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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)

**VOLUNTARY ANNOUNCEMENT
IN RESPECT OF THE INFLUENCE OF THE NOVEL CORONAVIRUS
PNEUMONIA ON BUSINESS**

This announcement is made voluntarily by Zhejiang New Century Hotel Management Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the shareholders of the Company and potential investors of the influence of the 2019 Novel Coronavirus Pneumonia Epidemic (the “**Epidemic**”) to the Group’s business operation.

Since the outbreak of the Epidemic, a number of provinces and municipalities in China have activated level I – the highest-level response to major public health emergencies and adopted various strict measures to limit travel within China and to extend the Chinese New Year holiday period, in an attempt to curb the spread of the Epidemic. The hotel industry is under fierce challenge under the Epidemic. As part of our efforts to preventing and containing the Epidemic and ensuring the health and safety of our employees and customers, the board of directors of the Company (the “**Board**”) has determined to take measures such as free refund, exemption of management fees, proper handling of requisitioned and closed hotels operated or managed by us mainly in Zhejiang, Jiangsu and Anhui province, closely tracking the health conditions of our employees, telecommuting and strengthening disinfection and cleaning of our hotels, to fulfill the Company's social responsibility.

As the Group's business is concentrated in China, the Epidemic has a significant adverse impact on the Group's operations in late January and February 2020 and is expected to adversely affect the Group's operating performance for the full year. In view of the uncertainty about the extent of the Epidemic and recovery of the business and tourism consumer market, the Board will make continuous assessment of the impact of the Epidemic on the Group's operating and financial performance in 2020.

The Board pays great attention to the status of the Epidemic, and will closely monitor the Group’s exposure to the risks and uncertainties in connection with the Epidemic. The Group will take appropriate measures as necessary and make further updates in due course.

Shareholders and potential investors of the Company are advised to exercise cautions when dealing in the securities of the Company.

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

Hangzhou, China
14 February 2020

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.