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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board of directors (the “**Board**”) of Zhejiang New Century Hotel Management Co., Ltd. (the “**Company**”) hereby announces that, in view of the changes in regulatory requirements and economic environment and the actual circumstances of the Company, including the relevant requirements pursuant to the Reply of the State Council on Adjustment of Provisions on Notice Period for Convening General Meetings of Shareholders and Other Matters Applicable to Companies Listed Abroad (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》) issued on October 17, 2019, the Board proposes to make amendments to the Articles of Association of Zhejiang New Century Hotel Management Co., Ltd. (H Share) (the “**Articles of Association**”). The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of a special resolution at the Annual General Meeting.

Details of the proposed amendments are as follow:

No.	Articles	Before Amendment	After Amendment
1.	Article 1	<p>In order to safeguard the legitimate rights and interests of Zhejiang New Century Hotel Management Co., Ltd. (“our Company”) and our shareholders and creditors, and to regulate the organization and activities of our Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter Regarding Opinion on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant regulations.</p>	<p>In order to safeguard the legitimate rights and interests of Zhejiang New Century Hotel Management Co., Ltd. (“our Company”) and our shareholders and creditors, and to regulate the organization and activities of our Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), <u>the Reply of the State Council on Adjustment of Provisions on Notice Period for Convening General Meetings of Shareholders and Other Matters Applicable to Companies Listed Abroad</u>, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter Regarding Opinion on Supplementary Amendments to Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and other relevant regulations.</p>

No.	Articles	Before Amendment	After Amendment
2.	Articles 46(V) and (VI)	/	<p><u>Upon approval of the securities regulatory authorities of the State Council and overseas stock exchanges (if required), Domestic Shares and unlisted foreign shares of our Company may be transferred in whole or in part to overseas investors and be listed for trading on overseas stock exchanges; and be converted into overseas listed foreign shares and be listed for trading on overseas stock exchanges. The shares so transferred or converted and listed for trading on overseas stock exchanges shall meet the regulatory provisions, rules and requirements of the overseas stock exchanges.</u></p> <p><u>Such transfer of shares to be listed for trading on overseas stock exchanges and such conversion from Domestic Shares or unlisted foreign shares to overseas listed foreign shares to be listed for trading on overseas stock exchanges are not subject to approval at a general meeting or class meeting of shareholders. Domestic Shares and unlisted foreign shares that have been converted into overseas listed foreign shares shall be of the same class as overseas listed foreign shares as issued.</u></p>
3.	Article 47	No registration of change of the share register as a result of share transfer shall be made within 30 days before the general meeting is convened or within five days prior to the record date on which our Company decides to pay dividends. If registration of change in the share register is otherwise prescribed by the securities governing authority of the region where our shares are listed, such provision shall be observed.	<p><u>Requirements on the closure of register of members before general meetings or record dates for determining the entitlement to dividends prescribed by laws, administrative regulations or stock exchanges or securities governing authorities of the regions where shares of our Company are listed shall be observed.</u></p>

No.	Articles	Before Amendment	After Amendment
4.	Article 73	<p>A written notice of the general meeting stating, among other things, matters to be considered at the meeting and the time and venue of the meeting shall be given to all shareholders in the share register 45 days before the meeting. A shareholder who intends to attend the meeting shall deliver his or her written reply regarding his or her attendance at the meeting to our Company 20 days before the date of the meeting.</p> <p>The duration of issue of the notice is exclusive of the day on which the meeting is convened.</p>	<p>A written notice of the annual general meeting stating, among other things, matters to be considered at the meeting and the time and venue of the meeting shall be given to all shareholders in the share register 20 business days before the meeting. <u>A written notice of an extraordinary general meeting stating matters to be considered at the meeting and the time and venue of the meeting shall be given to all shareholders in the share register 10 business days or 15 days (whichever is longer) before the meeting. These shall be subject to requirements of laws, regulations and stock exchanges where the shares of our Company are listed.</u></p> <p>The duration of issue of the notice is exclusive of the day on which the meeting is convened.</p>
5.	Article 74	<p>Our Company shall, based on the written replies received from shareholders 20 days prior to the date of the general meeting, calculate the number of voting shares held by shareholders intending to attend the meeting. Where the number of voting shares held by shareholders intending to attend the meeting amounts to more than 1/2 of the total voting shares of our Company, our Company may convene a general meeting; if not, our Company shall within five days notify shareholders again by announcement of the matters to be considered at the meeting and the date and venue of the meeting, and the general meeting may be held by our Company thereafter. At such extraordinary general meeting, issues which are not listed on the notice shall not be decided on.</p>	<p>At an extraordinary general meeting, issues which are not listed on the notice shall not be decided on.</p>

No.	Articles	Before Amendment	After Amendment
6.	Article 77	<p>The notice of general meeting shall be sent in person or by postage-paid mail to the shareholders (regardless of whether such shareholders have the right to vote at the general meeting). Each recipient's address shall be according to the address indicated on the share register or subject to applicable laws, regulations and listing rules, be posted at our website or a site specified by the stock exchange where our shares are listed. For holders of Domestic Shares and holders of non-listed foreign shares, the notice of general meeting may be given in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council within a period of 45 to 50 days before the meeting is convened. Once the announcement is made, all holders of Domestic Shares and non-listed foreign shares shall be deemed to have received the notice of our general meeting.</p>	<p>The notice of general meeting shall be sent in person or by postage-paid mail to the shareholders (regardless of whether such shareholders have the right to vote at the general meeting) at the address indicated on the share register or, subject to applicable laws, regulations and listing rules, be posted at our website or a site specified by the stock exchange where our shares are listed. For holders of Domestic Shares and holders of non-listed foreign shares, the notice of general meeting may be given in the form of an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council within a period prescribed in Article 73 hereunder. Once the announcement is made, all holders of Domestic Shares and non-listed foreign shares shall be deemed to have received the notice of our general meeting.</p>
7.	Article 109(III)	/	<p><u>Any transfer of Domestic Shares or unlisted foreign shares of our Company in whole or in part to overseas investors where the shares are to be listed for trading on overseas stock exchanges and any conversion from Domestic Shares or unlisted foreign shares to overseas listed foreign shares to be listed for trading on overseas stock exchanges shall not be deemed as an alteration or abolition of the rights of a class of shareholders proposed by our Company.</u></p>

No.	Articles	Before Amendment	After Amendment
8.	Article 113	<p>When convening a class general meeting, 45 days before the meeting is convened, our Company shall send a written notice to inform all registered holders of the classified shares on matters to be deliberated at the meeting, as well as the date and venue of the meeting. Any shareholder intending to attend the meeting shall serve to our Company a written reply showing his or her intention to attend at least 20 days before the meeting.</p> <p>In the event that the number of shares with voting power represented by shareholders planning to attend the meeting accounts for more than one half of the total number of the said classified shares with voting power at the meeting, our Company may convene a class general meeting. If this number is not reached, our Company shall again inform the shareholders of the matters to be deliberated as well as the date and venue of the meeting within five days in the form of an announcement and our Company may convene a class general meeting once the announcement is delivered.</p> <p>Where there are special rules in the listing rules of the stock exchange where our shares are listed, the special rules shall prevail.</p>	<p>When convening a class general meeting, our Company shall send a written notice <u>in accordance with the provision of Article 73 of the Articles of Association</u> to inform all registered holders of the classified shares on matters to be deliberated at the meeting, as well as the date and venue of the meeting. <u>Where there are special rules of laws, regulations and the stock exchange where our shares are listed, the special rules shall prevail.</u></p>
9.	Article 197(III)	<p>The dividends distribution of our Company is implemented by the Board of Directors upon authorization of the general meeting by ordinary resolution.</p>	<p><u>Unless determined otherwise by a resolution at a general meeting, the Board of Directors may distribute interim dividends upon authorization of a general meeting.</u></p>
10.	Article 200	<p>After the profit distribution plan is adopted at the general meeting, the Board shall finish distributing dividends (or shares) within 2 months after conclusion of the general meeting.</p>	<p>After the profit distribution plan is adopted at the general meeting, the Board shall finish distributing dividends (or shares) within <u>60 working days</u> after conclusion of the general meeting.</p>

No.	Articles	Before Amendment	After Amendment
11.	Article 233	<p>Interpretation</p> <p>(I) The term “acting in concert” as used in the Articles of Association refers to the action of two or more persons agreeing by agreement (whether oral or written) to obtain voting rights over our Company through any one of them, so as to achieve or consolidate the control of our Company.</p> <p>(II) The term “effective controller” as used in the Articles of Association refers to a person who, although not a shareholder of our Company, is able to actually control our Company’s actions through investment relationships, agreements or other arrangements.</p> <p>(III) The term “connected relationship” as used in the Articles of Association refers to the relationship between the Controlling Shareholder, effective controller, Directors, Supervisors, senior management and the enterprises directly or indirectly controlled by our Company, and other relationships that may lead to the transfer of interests of our Company. However, the state-controlled enterprises are not only connected to each other because they are controlled by the state.</p>	<p>Interpretation</p> <p>(I) The term “acting in concert” as used in the Articles of Association refers to the action of two or more persons agreeing by agreement (whether oral or written) to obtain voting rights over our Company through any one of them, so as to achieve or consolidate the control of our Company.</p> <p>(II) The term “effective controller” as used in the Articles of Association refers to a person who, although not a shareholder of our Company, is able to actually control our Company’s actions through investment relationships, agreements or other arrangements.</p> <p>(III) The term “connected relationship” as used in the Articles of Association refers to the relationship between the Controlling Shareholder, effective controller, Directors, Supervisors, senior management and the enterprises directly or indirectly controlled by our Company, and other relationships that may lead to the transfer of interests of our Company. However, the state-controlled enterprises are not only connected to each other because they are controlled by the state.</p> <p><u>(IV) A “working day” referred to herein shall mean a calendar day registered by the company in the place of registration other than public holidays and statutory holidays.</u></p> <p><u>(V) A “business day” referred to herein shall mean a day on which the Hong Kong Exchange is open for trading of securities.</u></p>

The Company intends to convene the Annual General Meeting to, among other things, seek shareholders' approval on the proposed amendments to the Articles of Association. Votes at the Annual General Meeting will be taken by poll.

The amendments to the Articles of Association are subject to the filing of the competent industrial and commercial registration authorities, and the content approved by and filed with the industrial and commercial registration authorities shall prevail.

A circular containing, among other things, the proposed amendments to the Articles of Association will be dispatched to the shareholders of the Company in due course.

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

Hangzhou, the PRC

20 April 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.