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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)

INSIDE INFORMATION
TERMINATION OF HOTEL MANAGEMENT AGREEMENTS

This announcement is made by Wanda Hotel Development Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and 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).

Reference is made to the announcement of the Company dated 10 September 2021, in relation to a notice (the “**Notice**”) from Sunac China Holdings Limited (“**Sunac China**”, together with its subsidiaries, “**Sunac Group**”) for the purpose of the termination of the hotel management agreements entered into between the Group and Sunac Group.

The board of directors (the “**Board**”) of the Company hereby announces that, on 16 September 2021, Wanda Hotel Management (Shanghai) Co., Ltd. (萬達酒店管理(上海)有限公司) and Horgos Wanda Engineering Construction Management Consulting Company Limited (霍爾果斯萬達工程建設管理諮詢有限公司)(collectively, “**Wanda Parties**”), two subsidiaries of the Company, and Sunac China reached an agreement (the “**Termination Agreement**”) for the early termination of the hotel management agreements for 21 hotels (the “**21 Hotels**”) held by Sunac Group and managed by the Group (the “**Termination**”), pursuant to which, Wanda Parties agreed to the Termination and Sunac China agreed to pay (i) a sum of RMB133.32 million to the Group as the compensation for the Termination (the “**Compensation**”) and (ii) a sum of RMB68.59 million to settle all the outstanding payables to the Group accrued up to 30 June 2021, within 10 business days after the signing of the Termination Agreement. The amount of the Compensation is determined by the parties to the Termination Agreement with reference to (i) the initial investments and expenses incurred by the Group for the management of the 21 Hotels and (ii) the expected yields from the management of the 21 Hotels, after arm’s length negotiations.

The 21 Hotels comprise 19 hotels in operation and 2 hotels which are under development and has not commenced operation yet. Details of the 19 hotels which are opened and in operation are set out as below:

No.	Name of Hotels	Site
1.	Xishuangbanna Sunac Wanda Vista Hotel (西雙版納融創萬達文華酒店)	Xishuangbanna
2.	Nanchang Sunac Wanda Vista Hotel (南昌融創萬達文華酒店)	Nanchang
3.	Nanchang Sunac Wanda Realm Hotel (南昌融創萬達嘉華酒店)	Nanchang
4.	Hefei Sunac Wanda Vista Hotel (合肥融創萬達文華酒店)	Hefei
5.	Hefei Sunac Wanda Realm Hotel (合肥融創萬達嘉華酒店)	Hefei
6.	Qingdao Sunac Wanda Realm Hotel (青島融創萬達嘉華酒店)	Qingdao
7.	Guangzhou Sunac Wanda Vista Hotel (廣州融創萬達文華酒店)	Guangzhou
8.	Guangzhou Sunac Wanda Realm Hotel (廣州融創萬達嘉華酒店)	Guangzhou
9.	Wuxi Sunac Wanda Vista Hotel (無錫融創萬達文華酒店)	Wuxi
10.	Wuxi Sunac Wanda Realm Hotel (無錫融創萬達嘉華酒店)	Wuxi
11.	Chongqing Sunac Wanda Vista Hotel (重慶融創萬達文華酒店)	Chongqing
12.	Chongqing Sunac Wanda Realm Hotel (重慶融創萬達嘉華酒店)	Chongqing
13.	Chongqing Sunac Wanda Jin Hotel (重慶融創萬達錦華酒店)	Chongqing
14.	Chengdu Sunac Wanda Vista Hotel (成都融創萬達文華酒店)	Chengdu
15.	Chengdu Sunac Wanda Realm Hotel (成都融創萬達嘉華酒店)	Chengdu
16.	Guilin Sunac Wanda Vista Hotel (桂林融創萬達文華酒店)	Guilin
17.	Guilin Sunac Wanda Realm Hotel (桂林融創萬達嘉華酒店)	Guilin
18.	Kunming Sunac Wanda Vista Hotel (昆明融創萬達文華酒店)	Kunming
19.	Kunming Sunac Wanda Realm Hotel (昆明融創萬達嘉華酒店)	Kunming

As of the date of this announcement, the hotel network under the Group's management consisted of 100 hotels in operation and additional 152 hotels which were contracted to be managed by the Group but are still under development and have not commenced operation yet. Accordingly, the 21 Hotels represent approximately 19.0% of hotels in operation and 1.3% of hotels which are under development and have not commenced operation yet.

For the years ended 31 December 2019 and 2020 and the six months ended 30 June 2021, the 21 Hotels have generated a total income of approximately HKD150.1 million, HKD71.8 million and HKD38.0 million, representing 18%, 11% and 9% of the Group's revenue in 2019, 2020 and six months ended 30 June 2021, respectively. Accordingly, the Group's business of hotel operation and management will be negatively affected by the Termination. However, it is expected that such negative effect will be alleviated by the Compensation to be paid by Sunac Group and the Group's business strategy to manage more hotels in operation and generate more revenue for its business of hotel operation and management.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Wanda Hotel Development Company Limited
Ni Qifeng
Chairman

Hong Kong, 16 September 2021

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