

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor shall there be any sale, purchase or subscription for securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*



**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)**

**PROFIT WARNING**

This announcement is made by Zhejiang New Century Hotel Management Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the “**Inside Information Provisions**”).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, the Group’s net profit for the year ended 31 December 2020 is expected to be reduced by about 80% to 90% as compared to that for the year 2019 (the “**Profit Warning**”).

The Board considers that the sharp decline in net profit was mainly due to the huge impact on the hotel industry caused by the outbreak of the COVID-19 pandemic (the “**Epidemic**”) in early 2020. The hotel occupancy rate of the Group declined, and the revenue in the first half of the year significantly decreased, resulting in a net loss for the first half of the year. In the second half of the year, the domestic hotel industry gradually recovered, and the hotel occupancy rate and the revenue per available room of the Group were significantly improved as compared to those for the first half of the year. At the same time, under the influence of the normalization of the Epidemic, the Company adheres to the aggressive development strategy, continuously carries out internal organization and system innovation, and strengthens operation management, which have obtained remarkable improvement in project development, network layout, marketing and other aspects, and at the same time increases strategic investment, and hence records net profit for the second half of the year, turning the tide against the trend.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the management for the year ended 31 December 2020 and has not been audited or reviewed by the auditors or the audit committee of the Company, and may be subject to adjustments. The detailed financial information of the Group for the year ended 31 December 2020 will be published in the annual results announcement of the Group for the year ended 31 December 2020 (the “**Annual Results Announcement**”) which is expected to be published on or around 15 March 2021.

References are made to (i) the announcement dated 20 January 2021 (the “**Rule 3.5 Announcement**”) jointly issued by Kunpeng Asia Limited (the “**Offeror**”) and 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), and (ii) the announcement dated 27 January 2021 jointly issued by the Offeror and the Company on the delay in despatch of the Composite Document. Capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement, unless the context herein requires otherwise.

The Profit Warning included in this announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company’s financial adviser and auditors in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the financial advisers and auditors of the Company on the said profit forecast, in the next document to be sent to the Shareholders.

It is expected that the Annual Results Announcement will be published on or around 15 March 2021. In the event that the Annual Results Announcement is published prior to the despatch of the Composite Document, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning contained in this announcement will be superseded by the publication of the Annual Results Announcement. Otherwise, the Profit Warning contained in this announcement will be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Composite Document to be sent to the Shareholders.

**Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers. 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, the PRC

1 February 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.*