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

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

PROFIT WARNING

This announcement is made by Wanda Hotel Development Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Board for the first quarter of 2020, the Group is expected to record a significant net loss for the six months ended 30 June 2020 (the "**Period**") as compared to a net profit position for the corresponding period in 2019. The expected significant net loss of the Group for the Period is principally due to a significant decrease to the Group's expected revenue from the Group's business of hotel operations and management services which is mainly attributable to travel advisories or restrictions in the People's Republic of China (the "**PRC**") resulting from the outbreak of the COVID-19 coronavirus since the first quarter of 2020. Occupancy of the hotels managed by the Group, which are principally located in the PRC, has substantially declined during the Period. This has impacted the Group's business of hotel management and operations which is principally located in the PRC with its income mainly generated from the gross operating revenue of the hotels managed.

The actual operating and financial conditions of the Group for the Period are to be quantified and the Board considers it pre-mature to come up with any specific estimates as the situation continues to evolve. The Board will continue to monitor the situation closely.

The information contained in this announcement is only based on a preliminary assessment of the consolidated management accounts and relevant revenue estimates made available to the Board as at the date hereof and which have not been audited or reviewed by the Company's auditors.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company. If in doubt, they should consult their own professional advisers.

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

Hong Kong, 28 May 2020

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