will provide related compliance training to relevant employees.

Pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018 by the Ministry of Human Resources & Social Security, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical social insurance arrears without permission.

We interviewed relevant housing fund and social insurance government authorities at the district level within a city or a municipality, including those authorities in Shanghai, Shenzhen, Guangzhou etc., which are all competent governmental authorities to provide such confirmations with respect to our relevant subsidiarity as advised by our PRC Legal Adviser. As relevant

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confirmations obtained, the relevant subsidiaries will only be required to make payments for the outstanding amount and overdue charges if and when the relevant employee files a complaint with respect to the relevant subsidiaries. Pursuant to the confirmations aforesaid, our PRC Legal Adviser has advised us that in the absence of employees’ complaints, the likelihood that we are subject to collection of historical arrears due to our failure to provide full social insurance and housing provident funds contributions for our employees by relevant government authorities is remote. We plan to make timely payments for the outstanding amount and overdue charges upon request by the relevant governmental authorities.

Based on the foregoing, our Directors believe that our non-compliance related to social insurance and housing provident fund contributions would not have a material adverse effect on our business, results of operations or financial condition or the [REDACTED], given that (i) no administrative penalty had been imposed on us by relevant authorities during the Track Record Period and up to the Latest Practicable Date; (ii) we were not aware of any employee complaints filed against us and any labor disputes related to social insurance and housing provident funds with our employees, which would have a material adverse effect on our business, results of operation or financial condition during the Track Record Period and up to the Latest Practicable Date; (iii) as of the Latest Practicable Date, we had not received any notification from relevant authorities requiring us to make payments for the outstanding social insurance and housing provident funds or any overdue charges; and (iv) our PRC Legal Advisor has advised us that the risk of us being subjected to any material fines or penalties in connection with such non-compliance is remote provided that we pay the unpaid amount for social insurance and housing provident funds in full in a timely manner after receiving notice to rectify the non-compliance from competent authorities. We undertake to fully comply with the relevant laws and regulations as soon as practicable, subject to the cooperation of each of our employees to make full contributions of social insurance and housing provident funds going forward.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We are committed to fostering sustainable practices, promoting social responsibility, and maintaining strong governance standards, reflecting our dedication to Environmental, Social, and Governance (“ESG”) principles. We established ESG policies in accordance with the standards of Appendix C2 to the Listing Rules, which outlined, among others, (i) the appropriate risk governance on ESG matters; (ii) ESG strategy formation procedures; (iii) management and monitoring of ESG risk (including climate-related risks); and (iv) the identification of key performance indicators and the relevant measurements and a multi-level sustainable development governance structure from top to bottom, consisting three layers, including governance, executive supervision and execution layer.

The Board holds the highest level of responsibility in ESG management and disclosure. It is responsible for reviewing and approving our ESG strategy and objectives, as well as major matters involving social responsibility. The Board has established the Strategic Investment and ESG Committee, which comprise Mr. Zhang Xiaoqiang, Ms. Zhou Wei, Mr. Mao Xiao and Mr. Zhang Huiming, to formulate the ESG strategy, and make recommendations on important ESG matters to the Board. For more details of our core members of the Strategic Investment and ESG Committee, see “Directors and Senior Management.”

Under the guidance of the Strategic Investment and ESG Committee, we incorporated our ESG strategy planning into daily governance. The executive supervision layer, headed by our chief executive officer, oversees our ESG initiatives. This includes developing ESG policies and action plans, managing ESG risks at the headquarters level, and coordinating all departments and frontline segments to promote our ESG targets. This layer also reports progress to the Strategic Investment and ESG Committee through various formats, including monthly and annual reports, and special meetings. The execution layer, led by heads of functional departments and frontier business segments are responsible for implementing ESG initiatives. They develop ESG action plans for their segments under the guidance of the executive supervision layer, manage daily ESG risks, and supervise ESG-related activities. They also regularly report their results to the executive supervision layer through written reports and special meetings, ensuring alignment with our overall ESG standards and targets.

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As the highest governance body, the Board reviews and approves the result of materiality assessment or its update for ESG topics. We performed a materiality assessment in 2024, covering ESG topics mentioned in the “Sustainability Report (Trial)” issued by Shanghai Stock Exchange, GRI Standards, United Nations Sustainable Development Goals (SDGs) and Morgan Stanley Capital International ESG Ratings (MSCI ESG Ratings), with general managers and head of each relevant departments of major subsidiaries as well as the senior management of listed company level participated in the interview and scoring.

We also have a mechanism that ESG working group performs gap analysis at least annually on the newly applied reporting guidance, such as ESG Reporting Code after we kicked off the HKEX listing project, sustainability trend and most recent ESG disclosures made by peer companies, and provide update suggestions to the Board.

In regards of overall sustainability management, we have developed “Engaging All for A Promising Future” ESG strategy blueprint, with “Green Hospitality,” “People Caring,” and “Responsible Governance” as the three ESG pillars of transformation. Take Hotel Sustainability Basics (HSB) as an example, we have integrated the HSB standards into operations since 2022, and achieved HSB verification for 6,622 properties both domestically and overseas by the end of 2025. Going forward, we will continue promoting sustainability operation verifications, including HSB verification. The target is to complete HSB verification for 6,000 properties by the end of 2025 (cumulative prospective), which has been achieved.

We have identified government and regulatory authorities, shareholders, customers, industry peers, employees, suppliers, franchisees and communities as our key stakeholders in the hospitality industry. We seek and address the concerns of all stakeholders promptly through various communication channels.

Climate-related risk and opportunities

Governance

We attached great importance on the impact of climate change on our strategic planning and business operations, with establishment of climate change governance as a crucial part of our overall ESG system. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have established a complete management framework for addressing climate-related risk and opportunities, clarifying the primary responsibilities of each level including management and executives, and gradually promoting the full integration of ESG matters, including addressing climate change, into our daily business management. For more information of ESG climate governance, please refer to ‘ESG Governance’.

Strategy

We proactively respond to the national “carbon dioxide peaking and carbon neutrality goals” and have established our own carbon emissions management targets to genuinely promote green and low-carbon development in the hotel industry. In regards of greenhouse gas emissions, we followed the national target of “Carbon Peaking at 2030 and Carbon Neutrality at 2060”. For more detailed targets, we are still in the process of accumulating historic data for a better forecast of energy consumption in the future, due to the large volume of hotels we operate.

As for hotel industry, addressing climate change, energy consumption, water management, and ecological impact are material ESG topics. We have initiated the construction of energy management platform, exploring core functions such as water, energy and carbon data monitoring, target setting etc. The ESG working group closely monitor the external environment including national and regional policies and extreme weather events as a result of climate change, and there is no material impact on the business, strategy and financial performance during the Track Record Period.

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Climate-related risks includes physical risk and transition risk. Physical risk refers to the risk related to the frequent extreme weather events such as rainstorms and typhoons which may disturb our normal operation and cause our economic losses. Transition risk refers to risk related to the shift towards a lower-carbon economy.

Risk management

We place great importance on the risks and opportunities brought by climate change, actively identifies and manages climate risks and opportunities, and, in combination with our Group’s development strategy, thoroughly studies relevant response strategies.

Metrics and targets

We actively engage in climate change response work, identifying indicators related to climate change, mainly including store green building certification and greenhouse gas emissions (Scope 1 and Scope 2). We actively engage in climate change response initiatives, with green building certification for its properties being one of its primary goals. It continues to advance green building practices while scaling up the verification of the Hotel Sustainability Basics (HSB), launched by the World Travel & Tourism Council (WTTC), from the top down. This ensures that the sustainable development of its properties meets international standards, demonstrating our leadership in the global hotel industry’s green transformation.

The following is our GHG emissions metrics for the years ended December 31, 2024 and 2025:

Metrics	Unit	Year ended December 31,	
		2024	2025
Scope 1 greenhouse gas emissions	tCO ₂	47,661.75	62,913.47
Scope 2 greenhouse gas emissions	tCO ₂	149,588.62	175,072.15
Scope 1 and Scope 2 greenhouse gas emissions	tCO ₂	197,250.37	237,985.62
Scope 1 and Scope 2 greenhouse gas emissions intensity	tCO ₂ /square meter	0.06	0.06

Note:

- GHG Scope 1 emissions include: (1) energy consumption; (2) refrigerants usage; and (3) BOD emission. GHG Scope 1 emissions from (1) energy consumption are calculated based on gasoline, diesel, and natural gas usage and relevant emission factors; GHG Scope 1 emissions from (2) refrigerants usage are calculated based on consumption of refrigerants and relevant GWP; GHG Scope 1 emissions from (3) BOD emission are calculated based on number of employee, number of guests. emission factors referenced from Appendix 4 of the China Energy Statistical Yearbook 2020 and the IPCC.
- GHG Scope 2 emissions are calculated based on purchased electricity and purchased steam and relevant emission factors, with the emission factors referenced from the Notice on Doing Well in the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises in 2023-2025 issued by the Ministry of Ecology and Environment of PRC and ADEME database.

For Scope 3 emission, we are currently conducting a survey on the applicability of 15 categories of Scope 3 GHG emissions, with the departments involved and the relevant external stakeholders, to determine and review the feasibility of the projects and prioritize the categories of Scope 3 GHG emissions. Following an assessment of applicability and feasibility, we have already calculated the Category 1 and 6 of Scope 3 GHG emissions as below:

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Metrics	Unit	Year ended December 31,	
		2024	2025
Scope 3 greenhouse gas emissions (Note) .	tCO ₂	7,236.86	4,564.99

Note:

- Scope 3 GHG emissions Category 1 and 6 are included. Category 1 specifically refer to emissions generated by data centres used for storing user data. These data centres are not owned by us; instead, we pay a fixed monthly management fee to third parties to use the facilities, electricity, and internet services. These facilities are characterized by high GHG intensity, and their emissions are calculated by multiplying the capacity factor, estimated usage time during relevant periods, and the Power Usage Effectiveness (PUE) of the data centres. Category 6 refer to emissions generated by employee business travel by air plane and hotel accommodation, the emissions are calculated by activity data method (multiplying the capacity factor and employee hotel accommodation nights/air plane travel distance), activity data is from our business travel platform which employees in Jinjiang China region use the platform to make reservations.

We have been integrating the concept of low-carbon environmental protection throughout the operation of the enterprise, and constantly adjust our goals and proposed measures when reviewing activities. In the future, we will continue to integrate climate factors in relation to Governance, Strategy, Risk Management and Metrics and Targets, further exploring carbon reduction targets in all aspects of operation, and actively responding to the risks and challenges brought by climate change.

We are committed to practicing environmental protection and promoting sustainability to fulfill our social responsibilities as a global corporate citizen. We have developed numerous environmental management policies and measures to mitigate the risks and impacts of our operations on the environment. We actively respond to the national “carbon peak and carbon neutrality” strategic goals and have established our own carbon emissions management targets to genuinely promote green and low-carbon development in the hotel industry.

Emissions

Wastes discharge

Generally speaking, we have no air emission, hazardous waste, and industrial wastewater due to the nature of our business. In terms of non-hazardous wastes, we take property or site-based management approach, which means each hotel develops its own policies for garbage sorting followed regional law and regulations, and launch initiatives to reduce waste or promote “circular economy” such as recycling. We have arranged for related posters in the public area of hotels and inside the room, so that our guest can easily get the guidance on the waste classification. We have integrated such policies into the Standard Operating Procedure (SOP), so that relevant employees have been appropriately trained and can implement effectively. However, all of waste are collected by local sanitation bureau directly or via property management service provider to local sanitation bureau, and the Group did not split the wastes by hotel guests and own operations, and thus no separate measurement data.

We strictly adhere to waste management requirements in our operations and production and require all our franchisees to adhere to such standards. During the Track Record Period, we primarily generated non-hazardous waste, including food waste and general solid waste, along with a small amount of hazardous waste. We comply with laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, ensuring proper classification and disposal of waste generated by our property operations.

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We continuously optimize our waste management system, enhancing waste management in areas such as waste facilities, disposal to minimize waste generation. For waste disposal, we provide segregated waste storage containers and facilities to avoid mixing waste types. This ensures compliance with legal and operational requirements. These initiatives underscore our commitment to responsible waste management and sustainability.

Wastewater

For cleaning and disinfection, we use detergents and disinfectants that meet national food safety standards (e.g., GB14930.1 and GB14930.2) and actively promote the use of green cleaning products certified by environmental protection standards, such as the Attestation of Chinese environment mark (中國環境標誌認證). This ensures cleaning safety while reducing the environmental impact of wastewater discharge. Additionally, our hotels have implemented wastewater separation to conserve construction water.

Use of resources

Energy consumption

We have released our first Energy Consumption and Water Resource Management Benchmarking Analysis Report, providing directional insights for energy-saving and carbon-reduction efforts. We have initiated the construction of energy management platform, exploring core functions such as energy and carbon data monitoring, target setting and carbon asset management, while formulating relevant internal policies to clarify our management pathway. Concurrently, we conducted on-site investigations into energy usage patterns and emission facilities, refining energy-saving and carbon-reduction measures and accelerating the transition toward more refined and professional energy management.

We have made efforts to increase the use of energy-saving equipment and invested in environmentally friendly renovation projects and actively promote green office practices in our daily business processes. We will implement the following measures:

- integration of the concept of low-carbon environmental protection into our business operations and production activities, and promoting the implementation of various energy-saving and consumption reduction measures.
- installation of BAS (Building Automation System) energy monitoring system enables us to have real-time energy data collection, equipment status monitoring, and dynamic adjustment of operational strategies, further improving energy efficiency.
- establishment of an intelligent lighting network system to effectively simplify the lighting management process and achieve energy conservation and consumption reduction.

These initiatives aim to optimize our energy structures, improve energy efficiency and reduce both operational costs and carbon emissions. The following is our energy consumption metrics for the years ended December 31, 2024 and 2025.

Metrics	Unit	Year ended December 31,	
		2024	2025
Energy consumption ¹			
Natural gas consumption	m ³	10,152,148.94	15,466,676.95

1 Energy consumption mainly from the usage at our O&L hotels of Jinjiang China Region and in France.

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Metrics	Unit	Year ended December 31,	
		2024	2025
Gasoline consumption	kg	114,711.004	137,935.11
Diesel consumption	kg	99,912.92	48,118.88
Subtotal of direct energy consumption	MWh	112,044.87	169,599.28
Purchased electricity	MWh	274,368.47	342,969.85
Purchased steam	MWh	701.65	44,341.54
Subtotal of indirect energy consumption	MWh	275,070.12	387,311.39
Total of energy consumption	MWh	387,114.99	556,910.67
Comprehensive energy intensity	MWh/square meter	0.12	0.13

Water consumption

We attach importance to the resource management, with our primary water source being municipal supplies. We manage the extraction and use of water resources, ensuring that wastewater meets discharge standards. We have incorporated standards for water supply, drainage, domestic hot water and reclaimed water systems into our mechanical and electrical standards manual.

We have integrated water conservation into our hotels’ daily management, actively conducting water resource management training and promoting water-saving initiatives. We have set forth various measures to enhance water use management and reduce unnecessary water waste:

- implementation of water-saving retrofitting measures in our hotels, including the introduction of high-efficiency water-saving equipment, renovation of aging water supply networks and promotion of water recycling systems;
- installation of rainwater collection devices, water reuse equipment, etc. can achieve recycling of water resources;
- replacement the power frequency water pump and high-power water pump with intelligent variable frequency water pump.

These efforts all aim for continuously improving water resource utilization efficiency.

Employment, training, and occupational health and safety

Employee management

We strictly adhere to relevant laws and regulations, including the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Prohibition of Child Labor Regulations, the Law on the Protection of Women’s Rights and Interests, and other laws at regions where we operate. We have established an employee recruitment approval process. As of December 31, 2023, 2024, and 2025, the distribution of employees by gender and age are as follows:

Employee type (person)	Year ended December 31,		
	2023	2024	2025
Total number of employees	30,561	26,801	23,666
By gender			
Male	15,310	12,953	11,482
Female	15,251	13,848	12,184

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Employee type (person)		Year ended December 31,		
		2023	2024	2025
By age group	29 and below	7,505	5,943	4,121
	30-39	12,775	10,231	9,729
	40-49	8,665	7,484	7,092
	50 and above	1,616	3,143	2,724

We respect every employee and strive to provide an inclusive, healthy and diverse work environment. We uphold equal pay for equal work and gender equality in employment, prohibit child labor, strictly forbid forced labor and workplace harassment and oppose all forms of discrimination in recruitment, promotion and compensation based on race, gender, age, family background, or religion. We actively promote inclusive hiring practices, creating fair employment opportunities for employees from diverse backgrounds. We have hired individuals with disabilities and veterans (military officers transitioning to civilian roles), providing career development platforms for vulnerable groups. Each business unit has established a comprehensive talent development management framework, including policies such as the Position and Rank Management System, Employee Promotion Policy, Career Development Pathway Management System, and etc., all of which ensure strong support for employee growth and empowerment.

We are committed to creating a warmer, wellness and more attractive working environment for our employees, continuously optimizing the ‘benefits’ of our employees, such as providing birthday vouchers, holiday gift packages, supplementary commercial medical insurance for employees, employee physical examinations and other ‘benefits’. Each business sector also provides personalized benefits projects based on its own actual situation.

Supplier management

We operate an efficient, transparent and intelligent supplier management system through GPP, our core procurement arm. During the Track Record Period, GPP integrates corporate resources to deliver end-to-end digitalized procurement and supply chain services, supporting over 40 hotel brands worldwide and 20,000 hotels.

GPP has implemented a suite of supplier management policies, including the procurement management measures, supplier evaluation and management system, vendor onboarding and product listing rules and supplier performance and exit mechanism. These policies ensure standardized procurement and transparent operations. By prioritizing supplier compliance, sustainable sourcing, process transparency and data-driven decision-making, GPP enhances supply chain resilience, delivering stable, high-quality support for us and our franchisees.

GPP maintains a rigorous supplier management system, overseeing the entire lifecycle from onboarding and operational assessment to dynamic monitoring, ensuring compliance and efficiency and off boarding processes as may be required from time to time. During our selection and procurement process, we strictly comply with relevant laws, regulations and rules, and require all of suppliers to obtain and maintain necessary and valid business license, qualifications and certifications and demonstrate legal compliance with applicable laws and regulations in relation to environment, product quality, society and corporate governance. We oppose bribes of any kind and strictly enforce penalties for suppliers who violate our red lines, in accordance with our management policies. GPP actively fosters diversified supplier communication mechanisms, maintaining close collaboration through both online and offline channels to enhance supply chain management efficiency and optimize procurement processes. Failure to adhere to these terms may result in certain suppliers being removed from our GPP list.

GPP established “Jinjiang GPP Sustainable Development Framework 1.0” in 2024, as a guidance to sustainable supply chain management, covering the assessment of suppliers’ sustainable development performance, empowering suppliers and etc.

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Franchisee management

We have established a comprehensive franchisee management and service system, supported by hotel brand and regional leaders. This system, combined with our “Investment, Financing, Construction, Management, Exit” franchisee management framework, ensures that franchisees receive full support and services at every stage. By working closely with franchisees, we aim to jointly achieve the target of becoming a leading brand in the hotel industry.

We have preferential policies and provide support on renovation cost to those which are progressing green renovation, in order to reduce the cost of franchisee renovation. Our GPP provide franchisees with procurement discounts, recommends high-quality supplier, and ensures franchisees can obtain more cost-effective products and services during the transformation process. In addition, we have established an efficient and smooth investor interaction mechanism to ensure timely response to investor demands.

Occupational health and safety

We consistently reinforce the awareness of safety production red lines. We have established regulations such as the public security and fire safety management regulations and the safety production management regulations. These regulations strictly inspect and enforce safety production measures, promoting standardized safety production practices across all units. With a focus on preventing major accidents and aiming for zero workplace fatalities, we continuously strengthen management and supervision, establishing a long-term occupational health and safety mechanism.

To effectively enhance safety production management and firmly establish a safety development philosophy, we have formulated a comprehensive safety responsibility manual and implementation measures based on internal management requirements and established a robust safety management system. We prioritize wellness and safety of our clients and have established systems such as “Special Emergency Plan for Typhoon and Flood Prevention” and “Total Quality Management System”. We prevent safety risks such as fire, extreme weather, food safety and malignant criminal cases, ensuring that the hotel operation meets the highest safety standards, and create a safe and comfortable living environment for our clients. These regulations strictly inspect and enforce safety production measures, promoting standardized safety production practices across all units. With a focus on preventing major accidents and aiming for zero workplace fatalities, we continuously strengthen management and supervision, establishing a long-term occupational health and safety mechanism.

During the Track Record Period, there were no material accidents or claims for personal or property damage or work safety related incidents that led to disruptions in our Group’s operations.

Development and training

We place great emphasis on the holistic development of our talent, striving to build a robust career development platform that helps employees expand their professional pathways. We have developed a precise internal talent development framework tailored to various talent needs, including a panoramic talent map, talent strategies and career development systems.

Guest health and safety

We have established regulations such as the public security and fire safety management guidelines and the typhoon and flood emergency response plan, aiming for zero major safety incidents.

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Our food safety is rigorously monitored by our Food & Beverage Service Standards. These standards delineate management accountability and staff compliance requirements, clarifying the food safety responsibilities of managers at all levels. They also enhance employees’ awareness of food safety, ensuring that customers receive a healthy and safe dining experience. To strengthen food safety management, we have established a food safety responsibility management framework, with the hotel general manager as the primary person responsible. This ensures that food safety management is strictly implemented in all our stores.

To protect health and safety of customers and effectively prevent potential food safety incidents during catering services, we established the Suspected Food Poisoning Emergency Response Plan. This plan clearly defines emergency response procedures for food poisoning incidents, outlines the division of responsibilities and specifies handling measures.

Anti-corruption

To comply with the relevant anti-corruption laws and regulations in the countries or regions we operate, we implemented anti-bribery undertaking and established related policies, including a complaint and whistleblowing policy, which clearly outline various aspects of business ethics.

We established whistleblowing mechanism and the process for handling corrupt practices. Additionally, we established a mutual supervision system among employees and a reporting system for suppliers and customers, ensuring strict confidentiality of whistleblower information to protect their legitimate rights and interests.

Social contribution and rural revitalization

We actively fulfill our social responsibilities and are committed to creating social value and promoting community development. Each business segment of our Group leverages its unique characteristics to conduct diverse and multi-faceted public welfare activities. These activities cover a wide range of areas, including educational support, environmental protection, care for women and minority groups and disaster relief. Through these practical actions, we demonstrate our commitment to social responsibility.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board and senior management of our Company shoulder the responsibility for devising and supervising the execution and efficacy of our internal control framework. This framework is meticulously structured to guarantee continuous adherence to pertinent legal and regulatory mandates that govern our business activities and corporate governance, thereby averting any reoccurrence of compliance failures. Our conviction stands firm that the existing internal control mechanisms and procedures epitomize adequacy in scope, feasibility and operational effectiveness.

Carrying out our regular business activities, we are inherently subject to a spectrum of risks, encompassing operational, market and financial risks. Recognizing these exposures, we hold the conviction that the implementation of robust and adaptable risk management strategies is essential to our enduring success. It is through this lens that we approach risk mitigation, ensuring that our operations are safeguarded against potential adversities, thereby securing our competitive edge and financial stability. For details of such risks, see “Risk Factors — Risks relating to our business and industry.”

For the purpose of effective risk management, we will adopt or have put in place the following measures:

- The Board of Directors is tasked with the comprehensive assessment of risks inherent to our Group’s operations, ensuring that all major decisions with significant risk implications are under their scrutiny and subject to their consent;

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- Through the cultivation of strong, positive relationships with our established franchisees, suppliers and customers, we aim to periodically broaden our franchisee, customer and supplier base, thereby mitigating operational risks associated with dependency on a singular entity;
- In alignment with our Group’s interests and where it proves economically feasible, we proactively seek to forge diverse agreements that expand our supplier network;
- Our management team is committed to vigilantly observing market trends, including fluctuations in raw material pricing, to consistently benchmark our procurement expenses against prevailing market rates, ensuring competitive access to raw materials;
- We uphold stringent IT controls to significantly reduce the likelihood of IT system failures, safeguarding our business continuity and data integrity and safety;
- To attract and retain skilled professionals, we regularly evaluate and adjust our compensation structures for management and staff, ensuring they remain competitive and congruent with our Group’s strategic growth;
- Our Directors maintain diligent oversight of our Group’s liquidity and financial health, prepared to secure financing to support our business activities and expansion initiatives when deemed necessary and advantageous; and
- We have established the Audit, Risk Control and Compliance Committee which is composed of a majority of our independent non-executive Directors to review and supervise our financial reporting process and internal control system.

INSURANCE

We carry all mandatory and certain optional commercial insurance, including property insurance, public liability insurance and employer’s liability insurance. We also require our franchisees to purchase customary insurance policies. We do not maintain insurance against all risks associated with our operations, either because we have deemed it commercially unfeasible to do so, or because our insurers have excluded certain risk events from coverage under their standard policies. We also require franchisees to maintain adequate property and liability insurance. We believe that our hotels are covered by adequate property and liability insurance policies with coverage features and insured limits that we believe are customary for similar companies in China. During the Track Record Period and up to the Latest Practicable Date, the Company has not been subject to any material insurance claims.

We will continue to assess our risk portfolio and make necessary and appropriate adjustments to our insurance coverage in light of our needs and industry practice. We did not make, and were not subject to, any insurance claims that would have had a material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage may expose us to losses, which may have a material adverse effect on our reputation, business, financial condition and results of operations.”.

LICENSES AND PERMITS

We are required to obtain various approvals, licenses and permits to conduct our business, according to relevant laws and regulations. The approvals, licenses and permits that are particularly crucial to our business include Special Industry License (《特種行業許可證》), the Certificate for

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the Fire Safety Inspection of Public Gathering Places before the Use or Commencement of the Business Operations (《公眾聚集場所投入使用、營業前消防安全檢查合格證》), and the Food Business License (《食品經營許可證》).

The table below sets forth a summary of the material approvals, licenses and permits that we have obtained for the business operations of our major hotels as of the Latest Practicable Date and their validity:

Type of approvals, licenses and permits	Validity
Special Industry License (《特種行業許可證》)	N/A ⁽¹⁾
Certificate for the Fire Safety Inspection of Public Gathering Places before the Use or Commencement of the Business Operations (《公眾聚集場所投入使用、營業前消防安全檢查合格證》)	N/A ⁽¹⁾
Food Business License (《食品經營許可證》)	Valid for five years ⁽²⁾

Notes:

1. The Special Industry License and the Certificate for the Fire Safety Inspection of Public Gathering Places before the Use or Commencement of the Business Operations have no expiration date and remain valid under normal business operations.
2. For Food Business Licenses that are about to expire in 2026, we have commenced, or will commence the renewal process.

During the Track Record Period and up to the Latest Practicable Date, we have obtained all licenses, approvals and permits that are material and necessary for our business operations in jurisdictions where we operate. We shall renew all such licenses, approvals and permits from time to time to comply with the relevant laws and regulations. As of the Latest Practicable Date, we were not aware of any facts that will prevent us from renewing licenses, approvals and permits material to us.

PROPERTIES

Owned properties

As of December 31, 2025, our Company and Major Subsidiaries in the PRC owned the land use rights of 17 parcels of land with an aggregate site area of approximately 35,046 sq.m., and 27 properties with an aggregate GFA of approximately 122,890 sq.m. We use these properties as premises for hotel operation and management business and other uses, such as office buildings. See “History, Development and Corporate Structure — Major Subsidiaries” for details of our Major Subsidiaries in China. In addition, we had owned properties in France which are primarily used for hotel operation and management.

As of December 31, 2025, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Leased properties

As of December 31, 2025, we had leased properties in the PRC and the jurisdictions outside the PRC. Such properties were primarily used for hotel operation and management.

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As of the Latest Practicable Date, lease agreements of 285 leased hotels relating to properties leased for our hotel operations had not completed the registration. The registration of lease agreements is the obligation of both lessor and lessee and requires cooperation between the parties. However, some lessors are generally unwilling to undertake the administrative burden due to the relatively low risk of penalties, which has hindered our ability to complete the registration of such agreements. We have implemented the following internal measures to address this issue, including: (i) requiring our staff to proactively coordinate with lessors to facilitate the registration of all lease agreements; and (ii) instructing our staff to proceed with registration formalities promptly when the lessors are willing to cooperate.

According to our PRC Legal Adviser, failure to complete the required registration procedures does not affect the validity of the lease agreements, and we are entitled to use the properties in accordance with the terms of the lease agreements. Therefore, we will not be required to vacate the leased properties as a result of non-registration. However, we may be ordered by the relevant authorities to complete the registration within a specified period; if we fail to do so within such period, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each lease agreement. Based on the number of hotels that we leased without registered leases, we estimate that the maximum penalty would be approximately RMB3.0 million.

During the Track Record Period, we were not ordered to complete such registration within a specified period, nor were we subject to any material administrative penalties due to non-registration. Our PRC Legal Adviser is of the view that if we are able to complete the lease registration in accordance with relevant laws and regulations within a reasonable timeframe from the date of application or within the prescribed time limit ordered by the pertinent government authorities, the risk of being penalized by governmental authorities in respect of these leases is remote.

Considering the foregoing opinion of our PRC Legal Adviser, the Directors are of the view that the failure to complete the registration of lease agreements does not constitute a material or systemic violation, and that such failure will not have any material adverse impact on our operations or financial condition.

Our PRC Legal Adviser further advises that, given the geographical dispersion of the relevant properties, it is unlikely that we would be simultaneously subject to administrative penalties for failure to register all relevant lease agreements. Accordingly, during the Track Record Period and up to the Latest Practicable Date, we did not make any provisions in relation to such defective leasehold properties.

As of the Latest Practicable Date, for properties with lease registration or lease registration changes yet to be completed, the relevant local housing administrative authorities had not required us to complete the registration, nor had we been subject to any penalties or fines by the relevant authorities. In addition, we have taken more stringent measures to require lessors to cooperate in completing the lease registration filing procedures with the relevant local housing administrative authorities. For example, pursuant to our standard lease agreement, we require lessors to register the lease agreements so as to ensure compliance with applicable PRC laws and regulations.

INTELLECTUAL PROPERTY

We regard our proprietary domain names, copyrights, trademarks, trade secrets, and other intellectual property, as critical to our business operations and fundamental to our success and competitiveness, and we devote significant time and resources to the development and protection. We rely on a combination of patents, copyrights, trademarks, trade secret laws, and restrictions on disclosure to protect our intellectual property. As of the Latest Practicable Date, we had eight registered patents, over 3,400 trademarks and over 250 registered software copyrights; as well as over 210 trademarks under registration. For detailed information about our material intellectual property, see “Appendix VI — Statutory and General Information — Further Information about Our

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Business — Intellectual Property Rights.” During the Track Record Period and up until the Latest Practicable Date, we were not involved in any legal proceedings in relation to infringement of any intellectual property rights which would have any material adverse impacts on our business, financial condition and results of operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal proceedings

We may from time to time be subject to various legal or administrative claims proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Legal compliance

As advised by our legal advisors, our Company has complied, in all material aspects, with all applicable laws and regulations in all jurisdictions in which we had business operations during the Track Record Period and up to the Latest Practicable Date.

Interpretation II

On July 31, 2025, the Supreme People’s Court of the People’s Republic of China promulgated the Interpretation II, which responds to rising labour disputes and stricter compliance demands, offering employers clearer guidance while strengthening worker protections. See “Regulatory Overview — Regulations Related to Employment, Social Welfare Employment and Housing Provident Fund.” As advised by our PRC Legal Advisors, the Interpretation II is not expected to have a material adverse effect on our financial condition or business operations, considering that: (i) the Interpretation II does not introduce new substantive obligations beyond those existing laws and regulations, rather, it serves to clarify the application of relevant legal provisions and does not impose any additional burden on the Company; (ii) the Interpretation II is not anticipated to increase the Company’s estimated maximum potential penalties related to shortfalls in social insurance contributions during the Track Record Period; and (iii) the Company undertakes to actively take appropriate rectification measures and make any required payments if the competent authorities require remediation or payment of outstanding social insurance contributions within a specified period. Notwithstanding the above, should the relevant PRC authorities take a different view and determine that the Company is not in compliance with the Interpretation II, the Company’s financial and business performance could be adversely affected.

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our service and product offerings and business operation, significant ones of which are set forth below:

Year	Awards	Awarding body
2025 . . .	Best Practices in Investor Relations Management for Listed Companies	China Association for Public Companies
2025 . . .	Best Listed Company – ESG Best Practices	New Fortune Magazine

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Year	Awards	Awarding body
2025 . . .	Outstanding Contribution Award	25th China Golden Horse Awards
2025 . . .	Most Popular Hotel Management Enterprise of the Year	20th China Culture & Tourism Starlight Award
2024 . . .	2024 Golden Medal Award – Annual ESG Practice Case	Shanghai United Media Group (上海報業集團) Jiemian News
2024 . . .	Outstanding Contribution Award	24th China Golden Horse Awards
2024 . . .	26th Golden Bull Awards for Listed Companies Golden Information Disclosure Award	China Securities Journal
2024 . . .	The 11th Preferred ESG Practice Employer of Tourism & Hospitality Industry Group 2024	Veryeast (最佳東方)
2023 . . .	Outstanding ESG Practices Cases of Listed Companies	China Listed Companies Association
2023 . . .	Outstanding Contribution Award	23rd China Golden Horse Awards
2023 . . .	Best Cultural Tourism Hotel Group	7th China Cultural Tourism and Consumption Annual Summit & Longque Awards
2023 . . .	2023 Golden Medal Award – Annual ESG Practice Case	Shanghai United Media Group (上海報業集團) Jiemian News
2023 . . .	The 10th Preferred Employer of Tourism & Hospitality Industry Group 2023	Veryeast (最佳東方)