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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)

**(1) MAJOR AND CONNECTED TRANSACTIONS
PROPOSED ASSIGNMENTS OF RECEIVABLES
AND
(2) CONTINUING CONNECTED TRANSACTIONS
HOTEL DESIGN FRAMEWORK AGREEMENT AND
HOTEL CONSTRUCTION MANAGEMENT FRAMEWORK AGREEMENT**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



THE PROPOSED ASSIGNMENTS OF RECEIVABLES

Reference is made to the announcement of the Company dated 16 January 2018 in relation to the disposal of the London Property Project. Reference is also made to the announcement of the Company dated 29 January 2018 in relation to the disposal of the Australia Property Projects.

On 18 October 2019, the Company entered into the Deed of Assignment of London Project Receivables with Wanda HK pursuant to which the Company agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the London Project Receivables in the aggregate amount of £24,000,000 (equivalent to approximately HK\$241,392,000).

On 18 October 2019, Wanda Australia RE entered into the Deed of Assignment of Australia Projects Receivables with Wanda HK pursuant to which Wanda Australia RE agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the Australia Projects Receivables in the aggregate amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000).

THE FRAMEWORK AGREEMENTS

On 18 October 2019, the Company entered into (i) the Hotel Design Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide Hotel Design Services (as defined below) for the hotel projects of Dalian Wanda Group; and (ii) the Hotel Construction Management Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide hotel construction management services for the hotel projects of Dalian Wanda Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) by aggregating the transactions contemplated under the Deed of Assignment of Australia Projects Receivables and the Deed of Assignment of London Project Receivables exceed 25% but are less than 75%, the Proposed Assignments constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Further, as Wanda HK is an indirect holding company of the Company, Wanda HK is a connected person of the Company under Chapter 14A of the Listing Rules and the Proposed Assignments also constitute connected transactions of the Company. Accordingly, the Proposed Assignments are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements set out in Chapter 14 and Chapter 14A of the Listing Rules.

As at the date of this announcement, Dalian Wanda Group is a controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) of the proposed annual caps in respect of the Framework Agreements exceeds 5%, the transactions contemplated under the Framework Agreements shall be subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among others, the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder. Wanda Overseas, being an associate of Wanda HK and Dalian Wanda Group, is interested in 3,055,043,100 Shares representing approximately 65.04% of the issued share capital of the Company as at the date of this announcement, will abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder. To the best of the knowledge of the Directors, as at the date of this announcement, no other Shareholder will be required to abstain from voting thereat as no other Shareholder has any interest in the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder which is different from the other Shareholders.

A circular containing, among other things, (i) details of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder; (ii) the advice and recommendation of the Independent Board Committee in respect of the Proposed Assignments, Framework Agreements and the transactions contemplated thereunder; (iii) the advice and recommendation of the Independent Financial Adviser regarding the terms of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM and a proxy form, shall be despatched to the Shareholders on or before 8 November 2019.

WARNING

Completion of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder are subject to the satisfaction of the conditions precedent thereto, including approval by the Independent Shareholders and as such, the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

THE PROPOSED ASSIGNMENTS

Reference is made to the announcement of the Company dated 16 January 2018 in relation to the disposal of the London Property Project. Reference is also made to the announcement of the Company dated 29 January 2018 in relation to the disposal of the Australia Property Projects.

On 18 October 2019, the Company entered into the Deed of Assignment of London Project Receivables with Wanda HK pursuant to which the Company agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the London Project Receivables in the aggregate amount of £24,000,000 (equivalent to approximately HK\$241,392,000), on the terms and subject to conditions set out thereunder.

On 18 October 2019, Wanda Australia RE entered into the Deed of Assignment of Australia Projects Receivables with Wanda HK pursuant to which Wanda Australia RE agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the Australia Projects Receivables in the aggregate amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000), on the terms and subject to conditions set out thereunder.

(1) DEED OF ASSIGNMENT OF LONDON PROJECT RECEIVABLES

A summary of the principal terms of the Deed of Assignment of London Project Receivables is set out as follows:

Date: 18 October 2019

Assignor: The Company

Assignee: Wanda HK

Subject matter: The Company agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the London Project Receivables, on the terms and subject to conditions set out under the Deed of Assignment of London Project Receivables, under which Wanda HK also agreed to indemnify the Company for all claims arising from the London SPA and any loss, debt, damage, loss and other fees incurred by the Company resulting from such claim.

Consideration: The consideration for the London Project Receivables was determined and agreed on the basis of the face value of the London Project Receivables which is in the aggregate amount of £24,000,000 (equivalent to approximately HK\$241,392,000) and will be off-set and deducted from the USD Loan on a dollar-for-dollar basis at a foreign exchange rate expressed as the amount of US\$ per one £ quoted by the People's Bank of China as at the date of Closing. As such, the Company does not expect to record any gain or loss from the Proposed Assignment.

Conditions: Closing shall be conditional upon the satisfaction of the following Conditions:

- (1) the Company having obtained the Independent Shareholders' approval for the Deed of Assignment of London Project Receivables and the transactions contemplated thereunder at the SGM; and
- (2) all requisite approvals from third parties (including any applicable governmental and regulatory authorities) in connection with the entering into and performance of the terms of the Deed of Assignment of London Project Receivables having been obtained.

If any of the above Conditions have not been fulfilled on or before 31 December 2019, all rights and obligations of the parties to the Deed of Assignment of London Project Receivables shall cease and terminate, save and except for any antecedent breach thereof.

Closing: Closing will take place within 1 business day after the Conditions have been fulfilled in accordance with the Deed of Assignment of London Project Receivables.

(2) DEED OF ASSIGNMENT OF AUSTRALIA PROJECTS RECEIVABLES

A summary of the principal terms of the Deed of Assignment of Australia Projects Receivables is set out as follows:

- Date:** 18 October 2019
- Assignor:** Wanda Australia RE
- Assignee:** Wanda HK
- Subject matter:** Wanda Australia RE agreed to assign to Wanda HK and Wanda HK has agreed to accept the rights, title and benefits in and to and arising from the Australia Projects Receivables, on the terms and subject to conditions set out under the Deed of Assignment of Australia Projects Receivables, under which Wanda HK also agreed to indemnify Wanda Australia RE for all claims arising from the Australia SPA and any loss, debt, damage, loss and other fees incurred by the Company resulting from such claim.
- Consideration:** The consideration for the Australia Projects Receivables was determined and agreed on the basis of the face value of the Australia Projects Receivables which is in the aggregate amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000) and will be off-set and deducted from the AUD Loan on a dollar-for-dollar basis. As such, the Company does not expect to record any gain or loss from the Proposed Assignment.
- Conditions:** Closing shall be conditional upon the satisfaction of the following Conditions:
- (1) the Company having obtained the Independent Shareholders' approval for the Deed of Assignment of Australia Projects Receivables and the transactions contemplated thereunder at the SGM; and
 - (2) all requisite approvals from third parties (including any applicable governmental and regulatory authorities) in connection with the entering into and performance of the terms of the Deed of Assignment of Australia Projects Receivables having been obtained.

If any of the above Conditions have not been fulfilled on or before 31 December 2019, all rights and obligations of the parties to the Deed of Assignment of Australia Projects Receivables shall cease and terminate, save and except for any antecedent breach thereof.

Closing:

Closing will take place within 1 business day after the Conditions have been fulfilled in accordance with the Deed of Assignment of Australia Projects Receivables.

REASONS FOR AND BENEFITS OF AND FINANCIAL EFFECTS OF THE PROPOSED ASSIGNMENTS

As at the date of this announcement, the Company recorded Australia Projects Receivables and London Project Receivables in the amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000) and £24,000,000 (equivalent to approximately HK\$241,392,000) respectively.

The Proposed Assignments offer the Group an opportunity to eliminate the inherent risk of non-recoverability associated with such amounts and enable the Company to save time and resources that will otherwise be utilized for recovering and collecting the Australia Projects Receivables and the London Project Receivables. Besides, as the Australia Projects Receivables and the London Project Receivables will be off-set and deducted from the AUD Loan and the USD Loan respectively on a dollar-for-dollar basis, this would significantly reduce the outstanding loan owing to Wanda HK by the Group and in turn enhance the Company's loan to equity ratio. The Company will therefore benefit from a better capital structure and reduce its debt obligations which it would otherwise have been required to repay at maturity of the AUD Loan and the USD Loan.

The Proposed Assignments are not expected to give rise to any gain or loss and any change to the net asset value of the Company.

Based on the above, the Directors (excluding the independent non-executive Directors whose views will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) consider that the Proposed Assignments are in the interests of the Company and the Shareholders as a whole, on normal commercial terms and that the terms of the Proposed Assignments are fair and reasonable.

THE FRAMEWORK AGREEMENTS

On 18 October 2019, the Company entered into (i) the Hotel Design Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide Hotel Design Services (as defined below) for the hotel projects of Dalian Wanda Group; and (ii) the Hotel Construction Management Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide hotel construction management services for the hotel projects of Dalian Wanda Group.

(1) HOTEL DESIGN FRAMEWORK AGREEMENT

A summary of the principal terms of the Hotel Design Framework Agreement is set out as follows:

- Date:** 18 October 2019
- Parties:**
- (i) Dalian Wanda Group, a controlling shareholder of the Company as at the date of this announcement
 - (ii) The Company
- Term:** From the day on which Independent Shareholders' approval in respect of the Hotel Design Framework Agreement is obtained at the SGM to 31 December 2021
- Services:** Pursuant to the Hotel Design Framework Agreement, Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide hotel design consulting services (the "**Hotel Design Services**") which may include, but not limited to, the below services for Dalian Wanda Group's hotel projects:
- (i) interior, furniture, fixtures and equipment design and consulting services;
 - (ii) back-of-house area design review services;
 - (iii) outdoor direction signage and indoor lighting design consulting services; and
 - (iv) kitchen and launderette area design services.

Dalian Wanda Group and/or its subsidiaries and the Group shall enter into separate agreements (the "**Individual Hotel Design Agreement(s)**") in relation to the provision of Hotel Design Services for relevant projects, which shall be subject to the terms and conditions under the Hotel Design Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Design Agreement shall not exceed the term of the Hotel Design Framework Agreement and the terms of the Individual Hotel Design Agreements shall be made on normal commercial terms.

Service fees and pricing policy:

The service fees payable by Dalian Wanda Group to the Group for the Hotel Design Services under each Individual Hotel Design Agreement shall be fair and reasonable and shall be determined with reference to the prevailing market prices by taking into account the quotations obtained by Dalian Wanda Group from at least two independent third party suppliers for the provision of equivalent or similar services in their ordinary course of business and which shall not, from the Group's perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third party in hotels of equivalent or similar grading.

In order to ensure that the terms of the Individual Hotel Design Agreements signed on or after the date of the Hotel Design Framework Agreement are and will be made on normal commercial terms, the Group will establish a review mechanism to monitor the prevailing service fees and contractual terms for equivalent or similar services in the market and approve in advance the terms of each Individual Hotel Design Agreement signed on or after the date of the Hotel Design Framework Agreement to ensure that its actual service fees rates and contractual terms shall not, from the Group's perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading. If in the future the Group is of the view that the service fees and contractual terms fixed under the Hotel Design Framework Agreement are, from the Group's perspective, less favourable than that provided by the Group to independent third parties at the time, the Group will use its best endeavours to negotiate revised service fees and contractual terms with Dalian Wanda Group under the Hotel Design Framework Agreement to ensure that each new Individual Hotel Design Agreement to be entered into at the time will be no less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading during the same period.

Annual caps:

The annual caps of the maximum aggregate amounts payable by Dalian Wanda Group for each of the three years ending 31 December 2021 for the provision of Hotel Design Services by the Group are set out below:

	Year ending 31 December		
	2019	2020	2021
Annual caps (RMB million)	52.34	92.45	70.92

The annual caps in respect of the transactions contemplated under the Hotel Design Framework Agreement are arrived at after taking into consideration of, among others, (i) the anticipated demand for Hotel Design Services by Dalian Wanda Group based on the current development plan of the existing property projects of Dalian Wanda Group; (ii) the prevailing market prices for the relevant design services; and (iii) a buffer of 25% taking into account, among others, (a) the inflation expected during the term of the Hotel Design Framework Agreement; (b) the potential additional demand for Hotel Design Services by Dalian Wanda Group during the term of the Hotel Design Framework Agreement; and (c) the possibility of early or delay in revenue recognition due to the progress of Hotel Design Services during the term of the Hotel Design Framework Agreement.

(2) HOTEL CONSTRUCTION MANAGEMENT FRAMEWORK AGREEMENT

A summary of the principal terms of the Hotel Construction Management Framework Agreement is set out as follows:

Date:	18 October 2019
Parties:	(i) Dalian Wanda Group, a controlling shareholder of the Company as at the date of this announcement (ii) The Company
Term:	From the day on which Independent Shareholders' approval in respect of the Hotel Construction Management Framework Agreement is obtained at the SGM to 31 December 2021

Services:

Pursuant to the Hotel Construction Management Framework Agreement, Dalian Wanda Group and/or its subsidiaries may from time to time engage the Group including Wanda Hotel Management (HK) to provide hotel construction management services. For the avoidance of doubt, such services do not include project design, construction and supervision work, in respect of which Dalian Wanda Group should hire relevant professional advisory body(ies) and be responsible for such expenses.

Dalian Wanda Group and/or its subsidiaries and the Group shall enter into separate agreements (the “**Individual Hotel Construction Management Agreement(s)**”) in relation to the provision of hotel construction management services for relevant projects, which shall be subject to the terms and conditions under the Hotel Construction Management Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Construction Management Agreement shall not exceed the term of the Hotel Construction Management Framework Agreement and the terms of the Individual Hotel Construction Management Agreements shall be made on normal commercial terms.

Service fees and pricing policy:

The service fees payable by Dalian Wanda Group to the Group for the hotel construction management services for each hotel shall be fair and reasonable and the consultation and hotel construction management service fees for each project shall be charged according to the project area and such fee shall not exceed RMB136 per square meter.

In order to ensure that the terms of the Individual Hotel Construction Management Agreements shall be made on normal commercial terms or better, the actual service fees rates for each Individual Hotel Construction Management Agreement shall be determined with reference to the prices and terms provided by the Group to independent third parties for similar services. In order to ensure that the terms of the Individual Hotel Construction Management Agreements signed on or after the date of the Hotel Construction Management Framework Agreement are and will be made on normal commercial terms, the Group will establish a review mechanism to monitor the prevailing service fees and contractual terms for equivalent or similar services in the market and approve in advance the terms of each Individual Hotel Construction Management Agreement signed on or after the date of the Hotel Construction Management Framework Agreement to ensure that its actual service fees rates and contractual terms shall not, from the Group's perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third party in hotels of equivalent or similar grading. If in the future the Group is of the view that the service fees and contractual terms fixed under the Hotel Construction Management Framework Agreement are, from the Group's perspective, less favourable than that provided by the Group to independent third parties at the time, the Group will use its best endeavours to negotiate revised service fees and contractual terms with Dalian Wanda Group under the Hotel Construction Management Framework Agreement to ensure that each new Individual Hotel Construction Management Agreement to be entered into at the time will be no less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading during the same period.

Annual caps:

The annual caps of the maximum aggregate amounts payable by Dalian Wanda Group for each of the three years ending 31 December 2021 for the provision of hotel construction management services by the Group are set out below:

	Year ending 31 December		
	2019	2020	2021
Annual caps <i>(RMB million)</i>	10.87	31.69	25.12

The annual caps in respect of the transactions contemplated under the Hotel Construction Management Framework Agreement are arrived at after taking into consideration of, among others, (i) the anticipated demand for hotel construction management services by Dalian Wanda Group based on the current development plan of the existing hotel projects of Dalian Wanda Group; (ii) the prevailing market prices for the relevant hotel construction management services; and (iii) a buffer of 25% taking into account, among others, (a) the inflation expected during the term of the Hotel Construction Management Framework Agreement; (b) the potential additional demand for hotel construction consulting services by Dalian Wanda Group during the term of the Hotel Construction Management Framework Agreement; and (c) the possibility of early or delay in revenue recognition due to the progress of hotel project construction consulting services during the term of the Hotel Construction Management Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENTS

Entering into the Framework Agreements is consistent with the Company's business strategy to capitalise on the Group's hotel management expertise, improve its business operations and maximize return to its Shareholders, especially in light of the Company's recent completion of the acquisition of Wanda Hotel Management (HK), a leading hotel services provider in China with comprehensive capabilities in hotel management and operation, hotel design, and hotel construction management. This enables the Company to achieve scale and market leadership in the hospitality and tourism industry and should create value for the Shareholders. It also expands the Company's revenue resources and improve the Company's profitability. This is in line with the Group's plan to adopt an asset-light business model and the strategic goal of achieving long-term development of the Group and sustainable growth of the Shareholders' value in the long run.

The Directors (excluding the independent non-executive Directors whose views will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) consider that the terms of the Framework Agreements and the continuing connected transactions contemplated thereunder (including the annual caps) are entered into in the ordinary and usual course of business of the Company, were negotiated on an arm's length basis and are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures in monitoring the transactions under the Framework Agreements including the following, for so long as the transactions constitute continuing connected transactions of the Company:

- (i) the legal department of the Company is responsible for the review of any Individual Hotel Design Agreement and Individual Hotel Construction Management Agreement to ensure that the terms thereunder are made in accordance with the terms and conditions (including the pricing policies) of the Hotel Design Framework Agreement and the Hotel Construction Management Framework Agreement, respectively;
- (ii) the Company has designated certain members of the management to closely monitor subsisting and potential connected transactions of the Group on a regular basis and will review the transactions under the Framework Agreements with Dalian Wanda Group and its subsidiaries to identify any continuing connected transaction that may be at risk of exceeding the annual caps so as to ensure that relevant Listing Rules requirements have been re-complied before any annual cap is being exceeded; and
- (iii) the Company will report any Individual Hotel Design Agreement and Individual Hotel Construction Management Agreement to the independent non-executive Directors for their review during each of the audit committee meetings according to the audit committee meeting agenda. The Company shall ensure that such kind of reporting shall be conducted not less than twice a year.

INFORMATION OF THE PARTIES INVOLVED

The Group

The Group is principally engaged in property development, property investment, property management, development and operation of hotel, hotel management, hotel design and hotel construction management.

Wanda Australia RE

Wanda Australia RE is a joint venture platform in Australia formed by the Company with Wanda HK for the joint acquisition and development of suitable real property projects in Australia. The Company holds 60% of Wanda Australia RE and Wanda HK holds 40%. It is a non-wholly owned subsidiary of the Company.

Wanda HK

Wanda HK is principally engaged in the business of investment holding. It is a controlling shareholder of the Company.

Dalian Wanda Group

Dalian Wanda Group is a large multinational conglomerate focusing on modern services. Its core industries are commercial management, cultural industry, real estate and investment. It is the ultimate holding company of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) by aggregating the transactions contemplated under the Deed of Assignment of Australia Projects Receivables and the Deed of Assignment of London Project Receivables exceed 25% but are less than 75%, the Proposed Assignments constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Further, as Wanda HK is an indirect holding company of the Company, Wanda HK is a connected person of the Company under Chapter 14A of the Listing Rules and the Proposed Assignments also constitute connected transactions of the Company. Accordingly, the Proposed Assignments are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements set out in Chapter 14 and Chapter 14A of the Listing Rules.

As at the date of this announcement, Dalian Wanda Group is a controlling shareholder of the Company and therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) of the proposed annual caps in respect of the Framework Agreements exceeds 5%, the transactions contemplated under the Framework Agreements shall be subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among others, the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder. Wanda Overseas, being an associate of Wanda HK and Dalian Wanda Group, is interested in 3,055,043,100 Shares representing approximately 65.04% of the issued share capital of the Company as at the date of this announcement, will abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder. To the best of the knowledge of the Directors, as at the date of this announcement, no other Shareholder will be required to abstain from voting thereat as no other Shareholder has any interest in the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder which is different from the other Shareholders.

The Independent Board Committee and the Independent Financial Adviser

The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Chen Yan, Mr. He Zhiping, Dr. Teng Bing Sheng, has been established and will advise the Independent Shareholders as to (i) whether the terms of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder are fair and reasonable, (ii) whether the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, (iii) whether the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and (iv) how to vote on the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder at the SGM, taking into account of the recommendation of the Independent Financial Adviser.

None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Proposed Assignments and/or the Framework Agreements. The Independent Board Committee will form its view in respect of the terms of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser.

The Company has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules.

Despatch of circular

A circular containing, among other things, (i) details of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder; (ii) the advice and recommendation of the Independent Board Committee in respect of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder; (iii) the advice and recommendation of the Independent Financial Adviser regarding the terms of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder; (iv) other information as required under the Listing Rules; and (v) a notice convening the SGM and a proxy form, shall be despatched to the Shareholders on or before 8 November 2019.

WARNING

Completion of the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder are subject to the satisfaction of the conditions precedent thereto, including approval by the Independent Shareholders and as such, the Proposed Assignments and the Framework Agreements and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“AUD Loan”	a loan in the principal amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000) advanced by Wanda HK to Wanda Australia RE which is payable on demand and remains outstanding as at the date of this announcement
“Australia Projects Receivables”	the receivables in the aggregate amount of AU\$105,000,000 (equivalent to approximately HK\$556,773,000) due to Wanda Australia RE owing to Group’s disposal of the Australia Property Projects
“Australia Property Projects”	the rights and interests in the real estate development project located at One Alfred Street, Circular Quay, Sydney Australia and 38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia, details of which are disclosed in the Company’s announcement dated 29 January 2018
“Australia SPA”	the master agreement dated 18 January 2019 entered into by Wanda Australia RE, AWH Investment Group Pty Ltd and Wanda Australia Commercial Properties Pty Ltd. relating to the disposal of the Australia Property Projects, details of which are disclosed in the Company’s announcement dated 29 January 2018
“AU\$”	Australian dollar, the lawful currency of Australia
“Board”	the Board of Directors
“Closing”	the closing of the Proposed Assignments pursuant to the Deed of Assignment of Australia Projects Receivables and/or the Deed of Assignment of London Project Receivables

“Company”	Wanda Hotel Development Company Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Conditions”	the conditions precedent to Closing
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it in the Listing Rules
“Dalian Wanda Group”	大連萬達集團股份有限公司 (Dalian Wanda Group Co., Ltd*), a joint stock company incorporated in the PRC with limited liability, and a controlling shareholder of the Company
“Deed of Assignment of Australia Projects Receivables”	the deed of assignment of Australia Projects Receivables dated 18 October 2019 entered into by Wanda Australia RE and Wanda HK
“Deed of Assignment of London Project Receivables”	the deed of assignment of London Project Receivables dated 18 October 2019 entered into by the Company and Wanda HK
“Director(s)”	the director(s) of the Company
“Framework Agreements”	the Hotel Design Framework Agreement and the Hotel Construction Management Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel Construction Management Framework Agreement”	the hotel construction management services framework agreement entered into between the Company and Dalian Wanda Group on 18 October 2019
“Hotel Design Framework Agreement”	the hotel design consulting services framework agreement entered into between the Company and Dalian Wanda Group on 18 October 2019
“Hotel Design Services”	has the meaning ascribed to it in the section headed “Hotel Design Framework Agreement – Services” of this announcement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, being Dr. Chen Yan, Mr. He Zhiping, Dr. Teng Bing Sheng, established for the purpose of advising the Independent Shareholders on the Proposed Assignment, the Framework Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser engaged by the Company to advise the Independent Board Committee and the Independent Shareholders on the Proposed Assignment, the Framework Agreements and the transactions contemplated thereunder
“independent third party(ies)”	the party(ies) which is/are independent of the Group and the connected persons of the Company
“Individual Hotel Construction Management Agreement”	has the meaning ascribed to it in the section headed “The Framework Agreements – Hotel Construction Management Framework Agreement – Services” of this announcement
“Individual Hotel Design Agreement”	has the meaning ascribed to it in the section headed “The Framework Agreements – Hotel Design Framework Agreement – Services” of this announcement
“Independent Shareholders”	the Shareholders other than Wanda Overseas and its associates
“LIBOR”	the London Inter-bank Offered Rate
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“London Property Project”	the project for the redevelopment of the property located at Market Towers, 1 Nine Elms Lane, London SW8 5NQ, United Kingdom, details of which are disclosed in the Company’s announcement dated 16 January 2018
“London Project Receivables”	the receivables in the aggregate amount of £24,000,000 (equivalent to approximately HK\$241,392,000) due to the Company owing to the Group’s disposal of the London Property Project
“London SPA”	the sale and purchase agreement (as amended) dated 16 January 2018 entered into by the Company and an independent third party relating to the disposal of the London Property Project, details of which are disclosed in the Company’s announcement dated 16 January 2018

“Proposed Assignment(s)”	the transactions contemplated under the Deed of Assignment of Australia Projects Receivables and/or the Deed of Assignment of London Project Receivables
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Proposed Assignments, the Framework Agreements and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD Loan”	a loan in the principal amount of approximately US\$200,000,000 (equivalent to approximately HK\$1,568,760,000) at three-month LIBOR rate plus 1% advanced by Wanda HK to the Company which remains outstanding as at the date of this announcement
“US\$”	United States dollar, the lawful currency of the United States of America
“Wanda Australia RE”	Wanda Australia Real Estate Investment Co., Limited, a company with limited liability incorporated under the laws of Hong Kong and a non-wholly owned subsidiary of the Company
“Wanda HK”	Wanda Commercial Properties (Hong Kong) Co. Limited (萬達商業地產(香港)有限公司), a company with limited liability incorporated under the laws of Hong Kong, a controlling shareholder of the Company
“Wanda Hotel Management (HK)”	Wanda Hotel Management (Hong Kong) Co. Limited (萬達酒店管理(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Wanda Overseas”	Wanda Commercial Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability, a controlling shareholder of the Company
“£”	British pound sterling, the lawful currency of the United Kingdom
“%”	per cent

**For identification purpose only*

For the purpose of this announcement and for illustration purpose only, the exchange rate between US\$ and HK\$ is 1: 7.8438, the exchange rate between £ and HK\$ is 1: 10.0580 and the exchange rate between AU\$ and HK\$ is 1: 5.3026 and no representation is made that any amount in US\$ or £ or HK\$ or AU\$ could have been or could be converted at such rates or at any other rates.

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

Hong Kong, 18 October 2019

As at the date of this announcement, Mr. Ding Benxi (Chairman), Mr. Zhang Lin and Mr. Han Xu are the non-executive Directors; Mr. Ning Qifeng is the executive Director; and Dr. Chen Yan, Mr. He Zhiping and Dr. Teng Bing Sheng are the independent non-executive Directors.