萬達酒店發展有限公司

WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Board of Directors (the "Board") of Wanda Hotel Development Company Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2016 — unaudited
(Expressed in Hong Kong Dollars)

		Six months ended 30 June	
		2016	2015
	Notes	***$'000***	*$'000*
Revenue	*4*	**258,015**	99,808
Cost of sales		**(103,082)**	(23,475)
Gross profit		**154,933**	76,333
Other revenue	*5*	**7,373**	20,869
Other net (loss)/gain	*5*	**(54,589)**	67,476
Net valuation gain on investment properties	*11*	**165,087**	20,281
Selling expenses		**(37,377)**	(33,962)
Administrative expenses		**(66,214)**	(63,131)
Profit from operations		**169,213**	87,866
Finance costs	*7*	**(106,026)**	(61,263)
Share of losses of a joint venture		**—**	(8,090)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)
for the six months ended 30 June 2016 — unaudited
(Expressed in Hong Kong Dollars)

		Six months ended 30 June	
		2016	2015
	Notes	***$'000***	*$'000*
Profit before tax	*6*	**63,187**	18,513
Income tax expense	*8*	**(69,519)**	(8,225)
(Loss)/profit for the period		**(6,332)**	10,288
Attributable to:			
Owners of the parent		**(37,097)**	(82,094)
Non-controlling interests		**30,765**	92,382
		(6,332)	10,288
Loss per share attributable to ordinary equity holders of the parent (HK cents)	*9*		
Basic and diluted		**(0.8)**	(1.7)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2016 — unaudited
(Expressed in Hong Kong Dollars)

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
(Loss)/profit for the period	**(6,332)**	10,288
Other comprehensive loss		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(48,299)**	(235,497)
Other comprehensive loss	**(48,299)**	(235,497)
Total comprehensive loss	**(54,631)**	(225,209)
Attributable to:		
Owners of the parent	**(1,936)**	(223,973)
Non-controlling interests	**(52,695)**	(1,236)
	(54,631)	(225,209)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2016 — unaudited

(Expressed in Hong Kong Dollars)

	Notes	30 June 2016 $'000 (unaudited)	31 December 2015 $'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**3,728,714**	3,469,052
Freehold land		**1,179,754**	1,029,952
Investment properties	*11*	**3,924,434**	3,847,765
Prepaid land lease payments		**18,361**	18,976
Goodwill		**16,384**	16,714
Investments in a joint venture		**522,920**	509,988
Deferred tax assets		**158,206**	156,798
Total non-current assets		**9,548,773**	9,049,245
CURRENT ASSETS			
Properties under development	*12*	**3,268,728**	2,501,950
Completed properties held for sale	*13*	**266,790**	312,128
Trade and other receivables	*14*	**715,487**	575,603
Prepaid tax		**—**	87
Restricted bank deposits		**9,164**	10,737
Cash and cash equivalents		**2,671,232**	2,958,264
Total current assets		**6,931,401**	6,358,769
CURRENT LIABILITIES			
Trade and other payables	*15*	**2,701,896**	1,860,468
Bills payable		**—**	2,148
Receipts in advance		**617,698**	568,861
Loans from financial institutions		**912,604**	1,539,783
Loans from related parties		**324,353**	141,553
Current taxation		**183,404**	486,272
Total current liabilities		**4,739,955**	4,599,085
NET CURRENT ASSETS		**2,191,446**	1,759,684
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,740,219**	10,808,929

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
at 30 June 2016 — unaudited
(Expressed in Hong Kong Dollars)

	Notes	**30 June 2016** **\$'000** **(unaudited)**	31 December 2015 *\$'000* (audited)
NON-CURRENT LIABILITIES			
Loans from financial institutions		**2,346,882**	1,350,612
Loans from an intermediate holding company		**5,589,692**	5,629,832
Loans from related parties		**28,905**	189,194
Interest payable to an intermediate holding company	*15*	**287,528**	220,298
Deferred tax liabilities		**543,088**	519,866
Total non-current liabilities		**8,796,095**	7,909,802
Net assets		**2,944,124**	2,899,127
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**469,735**	469,735
Retained earnings		**(242,343)**	(205,246)
Other reserves		**1,959,603**	1,924,442
		2,186,995	2,188,931
Non-controlling interests		**757,129**	710,196
Total equity		**2,944,124**	2,899,127

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

Wanda Hotel Development Company Limited (the "Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at The Canon's Court 22 Victoria Street Hamilton HM12, Bermuda.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC") and overseas during the period.

This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand ("$000"), unless otherwise stated. This unaudited interim condensed consolidated financial information has been approved for issue by the Directors on 17 August 2016.

2 BASIS OF PREPARATION

This unaudited interim condensed consolidated financial information for the six months ended 30 June 2016 has been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards ("HKAS") 34 *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This unaudited interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), except for adoption of new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are effective to the Group for accounting periods beginning on or after 1 January 2016. The adoption of the new HKFRSs has no material impact on the Group's results and financial position for the current or prior periods.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses by projects in different geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- The PRC: this segment engages in the development of commercial and residential properties for sales and leasing in the PRC.

- Overseas: this segment engages in the development of overseas property projects.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets exclude the head office's assets and goodwill and segment liabilities exclude the head office's liabilities as these assets and liabilities are managed on a group basis.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "profit/(loss) before tax".

	The PRC	**Overseas**	**Total**
	$'000	*$'000*	*$'000*
For the six months ended 30 June 2016			
Revenue from external customers	193,572	64,443	258,015
Reportable segment profit/(loss)	242,391	(147,089)	95,302
For the six months ended 30 June 2015			
Revenue from external customers	67,806	32,002	99,808
Reportable segment profit/(loss)	180,150	(140,561)	39,589
As at 30 June 2016			
Reportable segment assets	5,438,879	10,987,234	16,426,113
Reportable segment liabilities	2,699,796	6,677,107	9,376,903
As at 31 December 2015			
Reportable segment assets	5,815,932	9,501,661	15,317,593
Reportable segment liabilities	3,191,858	5,186,583	8,378,441

3. **OPERATING SEGMENT INFORMATION (Continued)**

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Revenue		
Reportable segment and consolidated revenue	**258,015**	99,808
Profit/(loss) before tax		
Reportable segment profit	**95,302**	39,589
Unallocated head office and corporate results	**(32,115)**	(21,076)
Consolidated profit before tax	**63,187**	18,513

	30 June	31 December
	2016	2015
	$'000	*$'000*
Assets		
Reportable segment assets	**16,426,113**	15,317,593
Unallocated head office and corporate assets	**54,061**	90,421
Consolidated total assets	**16,480,174**	15,408,014
Liabilities		
Reportable segment liabilities	**9,376,903**	8,378,441
Unallocated head office and corporate liabilities	**4,159,147**	4,130,446
Consolidated total liabilities	**13,536,050**	12,508,887

3. **OPERATING SEGMENT INFORMATION (Continued)**

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the location at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets, and the location of the operation to which they are allocated, in the case of goodwill.

	Revenue from external customers Six months ended 30 June		**Specified non-current assets**	
	2016	2015	**30 June 2016**	31 December 2015
	$'000	*$'000*	***$'000***	*$'000*
The PRC (including Hong Kong)	**193,572**	67,806	**3,972,734**	3,899,461
Overseas	**64,443**	32,002	**5,417,833**	4,992,986
	258,015	99,808	**9,390,567**	8,892,447

(iv) Information about major customers

The Group had one customer with whom transactions exceeded 10% of the Group's revenue for the period ended 30 June 2016 (six months ended 30 June 2015: one). For the period ended 30 June 2016, the revenue from this customer amounted to $36,257,000 (six months ended 30 June 2015: $38,944,000).

4. **REVENUE**

Revenue represents income from the sales of properties, property rental income and property management income during the period, net of business tax and other sales related taxes and discounts allowed.

An analysis of revenue is as follows:

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Revenue		
Sales of properties	**88,048**	5,926
Rental income	**157,433**	83,489
Property management income	**12,534**	10,393
	258,015	99,808

5. OTHER REVENUE AND OTHER NET (LOSS)/GAIN

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Other revenue		
Bank interest income	**7,373**	20,869
Other net (loss)/gain		
Exchange (loss)/gain	**(61,204)**	67,336
Forfeiture of deposits from purchasers	**730**	50
Others	**5,885**	90
	(54,589)	67,476

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Cost of properties sold	**43,297**	4,586
Cost of services provided	**59,785**	18,889
Depreciation	**32,178**	10,341
Amortisation of land lease payments	**243**	256
Minimum lease payments under operating leases for land and buildings	**6,933**	10,294

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Interest on loans from financial institutions	**54,504**	39,646
Interest on loans from an intermediate holding company repayable within five years	**113,867**	67,420
Interest on loans from related parties	**23,394**	15,022
	191,765	122,088
Less: Interest expenses capitalised into properties under development and construction in progress	**(85,739)**	(60,825)
	106,026	61,263

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	$'000	*$'000*
Current tax		
Corporate Income Tax for the period *(note (iii))*	**23,854**	33,575
PRC Land Appreciation Tax *(note (iv))*	**13,677**	1,200
	37,531	34,775
Deferred tax		
Origination and reversal of temporary differences:		
— Revaluation of properties	**33,532**	3,425
— Deductibility of PRC Land Appreciation Tax	**(1,682)**	—
— Pre-sale properties in PRC	**138**	(13,071)
— Tax losses	**—**	(16,904)
	31,988	(26,550)
Total income tax expense for the period	**69,519**	8,225

8. INCOME TAX EXPENSE (Continued)

Notes:

(i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

(ii) No provision for Hong Kong profits tax or overseas corporate income tax has been made as the Group did not have assessable profits in Hong Kong or overseas during the period.

(iii) Corporate Income Tax ("CIT")

The provision for the PRC CIT has been provided at the applicable income tax rate of 25% on the assessable profits of the Group's subsidiaries in Mainland China (six months ended 30 June 2015: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

(iv) PRC Land Appreciation Tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The LAT liabilities are subject to the final review/approval by the tax authorities.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic loss per share

The calculation of basic loss per share for the six months ended 30 June 2016 is based on loss attributable to owners of the parent of $37,097,000 (six months ended 30 June 2015: $82,094,000) and the weighted average number of 4,697,347,000 shares (six months ended 30 June 2015: 4,697,347,000 shares) in issue during the interim period.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2016 and 2015.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired items of property, plant and equipment at a total cost of $237,966,000 (six months ended 30 June 2015: $126,711,000).

As at 30 June 2016, certain items of the Group's property, plant and equipment with a net carrying amount of approximately $334,466,000 (31 December 2015: $8,435,000) were pledged to secure interest-bearing bank borrowings granted to the Group.

11. INVESTMENT PROPERTIES

During the six months ended 30 June 2016, the Group had no addition in investment properties (six months ended 30 June 2015: $3,273,456,000). Increase in investment properties during the six months ended 30 June 2016 was mainly due to a fair value gain of investment properties in Guilin, Guangxi Zhuang Autonomous Region, the PRC.

Investment properties carried at fair value were revalued on an open market value by independent firm of surveyors, DTZ Debenham Tie Leung Limited, which has recent experience in the respective locations and categories of property being valued. As a result of the revaluation, a net gain of $165,087,000 (six months ended 30 June 2015: $20,281,000) in respect of investment properties has been recognised in the statement of profit or loss for the period.

As at 30 June 2016, certain items of the Group's investment properties with a carrying amount of $1,185,244,000 (31 December 2015: $1,256,002,000) were pledged to secure interest-bearing bank borrowings and undrawn bank facilities granted to the Group.

12. PROPERTIES UNDER DEVELOPMENT

Properties under development represent the project cost, land acquisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's property development projects situated in the United States, the United Kingdom and Spain.

As at 30 June 2016, certain items of the Group's properties under development with a carrying amount of $1,711,666,000 (31 December 2015: Nil) were pledged to secure interest-bearing bank borrowings granted to the Group.

13. COMPLETED PROPERTIES HELD FOR SALE

All the properties held for sale are stated at cost. The Group's completed properties held for sale are situated in Mainland China.

As at 30 June 2016, certain items of the Group's properties held for sale with a carrying amount of $9,387,000 (31 December 2015: $9,580,000) were pledged to secure interest-bearing bank borrowings granted to the Group.

14. TRADE AND OTHER RECEIVABLES

	30 June 2016	31 December 2015
	$'000	*$'000*
Trade receivables	**103,927**	65,253
Prepayments	**8,004**	2,847
Deposits and other receivables	**598,963**	497,515
Amounts due from related parties	**2,722**	8,118
Amounts due from an intermediate holding company	**1,871**	1,870
	715,487	575,603

The aging analysis of trade receivables, based on the invoice date, is as follows:

	30 June 2016	31 December 2015
	$'000	*$'000*
Within 3 months	**24,905**	64,994
Over 3 months but within 6 months	**20,572**	—
Over 6 months but within 12 months	**58,191**	—
Over 12 months	**259**	259
	103,927	65,253

For the trade receivables arising from the sales of properties, the Group manages the credit risk by fully receiving cash before delivery of properties. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate impairment losses are made for irrecoverable amounts. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

At 30 June 2016, no impairment allowance was considered necessary in respect of the Group's trade receivables as the management considered that the balance was fully recoverable. The Group does not hold any collateral over the balance (31 December 2015: Nil).

15. TRADE AND OTHER PAYABLES

An analysis of trade payables, other payables and accruals as at the end of the reporting period is as follows:

	Notes	**30 June 2016** **$'000**	31 December 2015 $'000
Trade payables	*(a)*	**313,736**	451,826
Other payables		**135,610**	177,365
Accruals		**8,401**	1,857
Interest payable to related parties	*(b)*	**82,118**	59,454
Interest payable to an intermediate holding company	*(b)*	**287,528**	220,298
Interest payable to financial institutions		**25,196**	23,757
Amounts due to an intermediate holding company	*(c)*	**2,134,062**	1,127,430
Amounts due to related parties	*(c)*	**2,773**	18,779
		2,989,424	2,080,766
Portion classified as current liabilities		**(2,701,896)**	(1,860,468)
Non-current portion		**287,528**	220,298

Notes:

a. None of the Group's trade payables is expected to be settled after more than one year (31 December 2015: Nil).

The aging analysis of trade payables based on the invoice date is as follows:

	30 June 2016 **$'000**	31 December 2015 $'000
Within 3 months	**40,208**	434,259
Over 3 months but within 6 months	**4,190**	7,015
Over 6 months but within 12 months	**260,812**	37
Over 12 months	**8,526**	10,515
	313,736	451,826

15. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

b. The amount of $287,528,000 in interest payable to an intermediate holding company is repayable more than one year (31 December 2015: $220,298,000), while the interest payable to related parties is repayable on demand or within one year. These interest payables are unsecured and are not subject to compound interest.

c. The amounts due to an intermediate holding companies and related parties are repayable on demand or within one year and all these balances are unsecured and interest-free.

16. SHARE CAPITAL AND DIVIDEND

(i) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Dividend

No dividend has been declared in respect of the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

17. EVENTS AFTER THE REPORTING PERIOD

On 12 July 2016, Wanda Europe Real Estate Investment Co., Limited, subsidiary of the Company, signed a memorandum of understanding ("MOU") with Baraka Global Invest, S.L.U., in relation to the negotiation and possible sale of the Madrid Project at a consideration of EUR272 million (the "Possible Disposal"). The MOU is non-legally binding save for certain provisions set out therein. The Possible Disposal is still under discussion and negotiation and subject to final agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

London Project, UK

In September 2013, the Company acquired a project at 1 Nine Elms Lane, London SW8 5NQ, in the UK with Wanda Commercial Properties (Hong Kong) Co., Limited ("Wanda HK") in the form of a joint venture, in which the Company holds 60% and Wanda HK 40%. The planned total gross floor area of the project is approximately 110,000 sq.m., and is expected to be developed into a high-end complex comprising residential and hotel units. Pre-sale of residential portion commenced in 2014 with outstanding results achieved, and a total of 346 residential units were pre-sold up to the end of June 2016.

The London Project completed the demolition work of the existing structure and commenced construction work in 2015. The foundation works are in progress now, and the development of this project is expected to be completed in 2020.

Joint Venture Platform in Continental Europe and Madrid Project, Spain

In June 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Continental Europe, Wanda Europe Real Estate Investment Co., Limited, with a total capital commitment of HK$12.5 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in Continental Europe.

On the same day, the Company and Wanda HK acquired the Madrid Project in Spain through this joint venture platform. The planned total gross floor area of the project is approximately 90,000 sq.m..

On 12 July 2016, Wanda Europe Real Estate Investment Co., Limited signed a memorandum of understanding ("MOU") with Baraka Global Invest, S.L.U. ("Baraka"), a company organized under the laws of Spain, in relation to the negotiation and possible sale of all the issued shares in Wanda Madrid Development, S.L.U., which holds the Madrid Project in Spain, by the Group to Baraka at a consideration of EUR272 million (the "Possible Disposal"). The MOU is non-legally binding save for certain provisions set out therein. The Group has granted to Baraka exclusivity to conduct due diligence and negotiation of the Possible Disposal up to 15 October 2016.

Joint Venture Platform in the Americas and Chicago Project, America

In July 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in the Americas with a total capital commitment of HK$10 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in the Americas.

On the same day, through Wanda Chicago, a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into (i) the Formation and Contribution Agreement with Magellan Parcel C/D LLC ("Magellan") and Lakeshore East LLC; and (ii) the Operating Agreement with Magellan to jointly develop the Chicago Project in which Wanda Chicago holds 90% and Magellan holds 10% of such joint venture.

The planned total gross floor area of the Chicago Project is approximately 176,000 sq.m.. It is located in the heart of Chicago, adjacent to Millennium Park and Chicago CBD. Many of the well-known destinations are within walking distance of the project, such as the Theatre District, Museum Campus and Michigan Avenue. This is the last unbuilt site within the Lakeshore East area with excellent geographic location. The project is expected to be developed into a 350-meter, 93-story five-star hotel (with estimated 193 rooms) and high-end condominiums, which will be Chicago's third highest building upon completion and a new landmark in Chicago. Pre-sale of high-end condominiums portion commenced in September 2015, and 157 units were pre-sold up to the end of June 2016. The Chicago Project obtained the planning approvals and completed settlement in April 2016, and commenced construction work in August 2016. The development of this project is expected to be completed in 2020.

Joint Venture Platform in Australia and Gold Coast Jewel Project, Australia

In August 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Australia with a total capital commitment of HK$12.5 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in Australia.

On the same day, through Wanda Australia Commercial Properties Pty Ltd ("Wanda Australia Commercial"), a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into the Subscription and Shareholders Agreement with Dalian Wanda Commercial Properties Co., Ltd ("DWCP"), Mr. Riyu Li and Ms. Fengliu Wu (collectively, "Li", who were shareholders of Jewel Project company) and Jewel Project company. After completion of the subscription under the agreement, the Jewel Project company is now owned by Wanda Australia Commercial and Li, as to 55% and 45% respectively, for the joint development of the Jewel Project in the Gold Coast.

The planned total gross floor area of the Jewel Project is approximately 144,000 sq.m.. It is located in the heart of the Gold Coast city center - the Surfers Paradise, and is the only five-star hotel and apartment project approved to be erected directly adjacent to beaches in the Gold Coast. It is comprised of three high-rise tower buildings of which one will be a five-star hotel, and the other two luxury apartments for sales. The project will become a city landmark in the Gold Coast upon completion.

The project obtained the approval for the development plan in December 2014, completed the demolition work of the existing structure and commenced construction work in March 2015. The structural works for the underground area are in progress now. Pre-sale of luxury apartments portion commenced in September 2015, and 97 units were pre-sold up to the end of June 2016. The development of this project is expected to be completed in 2019.

Sydney Project, Australia

After the acquisition of the Jewel Project, on 23 January 2015 and 4 March 2015, the Company and Wanda HK, through Wanda One Sydney Pty Ltd ("Wanda One"), a wholly owned subsidiary of the joint venture platform in Australia under the Master Australia JV Agreement, entered into agreements to acquire the second premium project in Australia - the Sydney Project.

The Sydney Project is located in Sydney's Central Business District, a key commercial center and a prime area for development. The project is expected to be redeveloped into a 185 meter high tower mixed-used complex comprising hotel, residential and retail areas, with a planned total gross floor area of approximately 98,300 sq.m.. The project will become a new city landmark in Sydney upon completion. It is expected that the approval for the development plan will be obtained in early 2017 and demolition of the existing structure will commence in the first half of the year. Pre-sale will commence in 2017 and construction work will commence in 2018. The development of this project is expected to be completed in 2021.

Wanda Plaza, Guilin, the PRC ("Guilin Project")

In February 2014, the Company acquired a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous Region, the PRC with Wanda HK in the form of a joint venture, in which the Company holds 51% and Wanda HK 49% of the joint venture company, respectively. The project is located in the central area of Guilin High-tech Zone, with planned total gross floor area of approximately 330,000 sq.m., including 153,000 sq.m. of shopping mall and 177,000 sq.m. of retail, residential and other properties for sale.

The construction work of this project has been completed and the shopping mall opened in September 2015. With satisfactory commercial leases and operating conditions, the shopping mall has become a supreme landmark business centre in Guilin. For the sales of properties, approximately 80% of the saleable area were sold up to the end of June 2016, and properties were delivered to owners since December 2015.

Hengli City, Fuzhou, the PRC

The total gross floor area of Hengli City is approximately 242,000 sq.m.. The project is a residential, office and retail complex located in Fuzhou, the PRC. As of 30 June 2016, the floor area of its remaining properties was approximately 84,700 sq.m., and the majority of the office and car park units were leased. The commercial portion was fully leased to Wangfujing Department Store. In the first half of 2016, total rental income at Hengli City amounted to approximately HK$49.5 million, providing stable cash flow to the Company. During the same period, revenue of approximately HK$44.6 million was generated from the sales of residential units and car park units.

FINANCIAL REVIEW

Revenue and results

The Group's revenue for the six months ended 30 June 2016 was approximately HK$258 million, compared to that of HK$99.8 million for the corresponding period in 2015. The increase was mainly due to i) an increase in property sales revenue predominantly from the Guilin Project and Hengli City, which increased revenue of approximately HK$43.4 million and HK$38.8 million respectively and ii) an increase in rental income of approximately HK$32.4 million and HK$43.5 million from the Sydney Project and Guilin Project, respectively.

Revenue of HK$88.1 million, HK$157.4 million and HK$12.5 million was derived from the sales of properties, property leasing and property management service for the six months ended 30 June 2016 respectively.

The PRC market remained stable during the period ended 30 June 2016. The Guilin Project and Hengli City contributed HK$86.9 million and HK$106.7 million in revenue respectively to the PRC segment. The total revenue and the gross profit from the PRC segment increased from HK$67.8 million to HK$193.6 million and HK$50.9 million to HK$130.8 million between the six months ended 30 June 2015 and the six months ended 30 June 2016, respectively.

The overseas market was confronted with market changes and challenges during the period ended 30 June 2016. Rental income is generated from the existing properties of the Sydney Project before the start of the redevelopment plan in 2017. Revenue and gross profit generated from this project during the period ended 30 June 2016 were HK$64.4 million and HK$24.2 million, respectively. Besides the Sydney Project, all projects in the overseas segment were under the development phase in both periods ended 30 June 2016 and 2015, and therefore no revenue and gross profit were generated.

The Group's loss attributable to the equity shareholders of the Company was approximately HK$37.1 million (six months ended 30 June 2015: HK$82.1 million). The decrease was mainly due to i) an increase in the net valuation gain on investment properties of approximately HK$144.8 million and ii) an increase in the gross profit of approximately HK$78.6 million. The increment was partly set off by iii) an exchange loss of approximately HK$61.2 million for the six month ended 30 June 2016 as compared to an approximately HK$67.3 million exchange gain for the six months ended 30 June 2015, iv) an increase in finance costs of approximately HK$44.8 million and v) an increase in income tax expense of approximately HK$61.3 million.

Net assets and equity attributable to equity shareholders

As at 30 June 2016, the Group recorded total assets and total liabilities of approximately HK$16,480.2 million and HK$13,536.1 million respectively. The Group had net assets of approximately HK$2,944.1 million as at 30 June 2016 as compared to approximately HK$2,899.1 million as at 31 December 2015. As at 30 June 2016, the equity attributable to the equity shareholders of the Company was approximately HK$2,187 million as compared to HK$2,188.9 million as at 31 December 2015.

Liquidity and financial ratios

The Group had total cash and bank balances of approximately HK$2,680.4 million as at 30 June 2016 as compared with approximately HK$2,969 million as at 31 December 2015. Cash and bank balances denominated in Renminbi ("RMB") and Great Britain Pound ("GBP") both accounted for 38% respectively. The remaining 24% was denominated in Euro ("EUR"), Hong Kong Dollar ("HK$"), Australian Dollar ("AUD") and United States Dollar ("USD"). As at 30 June 2016, the current ratio, which is the quotient arrived at by dividing current assets by current liabilities, was 1.46 as compared with 1.38 as at 31 December 2015. The gearing ratio, which is the quotient arrived at by dividing net debt by the aggregate of net debt and total equity, was 68.9% as at 30 June 2016 as compared with 67.0% as at 31 December 2015.

Borrowings and financial resources

The Group had interest-bearing borrowings from financial institutions of approximately HK$3,259.5 million as at 30 June 2016 (31 December 2015: HK$2,890.4 million). These borrowings were denominated in GBP, RMB and USD. Approximately 28% of these borrowings is repayable within one year. The rest represents bank loans of HK$2,346.9 million which are repayable after one year.

The Group had interest-bearing borrowings from related parties of approximately HK$353.3 million as at 30 June 2016 (31 December 2015: HK$330.7 million). These borrowings were denominated in RMB and HK$. Approximately 91.8% of these borrowings are repayable within one year. The rest represents borrowings from a related party of HK$28.9 million which are repayable after one year.

The Group had interest-bearing borrowings from an intermediate holding company of approximately HK$2,448.5 million denominated in GBP and AUD as at 30 June 2016 (31 December 2015: HK$2,543.2 million). These borrowings were repayable from 2018 to 2025. The Group also had non-interest-bearing borrowings from an intermediate holding company of approximately HK$3,141.2 million (31 December 2015: HK$3,086.6 million) of which HK$684.7 million were denominated in USD, HK$1,153 million in EUR and HK$1,303.5 million in AUD. The above borrowings denominated in USD are repayable in 2017 and the borrowings denominated in EUR and AUD are repayable in 2019.

As the Group continues to acquire and develop suitable property projects, different financing sources, including debt, bank loan, and equity, will be explored. As at 30 June 2016, the Group's contracted commitment for capital expenditure is approximately HK$742.4 million (31 December 2015: HK$1,712.2 million).

Foreign currency and interest rate exposure

The Group's business is principally conducted in RMB, GBP, USD, EUR and AUD. The functional currencies of the Group's subsidiaries in the PRC, the United Kingdom, the United States of America (the "USA"), Spain and Australia are RMB, GBP, USD, EUR and AUD respectively and they do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is HK$. The Group is exposed to currency risk primarily through loans that are denominated in RMB, GBP, USD, EUR and AUD respectively. The Group maintains a conservative approach on foreign exchange exposure management. During the period, the Group did not use any financial instruments to hedge foreign currency exposure and the Group did not have any hedging instruments outstanding as at 30 June 2016.

During the period, the Group had interest-bearing borrowings from financial institutions, related parties and an intermediate holding company. Accordingly, the Group's cost of borrowing was affected by changes in interest rates. As at 30 June 2016, about 53.9% of the interest-bearing borrowings of approximately HK$3,269.3 million were on a floating rate basis, of which approximately HK$531.7 million were loans from an intermediate holding company.

The remaining interest-bearing borrowings of approximately HK$2,792 million were on fixed interest rate basis. During the period, the Group had monitored the suitability and cost efficiency of hedging instruments and had considered a mix of fixed and floating rate borrowings in order to manage interest rate risks. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

PLEDGE OF ASSETS

As at 30 June 2016, the Group pledged certain of its building held for own use, construction in progress, freehold land, prepaid land lease payments, investment properties, properties under development, completed properties held for sale and restricted bank deposits to financial institutions in the PRC to secure the loans of approximately HK$1,496.2 million granted by these financial institutions. The aggregate carrying value of these building held for own use, construction in progress, freehold land, prepaid land lease payments, investment properties, properties under development, completed properties held for sale and restricted bank deposits as at 30 June 2016 amounted to approximately HK$6.6 million, HK$327.9 million, HK$259.6 million, HK$18.4 million, HK$1,185.2 million, HK$1,711.7 million, HK$9.4 million and HK$9.2 million respectively. Besides, the Group also pledged the share of Wanda Madrid Development, S.L.U. to a financial institution in the PRC to secure a loan of approximately HK$1,241.4 million granted by this financial institution.

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the six months ended 30 June 2016.

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had provided guarantees in aggregate amount of approximately HK$639.2 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees would be released upon the execution of individual purchasers' collateral agreements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

The Group had no disposal of subsidiaries and associated companies during the six months ended 30 June 2016.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No director has the right to acquire shares or debentures of the Company or its subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group had around 301 full time employees, who are located in the PRC, Hong Kong, the United Kingdom, Spain, the USA and Australia.

During the six months ended 30 June 2016, the Group remunerated its employees based on their performance, experience and the prevailing market salaries. Performance bonuses were granted on a discretionary basis. Other employee benefits included insurance and medical cover, subsidized educational and training programs.

INTERIM DIVIDEND

The Directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

OUTLOOK

Looking forward, with support from our parent, DWCP, the Group will continue to focus on international gateway cities which attract a significant number of tourists, business travelers and a growing trend of international tourists. The Group will actively participate in the investment, development and operation of mixed-use property projects with a focus on hotel assets. The Group will steadily develop the existing projects, whereas the residential component will be sold as scheduled if market conditions are favourable. The Group will continue to hold the commercial component and hotel assets for investment purpose, and have the hotels operated under Wanda brands (the existing brands include but are not limited to Wanda Vista, Wanda Reign and Wanda Realm). The Group will continue to prudently seek profitable investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its shareholders.

OTHER INFORMATION

SHARE OPTIONS SCHEME

The Company did not have any effective share option scheme as at 30 June 2016.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

The Company has complied with the Corporate Governance Code (the "Code") as contained in Appendix 14 of the Listing Rules, except for deviations from Code Provision A.6.7 which stipulates that independent non-executive directors and non-executive directors should attend general meetings. Due to other important business engagements at the relevant time, not all independent non-executive directors and non-executive directors attended the annual general meeting of the Company on 15 June 2016.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises one non-executive director and two independent non-executive directors, namely Mr. Qi Jie, Dr. Xue Yunkui and Mr. Zhang Huaqiao.

The Audit Committee meets regularly with the Company's senior management and the Company's auditors to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The Company's interim results for the six months ended 30 June 2016 have not been audited but have been reviewed by the Company's Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on both the websites of the Company (www.wanda-hotel.com.hk) and of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2016 will be dispatched to shareholders and published on the aforesaid websites in due course.

By order of the Board
Wanda Hotel Development Company Limited
Ding Benxi
Chairman

Hong Kong, 17 August 2016

As at the date of this announcement, Mr. Ding Benxi (Chairman), Mr. Qi Jie and Mr. Qu Dejun are the non-executive Directors; Mr. Liu Chaohui is the executive Director; and Mr. Liu Jipeng, Dr. Xue Yunkui and Mr. Zhang Huaqiao are the independent non-executive Directors.