

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF ANNUAL CAP UNDER CARPARK TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 28 June 2019 in relation to, among others, the Carpark Tenancy Agreement entered into between Guilin Project Company (an indirect non-wholly owned subsidiary of the Company) and Wanda Business Management (as tenant) for the Carpark Premises of Guilin Gaoxin Plaza in Guilin City, the PRC, for a term of three years commencing on 1 July 2019 to 30 June 2022 (both days inclusive), subject to renewal upon the expiry of the agreement.

As the corresponding annual cap under the Carpark Tenancy Agreement has expired on 31 December 2021, and as the Group intends to continue the transactions under the Carpark Tenancy Agreement, on 11 March 2022, the Board resolved to propose to renew the annual caps for the transactions contemplated under the Carpark Tenancy Agreement for the six months ending 30 June 2022.

LISTING RULES IMPLICATIONS

As at the date of this announcement, DWCM Group is an indirect holding company of the Company. DWCM Group is in turn controlled by Dalian Wanda Group which is in turn controlled by Mr. Wang Jianlin. DWCM Group and Dalian Wanda Group as controlling shareholders of the Company are connected persons of the Company under the Listing Rules. Since Wanda Business Management is indirectly wholly-owned by DWCM Group, Wanda Business Management is also a connected person of the Company under the Listing Rules. Accordingly, the Carpark Tenancy Agreement entered into by the Guilin Project Company with Wanda Business Management and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Carpark Tenancy Agreement and the Existing Tenancy Agreements shall be aggregated. As the highest applicable percentage ratio (as defined under the Listing Rules) (other than the profits ratio) in respect of the annual cap of the Carpark Tenancy Agreement (on its own and when aggregated with the annual caps of the Existing Tenancy Agreements) are expected to exceed 0.1% but will be below 5%, the renewal of annual cap under the Carpark Tenancy Agreement is subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

RENEWAL OF ANNUAL CAP UNDER CARPARK TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 28 June 2019 in relation to, among others, the Carpark Tenancy Agreement entered into between Guilin Project Company (an indirect non-wholly owned subsidiary of the Company) and Wanda Business Management (as tenant) for the Carpark Premises of Guilin Gaoxin Plaza in Guilin City, the PRC, for a term of three years commencing on 1 July 2019 to 30 June 2022 (both days inclusive), subject to renewal upon the expiry of the agreement.

As the corresponding annual cap under the Carpark Tenancy Agreement has expired on 31 December 2021, and as the Group intends to continue the transactions under the Carpark Tenancy Agreement, on 11 March 2022, the Board resolved to propose to renew the annual caps for the transactions contemplated under the Carpark Tenancy Agreement for the six months ending 30 June 2022.

A summary of the principal terms of the Carpark Tenancy Agreement as disclosed in the announcement of the Company dated 28 June 2019 is set out below.

- Date of signing** : 28 June 2019
- Parties** : (i) Guilin Project Company as landlord
(ii) Wanda Business Management as tenant
- Premises** : Comprising (i) the carpark of Guilin Gaoxin Plaza in Guilin City, the PRC, including all the car parking spaces thereof and area for equipment and storage; and (ii) the carpark management office
- Gross floor area** : Approximately 47,565 square metres (inclusive of approximately 716 square metres of office area)
- Term** : Three years commencing from 1 July 2019 to 30 June 2022 (both days inclusive), unless early terminated by Guilin Project Company upon the occurrence of customary events of default as set out in the agreement (such as failure to pay rent within prescribed period or breach of other terms of the Carpark Tenancy Agreement by the tenant).

Upon the expiry of the Carpark Tenancy Agreement, Wanda Business Management shall, subject to compliance with the Listing Rules and mutual agreement as to the terms of the agreement by the parties (including the rent which shall be determined by the parties with reference to the prevailing fair market rent at that time), have a priority right to lease the Carpark Premises by extending the term of the Carpark Tenancy Agreement.

- Use** : Operation of carpark business
- Rent and payment** :
- (i) During the period before the public is charged for use of the Carpark Premises: monthly rent of RMB100,000 (inclusive of value-added tax).
 - (ii) During the period when the public is charged for use of the Carpark Premises: monthly rent equivalent to 60% of the revenue generated by the carpark business carried on at the Carpark Premises by Wanda Business Management after deducting relevant tax and government levies.

The aforesaid rental is exclusive of utility charges, which will be borne and paid by Wanda Business Management.

Wanda Business Management shall, prior to the fifth business day of each month, submit to Guilin Project Company a statement showing revenue from the preceding month after deducting relevant tax and government levies and pay the rental for the preceding month as calculated on the basis of (as the case may be) (i) or (ii) above. Guilin Project Company has the right to inspect the underlying financial statements regarding the parking fee and relevant invoices.

Historical Transaction Amount and Annual Cap

Historical figures and annual caps : The annual caps and actual transaction amounts under the Carpark Tenancy Agreement for the three years ended 31 December 2021 are set out below:

	Year ended 31 December		
	2019 (RMB'000)	2020 (RMB'000)	2021 (RMB'000)
Annual caps	1,380	3,120	3,600
Actual transaction amounts	1,364	2,594	3,213

Annual cap : The annual cap of the maximum aggregate amounts payable by Wanda Business Management for the six months ending 30 June 2022 for the lease of the Carpark Premises is set out below:

Six months ending 30 June 2022*(RMB '000)*

Annual cap 2,230^(Note)

Note: The annual cap includes amounts payable by Wanda Business Management for the lease of the Carpark Premises prior to the date of this announcement. As of the date of this announcement, all applicable percentage ratios in respect of the amounts payable by Wanda Business Management under the Carpark Tenancy Agreement already incurred (on its own and when aggregated with the Existing Tenancy Agreement) are less than 0.1%, such that the amounts payable by Wanda Business Management under the Carpark Tenancy Agreement since 1 January 2022 to date are fully exempt under Chapter 14A of the Listing Rules as of the date of this announcement.

The annual cap in respect of the transactions under the Carpark Tenancy agreement is arrived at after taking into consideration of, *inter alia*, (i) revenue generated from comparable carpark in neighbouring cities/areas of the Carpark Premises; (ii) estimated occupancy rate of the carpark at the Carpark Premises based on the location of the carpark and its surrounding facilities and attractions; (iii) the current market price for parking in comparable areas in neighbouring cities/areas of the Carpark Premises; and (iv) a certain margin of buffer to accommodate any unexpected fluctuation in respect of the carpark business.

Annual caps (as aggregated with the Existing Tenancy Agreements):

It is estimated that the total amounts payable by each of Wanda Business Management, Guilin Wanda Kids, Horgos Wanda Education, Wanda Kidsland and Wanda Cinema to Guilin Project Company under the Carpark Tenancy Agreement and each of the Existing Tenancy Agreements, respectively, will not exceed the annual caps set out below:

Year ending 31 December	2022	2023	2024	2025	2026	2027	2028
Kidsland Tenancy Agreement <i>(RMB'000)</i>	1,572	1,619	1,668	1,718	1,769	1,822	1,877
Early Education Tenancy Agreement <i>(RMB'000)</i>	377	—	—	—	—	—	—
Kidsplace Tenancy Agreement <i>(RMB'000)</i>	88	92	97	102	107	112	58
Cinema Tenancy Agreement <i>(RMB'000)</i>	3,207	3,297	3,390	3,484	4,232	4,352	4,472
Carpark Tenancy Agreement <i>(RMB'000)</i>	2,230	—	—	—	—	—	—
Aggregate Annual Caps <i>(RMB'000)</i>	7,474	5,008	5,155	5,304	6,108	6,286	6,407

Year ending 31 December	2029	2030	2031	2032	2033	2034	2035
Kidsland Tenancy Agreement (RMB'000)	1,933	1,991	2,051	2,112	2,176	2,241	1,595
Cinema Tenancy Agreement (RMB'000)	4,598	4,727	4,859	4,995	5,135	5,278	5,427
Aggregate Annual Caps (RMB'000)	6,531	6,718	6,910	7,107	7,311	7,519	7,022

Note:

The Carpark Tenancy Agreement, the Kidsplace Tenancy Agreement and the Early Education Tenancy Agreement will end on 30 June 2022, 30 June 2028 and 30 June 2022, respectively. As such, for simplicity of setting out, they have been omitted from the compilation of the aggregate annual caps above for the year ending 31 December 2029 onwards.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CARPARK TENANCY AGREEMENT

The Group is principally engaged in investment property leasing, hotel operation and management, hotel design and construction management services in the PRC.

Wanda Business Management is principally engaged in operation and management of commercial properties and carparks in the PRC.

The Guilin Gaoxin Plaza is a shopping mall developed by the Group through the Guilin Project Company and was opened in September 2015. Considering Wanda Business Management's experience in the management and operation of carpark businesses in the PRC, the Group agreed to lease the entire carpark of Guilin Gaoxin Plaza to Wanda Business Management to manage and operate the Carpark Premises.

The terms of the Carpark Tenancy Agreement were arrived at after arm's length negotiations, having regard to the location of Guilin Gaoxin Plaza, the quality of the Carpark Premises, industry practice in the PRC and the factors set out under the paragraph headed "Annual Cap" above. The Directors consider that the arrangement can enable the Group to focus its resources on its core businesses of property development, property leasing, property management and investment holding activities. Based on the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that:

- (i) the transactions under the Carpark Tenancy Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and
- (ii) the transactions under and the annual caps of the Carpark Tenancy Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors have any material interest in the transactions contemplated under the Carpark Tenancy Agreement and none of them were required to abstain from voting on the resolutions in relation to the transactions pursuant to the bye-laws of the Company.

INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS

In order to safeguard the interests of the Company and the Shareholders as a whole, in addition to our compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, to ensure the transactions contemplated under the Carpark Tenancy Agreement do not exceed the annual caps, the business department of the Group shall fill in and submit statistical charts for the continuing connected transactions at least quarterly. In the event that the amount of the transactions incurred and/or to be incurred under the Carpark Tenancy Agreement is expected to reach the relevant annual caps, the business department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual cap(s) is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

INFORMATION ABOUT THE PARTIES

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange. The Group is principally engaged in investment property leasing, hotel operation and management, hotel design and construction management services in the PRC.

Wanda Business Management, a company established under the laws of the PRC with limited liability, is principally engaged in operation and management of commercial properties and car parks in the PRC. It is directly wholly-owned by Wanda Commercial Management Group Co., Ltd.* (萬達商業管理集團有限公司) and is in turn owned by the DWCM Group.

DWCM Group, a company established in the PRC with limited liability, is principally engaged in the business of investment holding. DWCM Group is controlled by Dalian Wanda Group. Dalian Wanda Group, a joint stock company incorporated in the PRC with limited liability, is a large multinational conglomerate focusing on modern services. Its core businesses are commercial management, cultural industry, real estate and investment. It is the ultimate holding company of the Company.

As at the date of this announcement, DWCM Group is an indirect holding company of the Company interested in approximate 65.04% of the total issued shares of the Company and is in turn controlled by Dalian Wanda Group, which is ultimately beneficially controlled by Mr. Wang Jianlin.

LISTING RULES IMPLICATIONS

As at the date of this announcement, DWCM Group is an indirect holding company of the Company. DWCM Group is in turn controlled by Dalian Wanda Group which is in turn controlled by Mr. Wang Jianlin. DWCM Group and Dalian Wanda Group as controlling shareholders of the Company are connected persons of the Company under the Listing Rules. Since Wanda Business Management is indirectly wholly-owned by DWCM Group, Wanda Business Management is also a connected person of the Company under the Listing Rules. Accordingly, the Carpark Tenancy Agreement entered into by the Guilin Project Company with Wanda Business Management and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Carpark Tenancy Agreement and the Existing Tenancy Agreements shall be aggregated. As the highest applicable percentage ratio (as defined under the Listing Rules) (other than the profits ratio) in respect of the annual cap of the Carpark Tenancy Agreement (on its own and when aggregated with the annual caps of the Existing Tenancy Agreements) are expected to exceed 0.1% but will be below 5%, the renewal of annual cap under the Carpark Tenancy Agreement is subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

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
“Board”	the Board of Directors
“Carpark Premises”	comprising (i) the carpark of Guilin Gaoxin Plaza in Guilin City, the PRC, including all the car parking spaces thereof and area for equipment and storage; and (ii) the carpark management office
“Carpark Tenancy Agreement”	the tenancy agreement entered into between the Guilin Project Company (as landlord) and Wanda Business Management (as tenant) on 28 June 2019 for the Carpark Premises
“Cinema Tenancy Agreement”	the tenancy agreement entered into between Guilin Project Company (as landlord) and Wanda Cinema (as tenant) on 8 September 2015 for the cinema premises, details of which are further set out in the announcement of the Company dated 27 September 2016

“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Dalian Wanda Group”	Dalian Wanda Group Co., Ltd.* (大連萬達集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, and a controlling shareholder of the Company
“Director(s)”	director(s) of the Company
“DWCM Group”	Dalian Wanda Commercial Management Group Co., Ltd* (大連萬達商業管理集團股份有限公司), a company established in the PRC with limited liability and controlled by Dalian Wanda Group, a controlling shareholder of the Company as at the date of this announcement
“Early Education Supplemental Agreement”	the supplemental deed entered into between Guilin Project Company (as landlord) and Horgos Wanda Education (as tenant) on 2 August 2019 regarding the Early Education Tenancy Agreement, details of which are set out in the announcement of the Company dated 2 August 2019
“Early Education Tenancy Agreement”	the tenancy agreement entered into between Guilin Project Company (as landlord) and Horgos Wanda Education (as tenant) on 29 June 2018 which is amended and supplemented by the Early Education Supplemental Agreement. For details of the Early Education Tenancy Agreement and the Early Education Supplemental Agreement, please refer to the announcements of the Company dated 29 June 2018 and 2 August 2019, respectively
“Existing Tenancy Agreements”	collectively, the Kidsland Tenancy Agreement, the Early Education Tenancy Agreement, the Kidsplace Tenancy Agreement and the Cinema Tenancy Agreement
“Group”	the Company and its subsidiaries
“Guilin Gaoxin Plaza”	the Guilin Gaoxin Wanda Plaza* (桂林高新萬達廣場) located in Guilin City, the PRC

“Guilin Project Company”	Guilin Gaoxin Wanda Shopping Plaza Co., Ltd.*(桂林高新萬達廣場有限公司), a company established under the laws of the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Guilin Wanda Kids”	Guilin Gaoxin Wanda Kids Entertainment Co., Ltd*(桂林高新萬達兒童娛樂有限公司), a wholly-owned subsidiary of Wanda Kidsland, is a company established under the laws of the PRC with limited liability which is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Horgos Wanda Education”	Horgos Wanda Education Technology Co., Ltd Guilin Branch* (霍爾果斯萬達教育科技有限公司桂林分公司), a company established under the laws of the PRC with limited liability, which is indirectly wholly-owned by Dalian Wanda Group who is a controlling shareholder of the Company
“independent third party(ies)”	party(ies) which is/are independent of the Group and the connected persons of the Company
“Kidsland Tenancy Agreement”	the tenancy agreement entered into between the Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 7 September 2020, details of which are set out in the announcement of the Company dated 7 September 2020
“Kidsplace Supplemental Agreement”	the supplemental deed entered into between Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 2 August 2019 regarding the Kidsplace Tenancy Agreement, details of which are set out in the announcement of the Company dated 2 August 2019
“Kidsplace Tenancy Agreement”	the tenancy agreement entered into between Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 29 June 2018, which is amended and supplemented by the Kidsplace Supplemental Agreement. For details of the Kidsplace Tenancy Agreement and the Kidsplace Supplemental Agreement, please refer to the announcements of the Company dated 29 June 2018 and 2 August 2019, respectively
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wanda Business Management”	Guilin Wanda Shopping Plaza Business Management Co., Ltd.* Management” (桂林萬達廣場商業管理有限公司), a company established under the laws of the PRC with limited liability, which is indirectly wholly-owned by DWCM Group
“Wanda Cinema”	Wanda Cinema Line Co., Ltd.* (萬達電影院線有限公司) (formerly known as Wanda Cinema Line Holding Co., Ltd.* (萬達電影院線股份有限公司)) a company established under the laws of the PRC as a joint stock company and an indirect non-wholly owned subsidiary of Dalian Wanda Group
“Wanda Kidsland”	Wanda Baby King Group Company Limited* (萬達寶貝王集團有限公司) (formerly known as, Wanda Kidsland Co. Limited* (萬達兒童娛樂有限公司)), a company established under the laws of the PRC with limited liability, which is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder 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
“%”	per cent.

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

Hong Kong, 11 March 2022

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

**For identification purpose only*