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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “Board”) of directors (the “Directors”) of Wanda Hotel Development Company Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Period”), together with the comparative figures for the corresponding period in 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 June 2025
(Expressed in Hong Kong Dollars)

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	\$'000	\$'000
			(Restated)
Continuing operations			
Revenue	4	57,164	47,217
Cost of sales		(17,805)	(11,776)
Gross profit		39,359	35,441
Other (expenses)/income and gains, net	5	(29,629)	9,049
Administrative expenses		(13,190)	(8,308)
Impairment losses on financial and contract assets, net		–	(983,019)
Finance costs	7	(30)	(203)

(Expressed in Hong Kong Dollars)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2025

(Expressed in Hong Kong Dollars)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit/(loss) for the period	<u>14,807</u>	<u>(895,591)</u>
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>42,226</u>	<u>(15,348)</u>
Other comprehensive income for the period, net of tax	<u>42,226</u>	<u>(15,348)</u>
Total comprehensive income for the period	<u>57,033</u>	<u>(910,939)</u>
Attributable to:		
Owners of the parent	68,261	(527,644)
Non-controlling interests	<u>(11,228)</u>	<u>(383,295)</u>
	<u>57,033</u>	<u>(910,939)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025

(Expressed in Hong Kong dollars)

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	Notes		
Non-current assets			
Property, plant and equipment		23	107,756
Investment properties	11	1,348,818	1,328,277
Right-of-use assets		2,530	225,583
Intangible assets		–	33,311
Investments in joint ventures		–	972
Long-term receivable	14	–	29,729
Deferred tax assets		–	54,685
Total non-current assets		1,351,371	1,780,313
Current assets			
Inventories		–	445
Properties held for sale	12	801,557	799,564
Trade and bills receivables	13	8,491	156,656
Contract assets		–	76,702
Prepayments, other receivables and other assets	14	13,448	385,871
Income tax recoverable		–	2,120
Restricted cash		6,072	19,445
Cash and cash equivalents		218,411	362,583
		1,047,979	1,803,386
Assets of a disposal group classified as held for sale	9	1,335,028	–
Total current assets		2,383,007	1,803,386

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

at 30 June 2025

(Expressed in Hong Kong dollars)

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	Notes		
Current liabilities			
Trade payables, other payables and accruals	15	453,931	576,098
Contract liabilities		–	96,008
Receipts in advance		9,658	10,006
Lease liabilities		389	20,299
Income tax payables		83,686	88,719
Provision on warranty		–	1,793
		<u>547,664</u>	<u>792,923</u>
Liabilities directly associated with the assets classified as held for sale	9	<u>746,421</u>	<u>–</u>
Total current liabilities		<u>1,294,085</u>	<u>792,923</u>
Net current assets		<u>1,088,922</u>	<u>1,010,463</u>
Total assets less current liabilities		<u><u>2,440,293</u></u>	<u><u>2,790,776</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

at 30 June 2025

(Expressed in Hong Kong dollars)

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	Notes		
Non-current liabilities			
Contract liabilities		–	121,400
Lease liabilities		2,140	306,876
Deferred tax liabilities		186,190	167,570
Total non-current liabilities		188,330	595,846
NET ASSETS		2,251,963	2,194,930
Equity			
Equity attributable to owners of the parent			
Share capital	16	469,735	469,735
Retained earnings		285,280	249,641
Reserves		1,383,753	1,351,131
		2,138,768	2,070,507
Non-controlling interests		113,195	124,423
TOTAL EQUITY		2,251,963	2,194,930

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in hotel operation and management, hotel design and construction management services, investment property leasing in the People’s Republic of China (the “PRC”) and overseas, and trading and leasing of overseas properties during the six months ended 30 June 2025 (the “Period”).

In the opinion of the Company’s directors, the immediate holding company of the Company is Wanda Commercial Properties Overseas Limited (“Wanda Overseas”), a company established in the British Virgin Islands (the “BVI”), and the ultimate holding company of the Company is Dalian Hexing Investment Company Limited, a company established in the PRC.

This unaudited interim condensed consolidated financial information has been approved for issue by the Board on 28 August 2025.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

This interim condensed consolidated financial information for the Period has been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

This interim condensed consolidated financial information is presented in Hong Kong dollars (“\$”) and all values are rounded to the nearest thousand (“\$’000”), unless otherwise stated.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	Lack of Exchangeability
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The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

On 17 April 2025, the Company, eLong, Inc. (the “Purchaser”) and Wanda Hotel Management (Hong Kong) Co. Limited (the “Target Company”, a wholly-owned subsidiary of the Company) entered into a sale and purchase agreement (the “SPA”), pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of the Target Company (the “Disposal”). The details of the transaction are set out in the Company’s announcement dated 17 April 2025 and the circular dated 24 June 2025 (the “Circular”).

The Target Company and its subsidiaries (the “Target Group”) was classified as a disposal group held for sale. The businesses of the Target Group, including hotel operation and management services and hotel design and construction management services, were classified as discontinued operations since 17 April 2025, and the corresponding items in the segment information for the period ended 30 June 2024 have been restated.

For management purpose, the Group’s operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group’s operating segments represents a strategic business unit that offers products and services which are subject to risks and returns different from those of the other operating segments. The Group has two reportable operating segments and the corresponding items in the segment information for the period ended 30 June 2024 have been restated. Particulars of the Group’s reportable operating segments are summarised as follows:

- (a) leasing of investment properties held by the Group for long-term investment; and
- (b) trading and leasing of overseas properties.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is measured by adjusted profit before tax from continuing operations. The adjusted profit before tax from continuing operations is measured consistently with the Group’s profit before tax from continuing operations except that non-lease-related finance costs, other income and gains, net (excluding impairment provision provided for properties held for sale) as well as corporate and other unallocated expense are excluded from such measurement.

Segment assets exclude deferred tax assets, restricted cash, cash and cash equivalents, assets of a disposal group classified as held for sale and corporate and other unallocated assets as these assets are managed on a group basis.

3. OPERATING SEGMENT INFORMATION (Continued)

Segment liabilities exclude deferred tax liabilities, income tax payables, liabilities directly associated with the assets classified as held for sale and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

(i) Segment results, assets and liabilities

Six months ended 30 June 2025 (unaudited)

	Investment property leasing \$'000	Trading and leasing of overseas properties \$'000	Total \$'000
Segment revenue (note 4):			
Sales to external customers	46,128	11,036	<u>57,164</u>
Segment profit/(loss)	40,553	(10,623)	29,930
<i>Reconciliation:</i>			
Other (expense) and gains, net (other than impairment provision provided for properties held for sale) (note 5)			(22,663)
Corporate and other unallocated expense			<u>(10,757)</u>
Loss before tax from continuing operations			<u><u>(3,490)</u></u>

3. OPERATING SEGMENT INFORMATION (Continued)

(i) Segment results, assets and liabilities (Continued)

Six months ended 30 June 2025 (unaudited) (Continued)

	Investment property leasing \$'000	Trading and leasing of overseas properties \$'000	Total \$'000
Segment assets	1,365,831	801,557	2,167,388
<i>Reconciliation:</i>			
Assets of a disposal group classified as held for sale			1,355,028
Corporate and other unallocated assets			231,962
Total assets			3,734,378
Segment liabilities	53,457	9,497	62,954
<i>Reconciliation:</i>			
Liabilities of a disposal group classified as held for sale			746,421
Corporate and other unallocated liabilities			673,040
Total liabilities			1,482,415

3. OPERATING SEGMENT INFORMATION (Continued)

(i) Segment results, assets and liabilities (Continued)

Six months ended 30 June 2024 (unaudited and restated)

	Investment property leasing \$'000	Trading and leasing of overseas properties \$'000	Total \$'000
Segment revenue (note 4):			
Sales to external customers	47,217	–	<u>47,217</u>
Segment profit/(loss)	36,780	(986,371)	(949,591)
<i>Reconciliation:</i>			
Other income and gains, net (note 5)			9,049
Finance costs (other than interest on lease liabilities) (note 7)			(71)
Corporate and other unallocated expense			<u>(6,427)</u>
Loss before tax from continuing operations			<u>(947,040)</u>

3. OPERATING SEGMENT INFORMATION (Continued)

(i) Segment results, assets and liabilities (Continued)

As at 31 December 2024 (restated)

	Investment property leasing \$'000	Trading and leasing of overseas properties \$'000	Total \$'000
Segment assets	1,345,329	799,564	2,144,893
<i>Reconciliation:</i>			
Assets of the segments of hotel operation and management services, and hotel design and construction management services which were classified as discontinued operations			1,335,036
Corporate and other unallocated assets			<u>103,770</u>
Total assets			<u><u>3,583,699</u></u>
Segment liabilities	43,751	1,295	45,046
<i>Reconciliation:</i>			
Liabilities of the segments of hotel operation and management services, and hotel design and construction management services which were classified as discontinued operations			823,373
Corporate and other unallocated liabilities			<u>520,350</u>
Total liabilities			<u><u>1,388,769</u></u>

3. OPERATING SEGMENT INFORMATION (Continued)

(ii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the location at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical location of the assets and, in the case of fixed assets, the location of the operation to which they are allocated.

	Segment revenue from external customers		Specified non-current assets	
	Unaudited		Unaudited	Audited
	Six months		30 June	31 December
	ended 30 June		2025	2024
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
	(Restated)			
The PRC				
(including Hong Kong)	46,128	47,217	1,351,371	1,725,628
Overseas	11,036	—	—	—
	<u>57,164</u>	<u>47,217</u>	<u>1,351,371</u>	<u>1,725,628</u>

4. REVENUE

An analysis of revenue is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
		(Restated)
<i>Revenue from other sources</i>		
Gross rental income from operating leases of investment properties and properties held for sale:		
Variable rent	2,363	2,095
Base rent	54,801	45,122
	<u>57,164</u>	<u>47,217</u>

5. OTHER (EXPENSES)/INCOME AND GAINS, NET

An analysis of the Group's other (expenses)/income and gains, net is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
		(Restated)
Bank interest income	352	133
Exchange (losses)/gains, net	(10,825)	8,567
Tax surcharges	(13,960)	—
Write-down of properties held for sale to net realisable value	(6,966)	—
Others	1,770	349
	<u>(29,629)</u>	<u>9,049</u>

6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
		(Restated)
Cost of services provided	<u>17,805</u>	<u>11,776</u>
Depreciation of property, plant and equipment	–	748
Depreciation of right-of-use assets	726	722
Exchange differences, net	10,825	(8,567)
Write-down of properties held for sale to net realisable value	<u>6,966</u>	<u>–</u>

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
		(Restated)
Interest on loans from an intermediate holding company	–	71
Interest on lease liabilities	<u>30</u>	<u>132</u>
	<u>30</u>	<u>203</u>

8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
		(Restated)
Current tax – Corporate income tax		
– Charge for the period	7,962	10,572
– Underprovision in prior periods	29,360	–
Deferred tax	11,097	(109)
Total tax charge for the period from continuing operations	48,419	10,463
Total tax charge for the period from discontinued operations (note 9)	15,071	15,817
Total	63,490	26,280

Notes:

- (i) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and the BVI.
- (ii) Except the income tax provided at the applicable income tax rate of 28.505% for the six months ended 30 June 2025, on the assessable profits for Wanda Chicago Real Estate LLC, a subsidiary of the Company registered in the USA, no provision for Hong Kong profits tax or overseas corporate income tax has been made as the Group did not have assessable profits in Hong Kong or overseas during the Period.
- (iii) The PRC Corporate income tax (“CIT”)

The provision for the PRC CIT has been made at the applicable income tax rate of 25% (six months ended 30 June 2024: 25%) on the assessable profits of the Group’s subsidiaries in Mainland China, except for certain subsidiaries included in discontinued operations of the Group: (i) a subsidiary of the Company established in Horgos, Xinjiang Uygur Autonomous region which enjoyed PRC corporate income tax exemptions in accordance with the relevant tax rules, (ii) a subsidiary of the Company recognised as a High and New Technology Enterprise in October 2023 which was entitled to a preferential tax rate of 15%, (iii) a subsidiary of the Company established in Zhuhai, Guangdong Province which enjoyed a preferential tax rate of 15% and (iv) certain subsidiaries which were subject to preferential tax rates as small-scale taxpayers. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the countries in which the Group operates.

8. INCOME TAX EXPENSE (Continued)

Notes: (Continued)

(iii) The PRC Corporate income tax (“CIT”) (Continued)

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For certain subsidiaries, the applicable rate is adjusted from 5% to 10% in 2025, and the additional withholding tax was paid and the surcharge was provided in the Period.

9. DISCONTINUED OPERATIONS

During the period ended 30 June 2025

On 17 April 2025, the Company, eLong, Inc. (the “Purchaser”) and Wanda Hotel Management (Hong Kong) Co. Limited (the “Target Company”, a wholly-owned subsidiary of the Company) entered into the SPA, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of the Target Company.

The Target Company and its subsidiaries (the “Target Group”) was classified as a disposal group held for sale and as discontinued operations. The disposal of the Target Company has not been completed on 30 June 2025.

9. DISCONTINUED OPERATIONS (Continued)

(a) The results of the Target Group for the period are presented below:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Revenue	401,709	445,737
Cost of sales	(229,322)	(262,044)
Other income/(expenses) and gains, net	18,930	(13,018)
Selling expenses	(13,763)	(7,815)
Administrative expenses	(42,241)	(46,826)
Impairment losses on financial and contract assets, net	(43,526)	(27,866)
Finance costs	(9,501)	(10,258)
Share of losses of joint ventures	(499)	(181)
Profit before tax from the discontinued operations	81,787	77,729
Income tax expense (<i>note 8</i>)	(15,071)	(15,817)
Profit for the period from the discontinued operations	<u><u>66,716</u></u>	<u><u>61,912</u></u>

9. DISCONTINUED OPERATIONS (Continued)

- (b) The major classes of assets and liabilities of the Target Group classified as held for sale as at 30 June 2025 are as follows:

	30 June 2025 \$'000
Property, plant and equipment	104,765
Right-of-use assets	206,840
Intangible assets	39,473
Investments in joint ventures	484
Long-term receivable (<i>note 14</i>)	27,189
Deferred tax assets	60,343
Inventories	446
Trade and bills receivables (<i>note 13</i>)	227,416
Contract assets	49,325
Prepayments, other receivables and other assets (<i>note 14</i>)	386,643
Cash and cash equivalents	232,102
Other current assets	<u>2</u>
Assets of a disposal group classified as held for sale	1,335,028
Trade payables, other payables and accruals (<i>note 15</i>)	211,037
Contract liabilities	215,974
Lease liability	308,627
Income tax payables	7,634
Deferred tax liabilities	923
Provision on warranty	<u>2,226</u>
Liabilities directly associated with the assets classified as held for sale	746,421
Net assets directly associated with Wanda Hotel Management (Hong Kong) Co. Limited	<u><u>588,607</u></u>
Exchange reserve on translation of foreign operations	<u><u>(84,508)</u></u>

9. DISCONTINUED OPERATIONS (Continued)

(c) The net cash flows incurred by the Target Group are as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Operating activities	(20,867)	84,225
Investing activities	(7,901)	(4,368)
Financing activities	(15,315)	(91,916)
Effect of foreign exchange rate changes	4,577	(7,731)
	<u> </u>	<u> </u>
Net cash flows	<u>(39,506)</u>	<u>(19,790)</u>

(d) Earnings per share (HK cents)

	Unaudited	
	Six months ended 30 June	
	2025	2024
Basic and diluted, from discontinued operations	<u>1.4</u>	<u>1.3</u>

The calculations of basic and diluted earnings per share from discontinued operations are based on:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit attributable to ordinary equity holders of the parent from the discontinued operations	66,716	61,912
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation (<i>note 10</i>)	<u>4,697,347</u>	<u>4,697,347</u>

On 10 June 2025, the board of directors of the Company declared a proposed special dividend (“Special Dividend”) of HK\$0.4620 per share, amounting to a total of approximately HK\$2,170,174,000 (six months ended 30 June 2024: Nil) to the shareholders of the Company (the “Shareholders”) subject to the fulfilment of certain conditions precedent detailed in the circular dated 24 June 2025 in connection with the Disposal, including the completion of the Disposal and Shareholders’ approval.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,697,347,000 (six months ended 30 June 2024: 4,697,347,000) outstanding during the Period.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	(31,077)	(576,853)
From discontinued operations (<i>note 9</i>)	66,716	61,912
	35,639	(514,941)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculations	4,697,347	4,697,347

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

11. INVESTMENT PROPERTIES

During the Period, the Group has no addition in investment properties (six months ended 30 June 2024: Nil).

Investment properties carried at fair value were revalued as at 30 June 2025 based on valuations performed by an independent qualified valuer, Cushman & Wakefield Shenzhen Valuation Co., Ltd. (“Cushman & Wakefield”). Cushman & Wakefield is an industry specialist in investment property valuation, which has the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions. There were no changes to the valuation techniques during the Period. As per valuation report, there was no change in the fair value of the investment properties and no valuation gain or loss was recognised during the Period (six months ended 30 June 2024: Nil). The change of investment properties was due to foreign exchange fluctuations.

12. PROPERTIES HELD FOR SALE

All the properties held for sale are stated at cost.

The Group’s properties held for sale are situated in Chicago, the USA. An analysis of the carrying amounts of properties held for sale by lease terms is as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	\$’000	\$’000
Held under freehold land in the USA		
Properties held for sale	<u>801,557</u>	<u>799,564</u>

As at 30 June 2025, impairment provision of HK\$6,966,000 has been recognised to write down the carrying amount of properties held for sale to the estimated net realisable value.

On 30 December 2024, a subsidiary of the Company entered into an enforcement agreement with its debtor to enforce the mortgage in relevant to its long-term receivable, and all the Condominium Units under the mortgage were delivered to the Group in respect of the titles and ownership. For details of the enforcement of the mortgage, please refer to the announcement of the Company dated 2 January 2025.

13. TRADE AND BILLS RECEIVABLES

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	<i>Notes</i>		
Bills receivable	(i)	4,574	2,809
Trade receivables	(ii)	<u>231,333</u>	<u>153,847</u>
		235,907	156,656
Transfer to assets of a disposal group classified as held for sale (<i>note 9</i>)		<u>(227,416)</u>	<u>—</u>
Total		<u><u>8,491</u></u>	<u><u>156,656</u></u>

(i) Bills receivable

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Commercial acceptance bills	4,574	2,809
Transfer to assets of a disposal group classified as held for sale (<i>note 9</i>)	<u>(4,574)</u>	<u>—</u>
Total	<u><u>—</u></u>	<u><u>2,809</u></u>

13. TRADE AND BILLS RECEIVABLES (Continued)

(ii) Trade receivables

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Trade receivables	520,592	396,177
Impairment	<u>(289,259)</u>	<u>(242,330)</u>
	231,333	153,847
Transfer to assets of a disposal group classified as held for sale (<i>note 9</i>)	<u>(222,842)</u>	<u>—</u>
	<u>8,491</u>	<u>153,847</u>

Receivables from leasing properties are normally settled on an advance receipt basis, where the lessees are required to pay in advance several months' rental payments as well as a security deposit. However, in the case of long-standing customers with good repayment history, the Group may offer these customers credit terms.

For the business of the hotel operation, receivables are normally settled in advance. However, the Group may offer credit terms to certain corporate clients.

For the business of hotel management services, hotel design and construction management services, the Group's trading terms with its customers are mainly on credit. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate provision for impairment losses are made for irrecoverable amounts. The Group does not hold any collateral or other credit enhancements over such trade receivable balances. Trade receivables are non-interest-bearing.

13. TRADE AND BILLS RECEIVABLES (Continued)

(ii) Trade receivables (Continued)

The aging analysis of the trade receivables (including trade receivables in assets of a disposal group classified as held for sale) as at the end of the reporting Period, based on the invoice date and net of loss allowance, is as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	\$'000	\$'000
Within 3 months	97,804	90,237
Over 3 months but within 6 months	25,730	13,700
Over 6 months but within 12 months	59,009	23,853
Over 12 months	48,790	26,057
Total	231,333	153,847

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	Notes		
<i>Current portion</i>			
Prepayments		11,681	13,597
Deposits and other receivables		84,245	79,123
Amounts due from related parties	(a)	8,214	7,973
Amounts due from intermediate holding companies	(a)	304,980	292,923
		409,120	393,616
Impairment allowance		(9,029)	(7,745)
		400,091	385,871
Transfer to assets of a disposal group classified as held for sale (note 9)		(386,643)	—
		13,448	385,871
<i>Non-current portion</i>			
Long-term receivables		29,939	31,011
Impairment allowance	(b)	(2,750)	(1,282)
		27,189	29,729
Transfer to assets of a disposal group classified as held for sale (note 9)		(27,189)	—
		—	29,729

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

- (a) The amounts due from related parties and intermediate holding companies are unsecured, interest-free and repayable on demand.

The amounts due from intermediate holding companies of approximately HK\$305 million as at 30 June 2025 (31 December 2024: HK\$293 million) consisted of amounts due from Dalian Wanda Commercial Management Group Co., Ltd.* (“DWCM”) of approximately HK\$43.4 million (31 December 2024: HK\$35.4 million) and amounts due from Wanda Commercial Properties (Hong Kong) Co. Limited (“Wanda HK”) of approximately HK\$261.6 million (31 December 2024: HK\$257.6 million). The HK\$261.6 million (31 December 2024: HK\$257.6 million) due from Wanda HK to the Group was as a result of a novation and assumption by Wanda HK of such amount originally due from a subsidiary of the Company pro rata to its shareholding in such subsidiary (the “Relevant Amount”). The novation of the Relevant Amount was undertaken as part of the Group’s internal reorganisation, resulting in an increase of approximately HK\$261.6 million (31 December 2024: HK\$257.6 million) for both the amount due from and the amount due to Wanda HK.

There is no material impairments or write-off of the above receivables.

- (b) The movements in provision for impairment of long-term receivable (including long-term receivable in assets of a disposal group classified as held for sale) during the Period/year are as follows:

	\$'000
At 1 January 2024	–
Impairment during the year recognised in profit or loss, net	
– continuing operations	–
– discontinued operations	1,296
Exchange realignment	(14)
At 31 December 2024 and 1 January 2025	1,282
Impairment during the Period recognised	
– continuing operations	–
– discontinued operations	1,437
Exchange realignment	31
At 30 June 2025	2,750

15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

An analysis of trade payables, other payables and accruals as at the end of the Period is as follows:

		Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
	<i>Notes</i>		
Trade payables	<i>a</i>	26,148	29,133
Other payables and accruals		357,058	267,549
Amounts due to an intermediate holding company	<i>b</i>	276,769	273,678
Amounts due to related parties	<i>b</i>	4,993	5,738
		664,968	576,098
Transfer to liabilities directly associated with the assets classified as held for sale (<i>note 9</i>)		(211,037)	–
Total		453,931	576,098

Notes:

- a. The aging analysis of trade payables, including liabilities directly associated with the assets classified as held for sale, based on the invoice date, is as follows:

	Unaudited 30 June 2025 \$'000	Audited 31 December 2024 \$'000
Within 3 months	9,892	17,413
Over 3 months but within 6 months	2,557	434
Over 6 months but within 12 months	7,642	4,376
Over 12 months	6,057	6,910
Total	26,148	29,133

- b. The amounts due to an intermediate holding company and related parties are repayable on demand, and all these balances are unsecured and interest-free. As mentioned in note 14(a) of the financial statements, the amounts due to an intermediate holding company of approximately \$276.8 million (31 December 2024: HK\$273.7 million) primarily consisted of amount due to Wanda HK of approximately HK\$261.6 million (31 December 2024: HK\$257.6 million) following a novation and assumption of such amount by Wanda HK for a subsidiary of the Company.

16. SHARE CAPITAL AND DIVIDEND

(i) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Dividend

Except for the Special Dividend as disclosed in note 9(d) to the financial statements, no other dividend has been declared in respect of the Period (six months ended 30 June 2024: Nil).

17. EVENTS AFTER THE REPORTING PERIOD

On 18 July 2025, a special general meeting was held on for the resolutions of (1) to approve the SPA in relation to the Disposal dated 17 April 2025, (2) to approve the share premium cancellation of the Company by cancelling of the entire amount standing to the credit of the share premium account of the Company and applying of the credits arising therefrom towards the elimination of all the accumulated losses of the Company and transferring of the remaining balance (if any) to the contributed surplus account of the Company, (3) to approve the payment of the Special Dividend as disclosed in note 9(d) to the financial statements, which is subject to the completion of the Disposal, and all the three resolutions were duly passed by the Shareholders.

Save as disclosed above, there is no other important event after the Period affecting the Company and its subsidiaries which should be disclosed.

18. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the discontinued operations during the current year had been discontinued at the beginning of the comparative period (note 9).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the Group's principal businesses are divided into the following four business segments:

- | | |
|-------------------|--|
| Hotel business | 1. Hotel operation and management services |
| | 2. Hotel design and construction management services |
| Property business | 3. Investment property leasing |
| | 4. Trading and leasing of overseas properties |

HOTEL BUSINESS

During the Period, the Group's hotel businesses were operated by Wanda Hotel Management (Hong Kong) Co., Ltd. ("Wanda Hotel Management" together with its subsidiaries "Wanda Hotel Management Group"). Wanda Hotel Management Group is a leading hotel services provider in the People's Republic of China (the "PRC") and is principally engaged in the business of hotel management and operation, hotel design, hotel construction management and related consultancy and other ancillary business, with comprehensive capabilities in hotel management and operation.

Hotel Operation and Management Services

During the Period, the hotels managed by the Group were operated under three models, namely:

1. Leased-and-operated hotels;
2. Managed hotels; and
3. Franchised hotels.

The Group expanded the hotel network under the Group's management from 204 hotels with over 40,200 rooms as of 31 December 2024 to 222 hotels with over 42,500 rooms as of 30 June 2025. As of 30 June 2025, an additional 406 hotels were contracted to be managed by the Group but were still under development and have not commenced operation yet.

Our hotel brands

The Group adopts a multi-brand strategy which is designed to target segments of customers with distinctive preferences and needs. Set forth below are the major brands of hotels under which the Group currently manages by category:

- Full-service hotel brands – Wanda Reign, Wanda Vista, Wanda Realm, Wanda Jin, Wanda Yi and Wanda Amber
- Limited-service hotel brands – Wanda Moments, Wanda Yue and Wanda Encore

Hotel Brand	Service Features
Wanda Reign	• An ultra-luxury hotel brand for celebrities and social elites that delivers ultimate personalized services and transcends every expectation.
Wanda Vista	• A luxury hotel brand for distinguished guests who appreciate extraordinary services in oriental elegance that seamlessly blends with local culture.
Wanda Realm	• A premium hotel brand built upon quality service of superb international standards for business and leisure travelers.
Wanda Jin	• A premium and selected service hotel brand built upon boutique design and quality service offering a balanced life experience for business and leisure travelers.
Wanda Yi	• A premium high-end lifestyle hotel brand offering distinctive design, imaginative and livable space to travelers pursuing exquisiteness and surprises in life.

Hotel Brand	Service Features
Wanda Amber	A high-end customized hotel brand creating a warm, comfortable and wonderful atmosphere for business and leisure travelers.
Wanda Moments	A high-end midscale hotel brand dedicating to offer quality design and select services for the ultimate comfort of business travelers.
Wanda Yue	A midscale hotel brand offering attentive services to business travelers who are willing to experience new trends.
Wanda Encore	A high-end midscale hotel brand featuring a consistent, safe and cosy experience for business and leisure travelers.

The following table sets forth a breakdown by hotel brands and operational model of hotels in operation managed by the Group as at 30 June 2025:

	Operational Model			Number of Hotel Room ('000)
	Leased-and-Operated Hotels	Managed Hotels	Franchised Hotels	
Hotel Brands				
Wanda Reign	—	3	—	0.7
Wanda Vista	—	22	2	6.3
Wanda Realm	—	45	2	13.1
Wanda Jin	—	20	3	5.8
Wanda Yi	1	11	—	2.9
Wanda Moments	3	63	—	7.4
Wanda Yue	—	32	2	3.6
Others*	—	12	1	2.7
Grand Total	4	208	10	42.5

* Included Wanda Amber and Wanda Encore

Leased and operated hotels

As of 30 June 2025, the Group had four leased-and-operated hotels, accounting for approximately 1.8% of our hotels in operation. Under the leased-and-operated hotels model, the Group leases hotels from hotel owners and manages and operates these hotels with all of the accompanying expenses borne by the Group.

For our leased-and-operated hotels, we are responsible for recruiting, training and supervising the hotel managers and employees, paying for leases and costs associated with construction and renovation of these hotels, and purchasing all supplies and other required equipment. Our leased-and-operated hotels are located on leased properties and the terms of our leases typically range from 15 to 20 years, with an initial 2 to 15-month rent-free period. We generally pay fixed rent on a quarterly or biannual basis for the first 3 to 5 years of the lease term, after which we are generally subject to a pre-determined rent increase annually. Our leases usually allow for term extensions by mutual agreement. As of 30 June 2025, none of our leases were expected to expire in one year.

Managed hotels

As of 30 June 2025, we had 208 managed hotels, accounting for approximately 93.7% of all of our hotels in operation. Under the managed hotel model, we license our relevant brand to hotel owners, manage hotels through the on-site hotel management team who we appoint and we charge and collect management fees from hotel owners.

For our managed hotels, we offer hotel owners the right to use our brand name, logo, operating manuals and procedures. These hotels are operated in accordance with our brand standard, including converting the hotel property such that it conforms to the standard design and layout of the corresponding brand offering under our supervision, being integrated into our central reservation system and hotel management IT system, and being included in our consumable goods procurement system. The property owners are responsible for the costs of developing and operating their hotels, including the costs of renovating the hotels to meet our standards.

Franchised hotels

As of 30 June 2025, we had 10 franchised hotels, accounting for approximately 4.5% of all of our hotels in operation. Under the franchised hotel model, we license our relevant brand to hotel owners similar to the managed hotel model, but we provide training, reservation and support services to the franchised hotels, collect fees from franchisees and do not appoint on-site hotel management personnel. In addition, these hotels will operate in accordance with our brand standards under our supervision.

For our franchised hotels, we offer hotel owners the right to use our brand name, logo, operating manuals and procedures, and convert the franchised hotels in accordance with our brand standards similar to our managed hotels. However, as opposed to appointing hotel managers to manage the hotels on-site, we provide training to hotel staff and offer reservation and support services to the franchised hotels. In order to ensure that services offered by the franchised hotels are of quality consistent with other hotels managed by the Group, the Group carries out periodic assessment and reports on various aspects of the operation of the franchised hotels.

Key performance indicators

Revenue per available room (“RevPAR”) is the non-financial key performance indicator which the senior management of the Company reviews frequently. It is a key performance indicator commonly used in the hospitality industry and is defined as the product of average occupancy rates and average daily room rates achieved. Occupancy rates of our hotels mainly depend on the locations of our hotels, the product and service offering, the effectiveness of our sales and brand promotion efforts, our ability to effectively manage hotel reservations, the performance of managerial staff and other employees of our hotels, as well as our ability to respond to competitive pressure. We set the room rates of our hotels primarily based on the location of hotels, the room rates charged by our competitors within the same locality and our relative brand and product strength in the city or city cluster.

The following table sets forth our occupancy rate, average daily room rate and RevPAR, for our hotels for the Period and the six-month period ended 30 June 2024 by service category:

	For six-month period ended	
	30 June	
	2025	2024
Occupancy rate (%)		
All hotels	50.4%	51.1%
Full-service hotels	48.2%	48.7%
Limited-service hotels	56.0%	60.8%
Average daily room rate (RMB)		
All hotels	428	478
Full-service hotels	483	534
Limited-service hotels	307	298
RevPAR (RMB)		
All hotels	216	244
Full-service hotels	233	260
Limited-service hotels	172	181

The following table sets forth our occupancy rate, average daily room rate and RevPAR for our hotels during the Period and the six-month period ended 30 June 2024 by operational model:

	For six-month period ended	
	30 June	
	2025	2024
Occupancy rate (%)		
All hotels	50.4%	51.1%
Leased-and-operated hotels	61.1%	65.0%
Managed hotels	50.5%	51.2%
Franchised hotels	42.5%	42.7%
Average daily room rate (RMB)		
All hotels	428	478
Leased-and-operated hotels	260	248
Managed hotels	426	488
Franchised hotels	592	449
RevPAR (RMB)		
All hotels	216	244
Leased-and-operated hotels	159	161
Managed hotels	215	250
Franchised hotels	252	192

During the Period, the RevPAR decreased by approximately 11.5% to approximately RMB216, as compared to approximately RMB244 in the corresponding period in 2024. The decrease in RevPAR was primarily due to a decrease in occupancy rate and the average daily room rate.

The following table sets out our occupancy rate, average daily room rate and RevPAR for our hotels for 2025 and 2024 respectively by service category on a quarterly basis:

	Second Quarter		First Quarter	
	2025	2024	2025	2024
Occupancy rate (%)				
All hotels	52.3%	53.0%	48.4%	49.1%
Full-service hotels	49.4%	50.3%	47.0%	47.0%
Limited-service hotels	59.4%	63.8%	52.2%	57.7%
Average daily room rate (RMB)				
All hotels	407	453	452	506
Full-service hotels	455	503	512	569
Limited-service hotels	309	300	304	296
RevPAR (RMB)				
All hotels	213	240	219	249
Full-service hotels	225	253	241	268
Limited-service hotels	184	191	159	171

The following table sets out our occupancy rate, average daily room rate, and RevPAR for our hotels for 2025 and 2024 respectively by operation model on a quarterly basis:

	Second Quarter		First Quarter	
	2025	2024	2025	2024
Occupancy rate (%)				
All hotels	52.3%	53.0%	48.4%	49.1%
Leased-and-operated hotels	65.3%	69.6%	57.1%	60.5%
Managed hotels	52.6%	53.3%	48.3%	49.0%
Franchised hotels	39.7%	39.7%	45.3%	45.7%
Average daily room rate (RMB)				
All hotels	407	453	452	506
Leased-and-operated hotels	263	253	257	243
Managed hotels	409	464	445	514
Franchised hotels	462	352	706	530
RevPAR (RMB)				
All hotels	213	240	219	249
Leased-and-operated hotels	172	176	146	147
Managed hotels	215	247	215	252
Franchised hotels	184	140	319	243

Hotel design and construction management services

The Group's hotel design and construction management business targets the same client base as the hotel management and operation business. Our hotel design business mainly provides interior and mechanical, electrical and plumbing design services (including interior, furnishing, lighting, early and later stage design services, mechanical and electrical parts design, kitchen and back-of-house design) and charges design fees with reference to the building area of the hotels on a per square meter basis, depending on the type of design service rendered. Our hotel construction management business offers consultancy, project management services and renovation and refurbishment to hotels managed by the Group to ensure that the projects are completed according to the agreed specifications in terms of cost, time and quality. The service fees charged are based on a percentage of the total costs of the relevant project with certain incentives for achieving cost-savings (against budget) targets.

Discontinued Operations of Hotel Business

The Group's hotel businesses were operated by Wanda Hotel Management during the Period. On 17 April 2025, the Company, eLong, Inc. (the "Purchaser") and Wanda Hotel Management entered into a sale and purchase agreement (the "SPA"), pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of Wanda Hotel Management (the "Disposal").

Wanda Hotel Management Group was classified as a disposal group held for sale, and the hotel business of Wanda Hotel Management Group, including hotel operation and management services and hotel design and construction management services were classified as discontinued operations since 17 April 2025. The Disposal has not yet been completed as at the date of this announcement. The details of the transaction are set out in the Company's announcement dated 17 April 2025 and the circular dated 24 June 2025.

PROPERTY BUSINESS

Guilin Project, the PRC

In February 2014, the Company acquired a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous Region, the PRC with Wanda Commercial Properties (Hong Kong) Co. Limited (“Wanda HK”) in the form of a joint venture, in which the Company holds 51% and Wanda HK holds 49%. The project (“Guilin Project”) is located in the central area of Guilin High-tech Zone, with planned total gross floor area of approximately 330,000 sq.m., including 146,300 sq.m. of shopping mall and 177,000 sq.m. of retail, residential and other properties for sale.

The shopping mall Guilin High-tech Wanda Plaza (桂林高新萬達廣場) (“Wanda Plaza”) opened in September 2015. Wanda Plaza consists of five storeys above ground and two storeys under ground and offered more than 1,000 car parking spaces. Wanda Plaza has a total gross leasable floor area of approximately 66,000 sq.m. and a total of approximately 180 tenants. Wanda Plaza has become a supreme landmark business centre in Guilin with satisfactory commercial leases and operating conditions and an occupancy rate of 100% as of 30 June 2025.

Chicago Project, the USA

Reference is made to the announcements of the Company dated 30 July 2020, 17 August 2020 and 25 November 2020 and the circular of the Company dated 29 September 2020, as well as the announcement of the Company dated 12 August 2024 and 2 January 2025.

Following the default of the borrower of the deferred amount (“Deferred Amount”) arising from the disposal of the Company’s interest in Parcel C LLC (“Chicago Project”), Wanda Chicago Real Estate, LLC, a subsidiary of the Company (the “Seller”) entered into an enforcement agreement to enforce the mortgage (“Mortgage”) on the selected condominium units (“Condominium Units”) of the Chicago Project. The Condominium Units under the Mortgage were then delivered to the Group in respect of the titles and ownership. Upon the completion of delivery of the Condominium Units, the Group recorded the Condominium Units as properties held for sale.

The Condominium Units are located at The Residences at St. Regis Chicago in Lakshore East of Chicago, with saleable area ranging from approximately 1,000 sq.ft. to approximately 7,000 sq.ft. Certain Condominium Units have been leased for rental income and the Company is continuing to seek purchasers for the Condominium Units.

FINANCIAL REVIEW

On 17 April 2025, the Company, the Purchaser and Wanda Hotel Management entered into the SPA, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of the Wanda Hotel Management. The details of the transaction are set out in the Company's announcement dated 17 April 2025 and the circular dated 24 June 2025.

Wanda Hotel Management Group was classified as a disposal group held for sale, the businesses of the Wanda Hotel Management Group, including hotel operation and management services and hotel design and construction management services were classified as discontinued operations since 17 April 2025, and the comparative figures for the period ended 30 June 2024 have been restated.

Revenue

The Group's revenue (from continuing operations) rose by 21.1% to approximately HK\$57.2 million for the Period (the six months ended 30 June 2024 (restated) ("1H2024"): HK\$47.2 million).

The following table below sets forth the revenue breakdown by business segment:

	For six months ended 30 June		Changes	
	2025 HK\$'000	2024 HK\$'000 (restated)	HK\$'000	%
Investment property leasing	46,128	47,217	(1,089)	-2.3%
Trading and leasing of overseas properties	11,036	–	11,036	100.0%
Total	57,164	47,217	9,947	21.1%

Investment property leasing – Such revenue decreased by 2.3% to approximately HK\$46.1 million during the Period (1H2024: HK\$47.2 million). Such revenue decrease was mainly due to decrease of fixed base rent to approximately HK\$43.8 million from approximately HK\$45.1 million for the corresponding period in 1H2024 as a result of the adjustment of rental rates for certain units during the Period.

Trading and leasing of overseas properties – Such revenue reached approximately HK\$11.0 million during the Period (1H2024: Nil), mainly due to the transfer of titles and ownership of the Condominium Units to the Group in late December 2024. Certain Condominium Units have been leased for rental income and the Company is continuing to seek purchasers for the Condominium Units.

Cost of sales

The Group's cost of sales (from continuing operations) rose by 51.2% to approximately HK\$17.8 million for the Period (1H2024: HK\$11.8 million).

The following table below sets forth the cost of sales breakdown by business segment:

	For six months ended 30 June		Changes	
	2025 HK\$'000	2024 HK\$'000 (restated)	HK\$'000	%
Investment property leasing	6,140	11,776	(5,636)	-47.9%
Trading and leasing of overseas properties	11,665	–	11,665	100.0%
Total	17,805	11,776	6,029	51.2%

Investment property leasing – Such cost of sales decreased by 47.9% to approximately HK\$6.1 million during the Period (1H2024: HK\$11.8 million). Since the entrusted management services provided by Zhuhai Wanda Commercial Management Group Co., Limited (“Zhuhai Wanda”) to the Guilin Project expired in April 2024, the management fee for the period from May 2024 has been waived. The Group is currently negotiating to renew the entrusted management service agreement with Zhuhai Wanda. For the details of such management fees, please refer to the Company's announcements dated 24 Augst 2021 and 30 June 2022.

Trading and leasing of overseas properties – Such cost of sales reached approximately HK\$11.7 million during the Period (1H2024: Nil), mainly due to the transfer of titles and ownership of the Condominium Units to the Group in late December 2024, and incurred cost in relation to lease of Condominium Units during the Period.

Gross profit and gross profit margin

As a result of the above, gross profit (from continuing operations) and gross profit margin (from continuing operations) of the Group amount to approximately HK\$39.4 million and 68.9%, respectively, during the Period (1H2024: HK\$35.4 million and 75.1%, respectively).

Below table sets forth the gross profit and gross profit margin breakdown respectively in terms of the business segment:

	Gross Profit			
	For six months ended			
	30 June			
	2025 HK\$'000	2024 HK\$'000 (restated)	Changes HK\$'000	%
Investment property leasing	39,988	35,441	4,547	12.8%
Trading and leasing of overseas properties	(629)	–	(629)	100.0%
Total	39,359	35,441	3,918	11.1%

	Gross Profit Margin		
	For six months ended		
	30 June		
	2025 HK\$'000	2024 HK\$'000 (restated)	Changes HK\$'000
Investment property leasing	86.7%	75.1%	11.6%
Trading and leasing of overseas properties	-5.7%	–	-5.7%
Total	68.9%	75.1%	-6.2%

Segment results

The following table illustrates the segment results (from continuing operations) of the Group for the Period and 1H2024 respectively:

	For six months ended			
	2025	2024	Changes	
	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)	<i>HK\$'000</i>	%
Investment property leasing	40,553	36,780	3,773	10.3%
Trading and leasing of overseas' properties	(10,623)	(986,371)	975,948	-98.9%
Total	29,930	(949,591)	979,521	-103.2%

The measure used for reporting segment results is adjusted profit/(loss) before tax from continuing operations.

Investment property leasing – The segment profit increased by 10.3% to approximately HK\$40.6 million during the Period (1H2024: HK\$36.8 million), mainly due to the expiry of the entrusted management services provided by Zhuhai Wanda on 30 April 2024, and therefore no entrusted management service fee was incurred during the Period.

Trading and leasing of overseas properties – The segment loss decreased by 98.9% to approximately HK\$10.6 million (1H2024: HK\$986.4 million), mainly due to the completion of delivery of the Condominium Units in late December 2024. The Group derecognised the long-term receivables arising from the Deferred Amount and recognised the value of the Condominium Units as properties held for sale, thus, no impairment loss in relation to the long-term receivables was recognised during the Period (1H2024: HK\$984.4 million).

Other (expenses)/income and gains, net

The Group reported a net other expenses of approximately HK\$29.6 million for the Period, as compared to net other income and gains of approximately HK\$9.0 million for 1H2024, mainly as a result of the following factors:

- i. an increase in other expenses by approximately HK\$14.0 million during the Period as a result of the recognition of tax surcharges in relation to dividend distribution to offshore group company.
- ii. the net exchange loss amounted to approximately HK\$10.8 million during the Period as compared to net exchange gain of approximately HK\$8.6 million during 1H2024 as a result of fluctuation in foreign currency during the Period.
- iii. an impairment provision of approximately HK\$7.0 million has been recognised to write down the carrying amount of properties held for sale to the estimated net realisable value.

Impairment losses on financial and contract assets, net

The Group recorded impairment losses on financial and contract assets, net of approximately HK\$983.0 million for 1H2024, primarily due to an impairment loss of long-term receivables of approximately HK\$984.4 million on the basis of the value of the 37 Condominium Units mortgaged to the Group. On 30 December 2024, upon the completion of delivery of the Condominium Units, the Group derecognised the long-term receivables and recognised properties held for sale following the enforcement of the Condominium Units. Therefore, there is no such impairment loss for the Period.

Administrative expenses

Administrative expenses increased by 58.8% to HK\$13.2 million during the Period (1H2024: HK\$8.3 million). The ratio of administrative expenses over revenue also increased to 23.1% for the Period (1H2024: 17.6%). This is mainly due to professional fee and related costs incurred for a very substantial disposal of Wanda Hotel Management during the Period.

Finance costs

Finance costs decreased by approximately 85.2% to approximately HK\$30,000 for the Period (1H2024: HK\$0.2 million), primarily due to partial repayment of lease liabilities and thus the related interest on lease liabilities decrease.

Income tax expense

The Group reported income tax expenses of approximately HK\$48.4 million for the Period (1H2024: HK\$10.5 million), primarily as a result of the recognition of additional withholding taxes in relation to dividend distribution to offshore group company.

Profit/(loss) for the period and profit/(loss) attributable to equity holders of the Company

As a result of the foregoing, the following illustrates the Group's profit/(loss) for the period and profit/(loss) attributable to equity holders of the Company during the Period and the six months ended 30 June 2024 respectively:

	Unaudited		
	Six months ended 30 June		
	2025	2024	Changes
	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) attributable to:			
– Owners of the parent	35,639	(514,941)	550,580
– Non-controlling interests	(20,832)	(380,650)	359,818
Profit/(Loss) for the period	<u>14,807</u>	<u>(895,591)</u>	<u>910,398</u>

Assets of a disposal group classified as held for sale

As at 30 June 2025, the Group's assets of a disposal group classified as held for sale amounted to approximately HK\$1,335.0 million (As at 31 December 2024: Nil). Details of the abovementioned disposal are set out in note 9 to the financial statements.

Net assets and equity attributable to equity holders of the parent

Below table sets forth the net assets and equity attributable to equity holders of the parent of the Group as at 30 June 2025 and 31 December 2024 respectively:

	Unaudited 30 June 2025 <i>HK\$'million</i>	Audited 31 December 2024 <i>HK\$'million</i>
Total assets	3,734.4	3,583.7
Total liabilities	1,482.4	1,388.8
Net assets	2,252.0	2,194.9
Equity attributable to equity holders of the parent	2,138.8	2,070.5

Liquidity, borrowing and financial resources

As at 30 June 2025, the Group's cash (including restricted bank balance) amounted to approximately HK\$456.6 million (including cash and restricted cash transferred to assets of a disposal group classified as held for sale) as compared with approximately HK\$382.0 million as at 31 December 2024. The table below sets out the analysis of cash by currency type:

	Unaudited 30 June 2025 <i>(% to total cash)</i>	Audited 31 December 2024 <i>(% to total cash)</i>
Renminbi ("RMB")	62	95
Hong Kong Dollar	33	2
United States Dollar ("USD")	5	3
	100	100

As at 30 June 2025, the current ratio of the Group, which is the quotient arrived at by dividing current assets by current liabilities, was 1.84 (As at 31 December 2024: 2.27). Excluding properties held for sale of approximately HK\$801.6 million as at 30 June 2025 (As at 31 December 2024: HK\$799.6 million) presented under current assets, the current ratio of the Group as at 30 June 2025 would be 1.22 (As at 31 December 2024: 1.27).

As at 30 June 2025, the Group has no interest-bearing loan (as at 31 December 2024: Nil).

The gearing ratios of the Group is calculated as follows:

	Unaudited	Audited
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Total debts	—	—
Less: Total cash and bank balances*	<u>456,585</u>	<u>382,028</u>
Net cash	<u>456,585</u>	<u>382,028</u>
Total equity	2,251,963	2,194,930
Total assets	3,734,378	3,583,699
Gearing ratios:		
Net debts over aggregate of net debts and total equity	Net Cash	Net Cash
Net debts over total assets	<u>Net Cash</u>	<u>Net Cash</u>

* Including restricted cash and cash and bank balances classified as held for sale amounting HK\$232,102,000 as at 30 June 2025.

Foreign currency and interest rate exposure

During the Period, the Group's business is principally conducted in RMB. The functional currency of the Group's subsidiaries in the PRC was RMB and these subsidiaries do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The Group's exposure to currency risk primarily through the amount payable to an intermediate holding company that are denominated in USD. The Group maintains a conservative approach to foreign exchange exposure management. During the Period, the Group did not use any financial instruments to hedge against foreign currency exposure and the Group did not have any hedging instruments outstanding as at 30 June 2025.

The Group has policy to monitor the suitability and cost efficiency of hedging instruments in order to manage interest rate risks, if any. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

PLEDGE OF ASSETS

As at 30 June 2025, the Group had no pledge of its assets (31 December 2024: Nil).

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

On 17 April 2025, the Company, the Purchaser and Wanda Hotel Management entered into the SPA, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of Wanda Hotel Management. The details of the transaction are set out in the Company's announcement dated 17 April 2025 and the circular dated 24 June 2025. The Disposal has not yet been completed as at the date of this announcement.

Saved as disclosed above, the Group had no other material acquisition or disposal of subsidiaries and associated companies during the Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No Director has the right to acquire shares or debentures of the Company or its subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had around 739 full time employees, who are located in the PRC, Hong Kong and the USA.

During the Period, the Group remunerated its employees based on their performance, experience and the prevailing market salaries. Performance bonuses were granted on a discretionary basis. Other employee benefits included insurance and medical cover, subsidized educational and training programs.

INTERIM DIVIDEND

Except for the Special Dividend disclosed in note 9(d) to the financial statements, the Directors did not recommend the payment of any dividend, including interim dividend, for the Period (six months ended 30 June 2024: Nil).

OUTLOOK

The Group expects to primarily continue its leasing operations of the Wanda Plaza and its plans to sell the Condominium Units under its Chicago Project as well as to diversify its business by entering into the cultural tourism industries subsequent to the disposal of Wanda Hotel Management. The investment property leasing business of the Group, being the leasing of units at the Wanda Plaza, benefits from the rebound of the tourism sector in Guilin and the favourable policy directions as outlined in the 14th Five-Year Plan of Guilin, which emphasize enhancement of the integration of industry and urban development and construction of commercial facilities in the Guilin High-tech Zone. Looking ahead, the Group strives to accurately target its customer base and to optimize its business mix, at the same time to align closely with the ongoing industrial upgrades in the Guilin High-tech Zone.

The Company will actively seek and identify suitable investment opportunities both domestically and internationally in the cultural tourism industries. By way of example, there is a notable and growing trend among tourist destinations in China to incorporate popular IP characters or themes in the design, planning and management of their projects. The Company is well-positioned to capitalize on this trend by leveraging the Group's extensive expertise in hotel design, planning, and management, which enables the Company to add significant value to such projects. The Company is proactively exploring appropriate investment opportunities.

OTHER INFORMATION

SHARE SCHEMES

The Company did not have any effective share schemes as at 30 June 2025.

PROPOSED SHARE PREMIUM CANCELLATION AND PAYMENT OF SPECIAL DIVIDEND

The Company proposed the share premium cancellation and payment of special dividend and the details are set out in the circular of the Company dated 24 June 2025.

A special resolution and an ordinary resolution were duly passed by the Shareholders by way of poll at the special general meeting held on 18 July 2025 to effect the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company, applying the credits arising therefrom towards the elimination of all the accumulated losses of the Company and transferring the remaining balance (if any) to the contributed surplus account of the Company, and the payment of special dividend to be made out of the contributed surplus account subject to the fulfilment of all conditions stated in the circular dated 24 June 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

Except for deviation from the code provision ("Code Provision") C.2.1 of the Corporate Governance Code (the "CG Code") as stipulated in Appendix C1 of the Listing Rules as explained below, the Company has complied with the CG Code during the Period.

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the Period, the Company has not appointed a chief executive officer and the duties of the chief executive officer have been performed by Mr. Ning Qifeng (“Mr. Ning”), who is the chairman of the Company (the “Chairman”). Considering that the Group’s business has been in line with its clear strategic direction and the fact that Mr. Ning has demonstrated suitable management and leadership capabilities along with his thorough understanding of the Group’s business and strategy since his appointment as an executive Director in 2017, the Board believes that vesting the role of the Chairman and the duties of a chief executive officer in Mr. Ning can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code will not be inappropriate in such circumstance. In addition, under the supervision of the Board, comprising another executive Director, two non-executive Directors and three independent non-executive Directors, the Board believes that it is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the interests of the Shareholders.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established the audit committee (the “Audit Committee”) with written terms of reference in accordance with the requirements of the CG Code. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the Group’s financial information, systems of risk management, internal controls and the external audit process. The Audit Committee comprises three independent non-executive Directors, namely Mr. He Zhiping, Dr. Teng Bing Sheng and Dr. Chen Yan.

The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The Audit Committee has reviewed the Group’s financial statements with no disagreement for the Period and has discussed the financial related matters with the Company’s management and external auditors.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on both the websites of the Company (www.wanda-hotel.com.hk) and of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the Period will be dispatched to shareholders and published on the aforesaid websites in due course.

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

Hong Kong, 28 August 2025

As of the date of this announcement, Mr. Ning Qifeng (Chairman) and Mr. Liu Yingwu are the executive Directors; Mr. Han Xu and Mr. Zhang Chunyuan are the non-executive Directors; and Dr. Chen Yan, Mr. He Zhiping and Dr. Teng Bing Sheng are the independent non-executive Directors.