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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)

POSITIVE PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, the Group expects to record a net profit of not less than HK\$110 million for the six months ended 30 June 2021 (the “**Period**”) as against a net loss of approximately HK\$33.5 million for the corresponding period in 2020.

The expected turnaround from net loss to net profit of the Group for the Period as compared against the corresponding period in 2020 is mainly attributable to:

- (i) an increase in the Group’s expected revenue from the Group’s business of hotel management services by not less than approximately 130% for the Period as against the corresponding period in 2020, primarily due to a steady recovery of performance in hotels managed by the Group since around mid-2020, with revenue per available room (RevPAR) having reached approximately RMB268 for the Period as compared to approximately RMB149 for the corresponding period in 2020, as a result of increase in occupancy rate and average daily rate following the easing of COVID-19 coronavirus pandemic related travel advisories or restrictions in the PRC;
- (ii) an increase in the Group’s expected revenue from the Group’s business of hotel operations by not less than approximately 110% primarily due to more hotels having commenced operation during the Period; and

- (iii) the accrued interest income of approximately HK\$55 million for the Period arising from the deferred amount from the disposal of the Chicago project of the Company, closing of which took place in November 2020 and further details of which can be found in the announcements of the Company dated 30 July 2020, 17 August 2020 and 25 November 2020 and the Company's circular dated 29 September 2020.

As the Company is still in the process of finalising the Group's interim results for the Period, the information contained in this announcement is only based on a preliminary assessment of the consolidated management accounts made available to the Board as at the date hereof and which have not been audited or reviewed by the Company's auditors. Further adjustments and finalisation in the Group's interim results for the Period may be required. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the Period, which is expected to be published in August 2021.

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

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

Hong Kong, 6 August 2021

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 Dr. Chen Yan, Mr. He Zhiping, and Dr. Teng Bing Sheng are the independent non-executive Directors.