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萬達酒店發展有限公司

WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

INSIDE INFORMATION UPDATE ON DISPOSAL OF INTEREST IN THE CHICAGO PROPERTY PROJECT

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).

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 (the “**Circular**”), as well as the announcement of the Company dated 12 August 2024 (the “**II Announcement**”). Unless otherwise defined herein, the capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the II Announcement.

As provided in the Company’s interim report dated 28 August 2024 (the “**Interim Report**”), the maturity date in respect of the Deferred Amount and the relevant interest generated (the “**Deferred Amount and Interest**”) was extended to November 2024. As of the date of this announcement, the Deferred Amount Borrower has been in default of the Deferred Amount and Interest under the Subordinated Notes amounting to approximately US\$293 million and such default is continuing. Having consulted extensively with our legal counsel and considered the market conditions, the exorbitant amount of time and cost of pursuing other means of trying to recover the Deferred Amount and Interest and the recoverability of the Deferred Amount and Interest, the Seller (a non-wholly owned subsidiary of the Company) intends to enforce the Mortgage which was entered into as security for the Subordinated Notes.

In order to protect the rights and interests of the Seller in enforcing the Mortgage and to facilitate and minimize costs in the enforcement of the Mortgage, on 30 December 2024 (U.S. time), the Seller, the Deferred Amount Borrower and the Guarantor have entered into an agreement (the “**Enforcement Agreement**”), pursuant to which:

- (i) the Selected Condominium Units shall be delivered to the Seller and the Deferred Amount Borrower and the Guarantor shall not interfere with the Seller’s action to perfect its title (if so necessary) to the Selected Condominium Units;
- (ii) the Deferred Amount Borrower and the Guarantor shall provide various representations and warranties in respect of the Selected Condominium Units and the Sellers’ rights, including representations and warranties as to the titles and ownership of the Deferred Amount Borrower in the Selected Condominium Units; and
- (iii) in return, the Seller has agreed not to sue the Deferred Amount Borrower in respect of the Selected Condominium Units and to release the Guarantor from any and all claims, save and except for the occurrence of certain events such as the Deferred Amount Borrower becoming the subject of any bankruptcy petition.

As disclosed in the Interim Report, the Group had performed an expected credit loss analysis as of 30 June 2024 and particularly for the long-term receivables in relation to the Deferred Amount and Interest. As a result, 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 and Interest was recognized for the six months ended 30 June 2024 and disclosed in the Interim Report. The Company will engage an independent valuer to carry out the valuation of such units and the auditors of the Company will review the outcome of the valuation to ascertain their value as of 31 December 2024.

Despite the impairment loss recognized due to the Chicago Project Disposal, the Board would like to inform the Shareholders that the Group’s revenue generating businesses remains sound and healthy and is expected to continue bringing in a stable stream of revenue for the Group in the near future.

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, 2 January 2025

As at the date of this announcement, Mr. Ning Qifeng (Chairman) and Mr. Liu Yingwu are the executive Directors; 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.