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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)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, the Group is expected to record a net loss ranging from HK\$880 million to HK\$930 million in the unaudited financial statements of the Group for the six months ended 30 June 2024 (the “**Period**”) as compared to a net profit of approximately HK\$165 million for the corresponding period in 2023.

The net loss of the Group for the Period was primarily attributable to the provision of impairment loss of approximately US\$126 million (equivalent to approximately HK\$984 million) arising from the long-term receivables in relation to the deferred amount (the “**Deferred Amount**”) from the disposal of interest in Parcel C LLC (the “**Chicago Project Disposal**”) of the Company, the closing of which took place in November 2020. For further details of the Chicago Project Disposal and the repayment terms of the long-term receivables, please refer to the Company announcements dated 30 July 2020, 17 August 2020 and 25 November 2020 and the Company circular dated 29 September 2020 (the “**Circular**”). The impairment was provided after taking into consideration the Group’s latest assessment of the recoverability associated with the Deferred Amount, as a result of a potential bulk sale of all condominium units of the Chicago Property Project (as defined in the Circular), except the 37 units mortgaged to the Group as collateral for the Deferred Amount, at a discounted price by the purchaser of the Chicago Project Disposal (based on information made available to the Company to date).

Despite the net loss recognized due to the Deferred Amount in relation to the Chicago Project Disposal, the Board would like to inform the Shareholders that the Group’s businesses and financial position remains sound and solid. The impairment associated with the Deferred Amount is a specific item.

The Company is still in the process of finalizing the interim results of the Group for the Period. The information contained in this announcement is only based on a preliminary assessment of the consolidated management accounts and relevant estimates made available to the Board as at the date hereof and which have not been audited or reviewed by the Company’s auditors. The actual results of the Group for the Period may be subject to further revision. The unaudited interim results of the Group for the Period are expected to be released in late August 2024.

Shareholders and potential investors are advised to exercise caution when 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, 12 August 2024

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