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Zhejiang New Century Hotel Management Co., Ltd.

浙江開元酒店管理股份有限公司

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

(Stock Code: 1158)

(1) POLL RESULTS OF THE ANNUAL GENERAL MEETING HELD ON 20 JUNE 2019 (2) PAYMENT OF FINAL DIVIDEND (3) AMENDMENTS TO THE ARTICLES OF ASSOCIATION (H SHARES)

References are made to the circular (the “**Circular**”) and the notice (the “**Notice**”, together with the Circular, the “**AGM Documents**”) dated 3 May 2019 issued by Zhejiang New Century Hotel Management Co., Ltd. (the “**Company**”) in relation to the 2018 annual general meeting of the Company (the “**AGM**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the AGM Documents.

AGM

The Board is pleased to announce that the AGM was held at Minghou Hall, 4th Floor, New Century Grand Hotel Hangzhou, No. 818 Shixinzhong Road, Beigan Subdistrict, Xiaoshan District, Hangzhou City, Zhejiang Province, the PRC at 2:00 p.m. on Thursday, 20 June 2019.

As at the date of the AGM, the total number of issued Shares was 280,000,000 Shares, comprising 70,000,000 H Shares, 159,659,640 Domestic Shares and 50,340,360 Unlisted Foreign Shares, which is the total number of Shares entitling the holders to attend and vote on the resolutions proposed at the AGM. There were no Shares entitling the holders to attend and abstain from voting in favour of the resolutions proposed at the AGM as set out in Rule 13.40 of the Listing Rules and no Shareholder was required under the Listing Rules to abstain from voting on the resolutions at the AGM. None of the Shareholders have stated their intention in the AGM Documents to vote against or to abstain from voting on the resolutions proposed at the AGM.

The AGM was legally and validly convened in compliance with the requirements of the Company Law of the PRC and the Articles of Association (H Shares). The AGM was chaired by Mr. Jin Wenjie, executive Director and Chairman of the Board.

The Company’s H share registrar, Tricor Investor Services Limited, was appointed as the scrutineer for the purpose of vote-taking at the AGM.

Shareholders (including their proxies and authorised representatives), holding a total of 210,000,000 Shares and representing approximately 75.00% of the total number of issued Shares, were present at the AGM. All the proposed resolutions as set out in the Notice were put to vote by way of a poll.

POLL RESULTS

The poll results of the proposed resolutions are as follows:

ORDINARY RESOLUTIONS		Number of votes (%)		
		For	Against	Abstain
1	To consider and approve the work report of the Board of Directors for the year ended December 31, 2018.	210,000,000 (100 %)	0 (0 %)	0 (0 %)
2	To consider and approve the work report of the Supervisory Committee for the year ended December 31, 2018.	210,000,000 (100 %)	0 (0 %)	0 (0 %)
3	To consider and approve the audited consolidated financial statements and the independent auditor's report for the year ended December 31, 2018.	210,000,000 (100 %)	0 (0 %)	0 (0 %)
4	To consider and approve the annual report for the year ended December 31, 2018.	210,000,000 (100 %)	0 (0 %)	0 (0 %)
5	To consider and approve the profit distribution plan of the Company for the year ended December 31, 2018 as set out in the Circular.	210,000,000 (100 %)	0 (0 %)	0 (0 %)
6	To consider and approve the re-appointment of PricewaterhouseCoopers as the auditor of the Company for the year of 2019 and authorization for the Board of Directors to determine their remunerations for the year of 2019.	210,000,000 (100 %)	0 (0 %)	0 (0 %)

SPECIAL RESOLUTION		Number of votes (%)		
		For	Against	Abstain
7	To consider and approve the amendments to the Articles of Association (H Shares) of the Company as set out in the Circular.	210,000,000 (100 %)	0 (0 %)	0 (0 %)

As more than half of the votes were cast in favour of each of resolutions numbered 1 to 6, such resolutions were duly passed as ordinary resolutions.

As more than two-thirds of the votes were cast in favour of resolution numbered 7, such resolution was duly passed as a special resolution.

PAYMENT OF FINAL DIVIDEND

The Board is pleased to announce that the proposed final dividend of RMB0.36 per Share (tax included) for the year ended 31 December 2018 was approved by the Shareholders at the AGM. Details of the payment of the final dividend are as follows:

The Company will pay the final dividend on Wednesday, 31 July 2019 to the eligible Shareholders whose names appear on the register of members of the Company on Tuesday, 16 July 2019. The register of members of the Company will be closed from Wednesday, 10 July 2019 to Tuesday, 16 July 2019, both days inclusive, during which period no transfer of shares in the Company will be registered. In order to be eligible for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 July 2019.

The final dividend will be paid to H Shareholders of the Company in HK\$. The relevant exchange rate will be calculated based on the average exchange rate of RMB against HK\$ issued by the People's Bank of China five business days before the AGM; and (i) the final dividend payable to the holders of Domestic Shares of the Company will be paid in RMB, and (ii) the final dividend payable to holders of Unlisted Foreign Shares of the Company will be paid in foreign currency (except RMB).

The average exchange rate of RMB against HK\$ published by the People's Bank of China five business days before 20 June 2019, the date of the AGM at which the final dividend was approved was RMB0.880376 against HK\$1. Accordingly, the amount of final dividend payable per H Share is HK\$0.408916 (tax included).

In accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementation rules (the "**EIT Law**"), non-resident enterprises shall pay enterprise income tax on income derived from China, and the applicable tax rate is 10.0%. To this end, any H Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations and groups will be treated as being held by non-resident enterprise shareholders (as defined in the EIT Law), and the Company will distribute the final dividend to such non-resident enterprise shareholders after withholding such 10.0% enterprise income tax.

The Company distributes the 2018 final dividend to the individual H Shareholders, which would be subject to the personal income tax at the rate of 10%. It would be specifically handled in line with relevant regulations and tax collection and management requirements, unless the tax regulations, relevant tax agreements or notices requires otherwise.

The Company assumes no responsibility and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any dispute over the mechanism of withholding. Shareholders are recommended to consult their taxation advisors regarding their holding and disposing of H Shares for the PRC, Hong Kong and other tax effects involved.

The Company has appointed CMB Wing Lung (Trustee) Limited as the receiving agent in Hong Kong and will pay the final dividend net of the applicable tax to the receiving agent for payment to H Shareholders on Wednesday, 31 July 2019. Final dividend cheques will be despatched to H Shareholders by ordinary post at their own risk.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION (H SHARES)

The amendments to the Articles of Association (H Shares) have been approved as a special resolution by the Shareholders at the AGM and have become effective on 20 June 2019. The full text of the revised Articles of Association (H Shares) will be published on the websites of the Stock Exchange and the Company.

By Order of the Board
Zhejiang New Century Hotel Management Co., Ltd.
JIN Wenjie
Chairman and Executive Director

Hangzhou, China
20 June 2019

As at the date of this announcement, the Board comprises Mr. JIN Wenjie and Mr. CHEN Miaoqiang as executive Directors; Mr. CHEN Miaolin, Mr. CHEN Canrong, Mr. JIANG Tianyi and Mr. ZHANG Chi as non-executive Directors; and Mr. ZHANG Rungang, Mr. KHOO Wun Fat William and Ms. QIU Yun as independent non-executive Directors.