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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)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Reference is made to the announcement dated 20 January 2021 jointly issued by Kunpeng Asia Limited (the “**Offeror**”) and Zhejiang New Century Hotel Management Co., Ltd. (the “**Company**”) relating to, among other things, the pre-conditional voluntary conditional offer by UBS AG on behalf of the Offeror for all the issued H Shares of the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and the Offeror Concert Parties who have undertaken not to accept the H Share Offer) and the pre-conditional voluntary conditional offer by the Offeror for all the issued Domestic Shares of the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and the Offeror Concert Parties who have undertaken not to accept the Domestic Share Offer) (the “**Joint Announcement**”). Capitalised terms defined in the Joint Announcement shall have the same meanings when used in this announcement unless the context requires otherwise.

The Company is pleased to announce that Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the independent financial adviser to advise the Independent Board Committee as to whether the terms of the Offers are, or are not, fair and reasonable and as to acceptances and whether the Delisting and the Shareholders Arrangement are, or are not, fair and reasonable and as to voting. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers, the Delisting and the Shareholders Arrangement will be included in the Composite Document.

WARNING: The Pre-Condition must be satisfied before the making of the Offers. The making of the Offers and proceeding with the Delisting are therefore a possibility only and all references to the Offers and the Delisting in this announcement are references to the possible Offers and the possible Delisting, which will be implemented if and only if the Pre-Condition is satisfied. Even if the Pre-Condition is satisfied and the Offers are made, the Offers are conditional upon the satisfaction (or, where applicable, waiver) of the conditions as described in the Joint Announcement in all aspects. Accordingly, the Offers may or may not become unconditional and

the issue of the Joint Announcement and this announcement does not imply that the Offers or the Delisting will be completed. Accordingly, Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

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

Hangzhou, the PRC
28 January 2021

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

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement by the Directors have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.