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萬達酒店發展有限公司
WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

**UPDATE ON THE MAJOR TRANSACTION –
DISPOSAL OF MADRID PROPERTY PROJECT**

Reference is made to the circular (the “**Circular**”) of Wanda Hotel Development Company Limited (the “**Company**”) dated 16 December 2016 and the announcements of the Company dated 28 December 2016 and 30 December 2016 with respect to, among others, the major transaction of the Company regarding the sale of all the issued shares in Wanda Madrid Development, S.L.U. (now known as Plaza de Espana 19 Development, S.L.U.) by the Group to Baraka Global Invest, S.L.U.. Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Circular.

Pursuant to the Agreement and as disclosed in the Circular, the Completion of the Disposal should have taken place on 31 March 2017 or such earlier date as may be agreed in writing between the Parties. While Wanda Europe has fulfilled all its obligations for the Completion pursuant to the Agreement, additional time is required for the Purchaser to fulfill its obligations for the Completion. After undergoing arm’s length negotiation, Wanda Europe and the Purchaser agreed in writing on 31 March 2017 to extend the date of the Completion to 1 June 2017. If the Completion does not take place on 1 June 2017, Wanda Europe is entitled to terminate the Agreement and retain the deposits received (i.e. € 20 million). The Directors consider that the extension will facilitate the Parties to proceed with the Disposal and is in the interest of the Company and the Shareholders as a whole.

As disclosed in the Circular, the Group has arranged for the cancellation of a pledge over the Sale Shares in favour of a financial institution in the PRC regarding the Loan and undertook to repay the Loan using the proceeds from the Disposal. The Group has undertaken to re-pledge the Sale Shares to the financial institution if the Disposal did not occur by 31 January 2017 and such date was subsequently extended to 30 April 2017. The Group is negotiating with the financial institution to extend such date to 30 June 2017.

Save as disclosed above, all material terms and conditions of the Agreement remain unchanged.

By order of the Board
Wanda Hotel Development Company Limited
Hui Wai Man, Shirley
Company Secretary

Hong Kong, 3 April 2017

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.