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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)

VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF THE AUSTRALIA PROPERTY PROJECTS
AND
RESUMPTION OF TRADING

THE DISPOSAL

The Board is pleased to announce that on 18 January 2018 (after Hong Kong trading hours), the Seller (a non-wholly owned subsidiary of the Company), the Purchaser and the Target Company entered into the Master Agreement, pursuant to which the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares (representing the entire issued share capital of the Target Company) subject to the terms contained therein, at the Consideration of AU\$315,044,422 (equivalent to approximately HK\$1,919,408,141). The Consideration will be paid by the Purchaser in cash.

Pursuant to the Master Agreement, the Purchaser has also agreed to procure the repayment of the Debt in the amount of AU\$815,107,691 (equivalent to approximately HK\$4,966,043,607), to the Seller by the Target Company, which comprised the Existing Loan and the Additional Loan (both for the financial support to the Target Company to implement the Gold Coast Project and the Sydney Project) together with the interest accrued. Such Debt will be repaid in instalments during the period from the Completion Date until 9 November 2018.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the members of the Target Group will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held to seek approval from the Shareholders in relation to the Master Agreement and the transactions contemplated thereunder. As far as the Company is aware, none of the Shareholders is materially interested in the Master Agreement and the transactions contemplated thereunder, and thus no Shareholder is required to abstain from voting at the SGM on resolutions in relation to the Master Agreement and the transactions contemplated thereunder. The Company has also been informed by its controlling shareholder, Wanda Commercial Properties Overseas Limited, that it will irrevocably undertake to the Company to vote in favour of the Master Agreement at the SGM.

A circular containing, among other things, further information in respect of the Disposal and other information and a notice of the SGM is expected to be despatched to the Shareholders on or before 21 February 2018.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 19 January 2018 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 30 January 2018.

As Completion is subject to the fulfilment of the conditions precedent which are detailed in this announcement, the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 9 August 2017 in relation to, among other things, the disposal of 60% equity interest in the Target Company, being the holding company of the Group's property projects in Australia; and (ii) the announcement of the Company dated 21 November 2017 in relation to the strategic review of the Company's property projects.

The Board is pleased to announce that on 18 January 2018 (after Hong Kong trading hours), the Seller (a non-wholly owned subsidiary of the Company), the Purchaser and the Target Company entered into the Master Agreement, the principal terms of which are set out below.

THE MASTER AGREEMENT

Date

18 January 2018

Parties

- (1) the Seller as vendor
- (2) the Purchaser as purchaser
- (3) the Target Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the principal business of the Purchaser is investment holding, and the principal businesses of the ultimate beneficial owners of the Purchaser range from investment holding to real estate investments; and (ii) the Purchaser and its ultimate beneficial owners are Independent Third Parties.

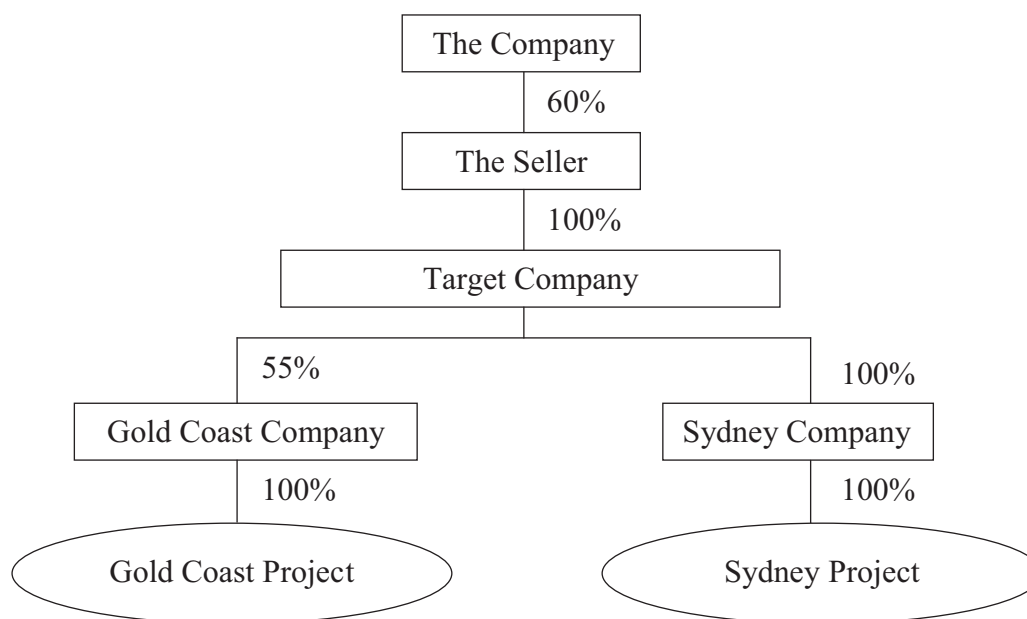
Assets to be disposed

Pursuant to the Master Agreement, the Seller has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company. The Target Company is a wholly-owned subsidiary of the Seller and is holding as to 55% interest in the Gold Coast Company and the entire interest in the Sydney Company, which in turn owns the rights and interests of the Gold Coast Project and the Sydney Project, respectively.

The Gold Coast Project with a planned total gross floor area of approximately 146,200 sq.m. is located in the heart of the Gold Coast city center - the Surfers Paradise, and is the only five-star hotel and apartment project approved to be erected directly adjacent to beaches in the Gold Coast. It is comprised of three high-rise tower buildings of which one will be a five star hotel, and the other two luxury apartments for sales. The project will become a city landmark in the Gold Coast upon completion. The project obtained the approval for the development plan in December 2014, completed the demolition work of the existing structure and commenced construction work in March 2015. The structural works are in progress now. Pre-sale of luxury apartments portion commenced in September 2015, and approximately 40% of saleable area were pre-sold up to the end of December 2017. The development of this project is expected to be completed in 2019.

The Sydney Project is located in Sydney's Central Business District, a key commercial center and a prime area for development. The project is expected to be redeveloped into a 194 meter high tower mixed-used complex comprising hotel, residential and retail areas, with a planned total gross floor area of approximately 97,500 sq.m.. The project will become a new city landmark in Sydney upon completion. The approval for the development plan was obtained in June 2017 and demolition of the existing structure also commenced in June 2017. The project has not commenced pre-sales as at the date of this announcement. The development of this project is expected to be completed in 2021.

The following diagram illustrates the shareholding structure of the Target Group as at the date of this announcement:



Condition precedent

Completion of the Disposal is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:—

- (a) the Seller having procured to fulfilled its obligations to terminate the relevant contracts to which the Seller or its associates (as defined under the Master Agreement) is a party;
- (b) the Purchaser having obtained written consent from all shareholders of the Gold Coast Company (other than the Target Company), in the form satisfactory to the Seller and the Purchaser, in relation to the sale of the Sale Shares, including waiver of any pre-emptive or other rights in accordance with the subscription and shareholders' agreement dated 11 August 2014 entered into, among others, the Target Company and the Gold Coast Company;
- (c) the Seller having delivered to the Purchaser, a certificate and opinion letter, in the form satisfactory to the Purchaser, from an Australian counsel addressing to the Purchaser with respect to certain contracts for the Gold Coast Project;
- (d) the Purchaser having provided the Seller with the remittance evidence of the payment by the Purchaser of the Consideration on the Completion Date in accordance with the Master Agreement;
- (e) the Purchaser having provided the Seller with the remittance evidence of the payment by the Purchaser of the portion of the Debt in the amount of AU\$585,107,691 (equivalent to approximately HK\$3,564,768,607) on the Completion Date in accordance with the Master Agreement;

- (f) the Gold Coast Company and the Sydney Company having signed the Gold Coast HMA and the Sydney HMA respectively, and the parties to the Master Agreement acknowledge and agree that the Sydney HMA and the Gold Coast HMA shall be effective upon signing of the Sydney HMA and the Gold Coast HMA;
- (g) the Seller has not amended, varied, terminated or given any waiver or release in respect of the Sydney HMA or the Gold Coast HMA prior to the Completion Date (unless with the consent of the Purchaser);
- (h) the Seller has not breached any of its obligations under the Master Agreement with respect to the period between the date of the Master Agreement and Completion which is incapable of remedy or, if capable of remedy, not remedied within thirty (30) Business Days after written notification by the Purchaser to the Seller of such breach (it being agreed that a breach of Condition (g) above shall not be treated as one that is capable of being remedied);
- (i) the Seller having delivered to the Purchaser a legal opinion issued by a reputable Hong Kong law firm and in a form satisfactory to the Purchaser opining on (i) whether the Seller has all the necessary corporate authorisation to enter into and perform under the Master Agreement; and (ii) the legality, validity and enforceability of the Master Agreement; and
- (j) the clearance from the Stock Exchange with respect to this announcement and the circular in relation to the Disposal to be despatched to the Shareholders, and the obtaining of the Shareholders' approval in the SGM by the Company with respect to the Disposal.

The Purchaser may at its sole discretion waive Conditions (a), (c), (g), (h) and (i) and the Seller may at its sole discretion waive Conditions (d), (e) and (f). Conditions (b) and (j) may be waived only by the written consent of both the Purchaser and the Seller, but the Seller has no intention of waiving Condition (j).

If the Conditions have not been fulfilled or waived in accordance with the Master Agreement (or in the reasonable opinion of the Seller or the Purchaser are incapable of being fulfilled) twelve (12) months after the date of the Master Agreement, the Seller or the Purchaser may give notice to the other party to terminate the Master Agreement. Upon giving such notice, the Seller and the Purchaser must negotiate in good faith for the termination and continuation of the Master Agreement within one (1) month after such notice is given. On the expiry of such one (1) month period, if no agreement has been reached between the parties and the Conditions have not been fulfilled or waived in accordance with the Master Agreement, the Seller or the Purchaser may give notice to the other party to terminate the Master Agreement and the Deposit will be refunded in full to the Purchaser within five (5) Business Days after such termination.

If the Conditions have been fulfilled or waived in accordance with the Master Agreement but the Seller fails to comply with its Completion obligations pursuant to the Master Agreement, the Purchaser will have the right to (i) cease performing its obligation under the Master Agreement; and/ or (ii) terminate the Master Agreement and demand for the refund of the Deposit in full and the payment of additional funds in the amount of AU\$150 million (equivalent to approximately HK\$914 million) (which is a sole remedy and a capped indemnification for the Purchaser's genuine pre-estimate of loss (including opportunity cost) in respect of any claim under the Master Agreement) by the Seller.

Completion

Completion will take place when all the Conditions have been fulfilled or waived in accordance with the Master Agreement, on the later of (i) 15 March 2018; and (ii) the date occurring one (1) Business Day after the date on which the Conditions have been fulfilled or waived in accordance with the Master Agreement, or such other dates as the parties may agree in writing. For the avoidance of doubt, Completion will not take place if Conditions (d) and (e) are not fulfilled on the Completion Date. Unless otherwise agreed by the parties to the Master Agreement, Completion will not be taken to have occurred unless all Completion obligations required under the Master Agreement have been satisfied.

If Completion failed to take place on 15 March 2018, the Seller and the Purchaser shall negotiate amicably and determine before 20 March 2018 the arrangements with respect to (i) the interest to be accrued on the relevant portion of the Debt; and (ii) the provision of funds to support the daily operation of the Gold Coast Company and the Sydney Company.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the members of the Target Group will no longer be consolidated into the financial statements of the Group after Completion.

Consideration

The Consideration is AU\$315,044,422 (equivalent to approximately HK\$1,919,408,141) and will be paid by the Purchaser to the Seller in the following manner:

- (a) a Deposit in the amount of AU\$50,000,000 (equivalent to approximately HK\$304,625,000) has been paid by the Purchaser on the date of the Master Agreement; and
- (b) the remaining amount of the Consideration being AU\$265,044,422 (equivalent to approximately HK\$1,614,783,141) will be paid by the Purchaser on the Completion Date.

The Repayment of Debt

Pursuant to the Master Agreement, the Seller has provided or will provide the Existing Loan and the Additional Loan up to the Completion Date to the Target Company to implement the Gold Coast Project and the Sydney Project. The Purchaser has agreed to procure the repayment of the Debt to the Seller by the Target Company in accordance with the Master Agreement. The aggregate amount of Debt includes:

- (a) the Existing Loan, which is AU\$742,418,730 (equivalent to approximately HK\$4,523,186,112);
- (b) subject to the Seller providing evidence satisfactory to the Purchaser that at least AU\$67 million has been provided by the Seller to the Target Company as a loan between 1 January 2018 and Completion (which the parties estimated the provision of the Additional Loan would be no earlier than 20 January 2018), the Additional Loan, which is AU\$67 million (equivalent to approximately HK\$408,197,500). In order to comply with certain rules in Australia by the Purchaser, the parties agreed that part of the Additional Loan would be interest-free and the relevant finance cost had been considered when negotiating the Consideration;
- (c) the Existing Interest, which is AU\$5,470,302 (equivalent to approximately HK\$33,327,815); and
- (d) the Additional Interest, which is AU\$218,659 (equivalent to approximately HK\$1,332,180).

The Debt will be repaid in the following manner:

- (a) on Completion Date, an amount of AU\$585,107,691 (equivalent to approximately HK\$3,564,768,607) payable to the Seller;
- (b) subject to the Conditions, on the later of (i) 20 March 2018; and (ii) the Completion Date, an amount of AU\$100 million (equivalent to approximately HK\$609,250,000) payable to the Seller;
- (c) subject to the Conditions, on the later of (i) 5 November 2018; and (ii) the Completion Date, an amount of AU\$50 million (equivalent to approximately HK\$304,625,000) payable to the Seller;
- (d) subject to the Conditions, on the later of (i) 7 November 2018; and (ii) the Completion Date, an amount of AU\$50 million (equivalent to approximately HK\$304,625,000) payable to the Seller; and
- (e) subject to the Conditions, on the later of (i) 9 November 2018; and (ii) the Completion Date, an amount of AU\$30 million (equivalent to approximately HK\$182,775,000) payable to the Seller.

The Consideration and the Debt was determined by the Seller and the Purchaser after negotiations with reference to, among other things, the preliminary valuation of the Gold Coast Project of approximately AU\$317 million (equivalent to approximately HK\$1,931,322,500) and Sydney Project of approximately AU\$803 million (equivalent to approximately HK\$4,892,277,500) (total preliminary valuation of both projects is AU\$1,120 million (equivalent to approximately HK\$6,823,600,000)) conducted by an independent valuer on 31 December 2017 and the prevailing market conditions.

In determining the Consideration, the Group also took into account the share capital contribution into the Target Company, which is approximately AU\$295,910,241 (equivalent to approximately HK\$1,802,833,143). The Directors are of the view that the Consideration is reflective of the price which could be realised by the Group from disposal of the Target Company in an open market. Therefore, the Directors consider that the Consideration is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

In determining the amount of the Debt payable to the Seller, the Group took into account the principal amounts owed by the Target Company to the Seller and negotiated an interest rate which is reasonable in an open market.

If the Purchaser fails to make any payment of the Consideration or the Debt pursuant to the terms of the Master Agreement, the Seller will have the right to (i) cease performing its obligation under the Master Agreement; and/or (ii) terminate the Master Agreement and the Deposit will be forfeited in full by the Seller; and/or (iii) demand interest from the Purchaser in respect of the overdue amount at an annualized interest rate of 5% plus the default interest on the overdue amount and the aforesaid interest at a daily compound interest rate of 0.05% for the period commencing from the overdue date till the date on which all overdue amount is paid in full.

Tax Indemnification

The Seller indemnifies the Purchaser and will, on demand, (i) upon the issuance of an opinion from a professional tax agent or a demand from the relevant tax authority, pay to the Purchaser an amount equal to any tax which is payable by the Target Group for the period up to and including Completion; and (ii) pay to the Purchaser on demand an amount equal to any tax which is payable by the Target Group to the extent that the tax relates to certain statements relating to the Gold Coast Company or the Sydney Company being inaccurate, untrue or misleading as at the date of the Master Agreement or the Completion Date, irrespective of whether such tax relates to any transaction occurring after Completion or being imposed after Completion, or being interest or penalties which are imposed by reason of actions taken by, or at the direction of the Purchaser after Completion (other than to the extent that such tax is payable as a result of negligence of the Purchaser).

The Master Agreement contains other indemnities, warranties and covenants given by the Seller in customary terms for transactions of this nature and scale.

The total aggregate liability of the Seller to the Purchaser for any breach of the Master Agreement shall not exceed the amount of the Consideration.

INFORMATION OF THE TARGET GROUP

Following the Shareholders' approval in 2014 and 2015 for the establishment of joint ventures between the Company and Wanda HK, the Target Company currently owns a 55% interest in the Gold Coast Company (which in turn owns the rights and interests of the Gold Coast Project) and the entire interest of the Sydney Company (which in turn owns the rights and interests of the Sydney Project). For the remaining 45% interest in the Gold Coast Company, it is held as to 22.5% by Mr. Riyu Li and as to 22.5% by Mrs Fengliu Wu, each an Independent Third Party. The principal business of each of the Target Company, the Gold Coast Company and the Sydney Company is investment holding.

The following is a summary of the unaudited net loss both before and after taxation of the Target Group for the two years ended 31 December 2015 and 2016 respectively (prepared in accordance with Hong Kong Financial Reporting Standards):

| | For the year ended 31 December | |
|-----------------------------------|--------------------------------|-----------------|
| | 2015 | 2016 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Net loss (before taxation) | 304,142 | 59,507 |
| Net loss (after taxation) | 216,012 | 58,079 |

The net loss of the Target Group for the year ended 31 December 2015 was primarily due to finance cost and approximately HK\$297 million valuation loss on investment properties. The net loss of the Target Group for the year ended 31 December 2016 was primarily due to finance cost incurred during the year.

The unaudited net assets value of the Target Company as at 30 June 2017 was approximately HK\$841,453,127.

The following is a breakdown of revenue by nature of the Target Group for the two years ended 31 December 2015 and 2016 respectively:

| Revenue by nature | For the year ended 31 December | |
|-------------------|--------------------------------|-----------------|
| | 2015 | 2016 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Rental Income | 98,331 | 124,038 |

FINANCIAL EFFECTS OF THE DISPOSAL

The Disposal is expected to give rise to a gain of approximately HK\$556 million (before taxation, if any), calculated with reference to the difference between the Consideration and the unaudited carrying amount of the Target Company as at 31 December 2017, and the transaction costs and expenses for the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Company is subject to any changes to the carrying amount of the Target Company by reference to a finalised valuation as at 31 December 2017, as well as audit and will be assessed after Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group are property development, property leasing, property management and investment holding activities.

Consistent with the Company's strategy to deleverage, the Company considers that the Disposal represents an opportunity for the Group to realise its investment in both Gold Coast Project and Sydney Project and would benefit the Group by strengthening the liquidity and financial position of the Group. The amount of net proceeds from the Disposal will be shared between the Company and Wanda HK pro rata to their shareholding in such Australia projects as to 60% and 40% respectively. Of the 60% attributable to the Group (which is equivalent to approximately HK\$4,131 million), approximately HK\$4,061 million will be used by the Group to repay loans and interest due to Wanda HK in connection with the financing of such Australia projects and approximately HK\$27 million will be used by the Group to settle the transaction costs (i.e. relevant Australia taxes) for such Australia projects and thereafter, an expected net proceeds of approximately HK\$43 million will be available to the Group for general corporate working capital purposes.

After the Disposal, the Company's strategies are to focus on fee based businesses, to improve cash flow and to reduce leverage with the following business plans:

- 1) To realize value of non-cash flow generating assets. All of the overseas projects are still in planning stage or early stage of construction. Potential disposal at current market level which is also at premium to the investment costs can help realize value of the investments and reduce current and future indebtedness (for construction purpose);
- 2) To capitalize on the property management expertise of the Company and focus on selective areas of property management businesses (e.g. hotel design, construction and operation management; and theme park and indoor amusement facilities design management, construction cost management and operation management) where the Company can potentially develop into an industry leader in the segment in China;
- 3) To continue to look for high quality development projects within the Company's financial capability; and
- 4) To improve the operating efficiencies of Hengli City and the Group's project in Guilin through cost control and targeted marketing to enhance rental return.

After the disposal of the Group's project in London which was announced by the Company on 16 January 2018, the Disposal and, if the commercial opportunity arises, the proposed disposal of the Group's project in America, the Company has no intention to terminate, downsize and dispose of its existing businesses in China.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Master Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be convened and held to seek approval from the Shareholders in relation to the Master Agreement and the transactions contemplated thereunder. As far as the Company is aware, none of the Shareholders is materially interested in the Master Agreement and the transactions contemplated thereunder, and thus no Shareholder is required to abstain from voting at the SGM on resolutions in relation to the Master Agreement and the transactions contemplated thereunder. The Company has also been informed by its controlling shareholder, Wanda Commercial Properties Overseas Limited, that it will irrevocably undertake to the Company to vote in favour of the Master Agreement at the SGM.

A circular containing, among other things, further information in respect of the Disposal and other information and a notice of the SGM is expected to be despatched to the Shareholders on or before 21 February 2018.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 9:00 a.m. on 19 January 2018 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 30 January 2018.

As Completion is subject to the fulfilment of the conditions precedent which are detailed in this announcement, the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless otherwise defined or the context requires otherwise, the following expressions have the meanings set out below:

| | |
|-----------------------|--|
| “Additional Interest” | the interest accrued on 50% of the Additional Loan at an annualized interest rate of 4.425% for the Sydney Company and 4.85% for the Gold Coast Company for the period from the 20 January 2018 to the Completion Date, net of withholding tax |
| “Additional Loan” | the loan provided and/or to be provided by the Seller to the Target Company between 1 January 2018 and Completion |
| “AU\$” | Australian dollars, the lawful currency of Australia |

| | |
|---------------------------|---|
| “Board” | the board of Directors |
| “Business Day(s)” | a day (other than a Saturday, Sunday and a public holiday) on which banks are open for general banking business in New South Wales, Australia |
| “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 |
| “Completion” | completion of the Disposal in accordance with the terms of the Master Agreement |
| “Completion Date” | has the meaning under the section headed “ <i>The Master Agreement — Completion</i> ” |
| “Conditions” | the conditions precedent to Completion |
| “connected person(s)” | has the meaning as ascribed to it in the Listing Rules |
| “Consideration” | the total consideration payable by the Purchaser to the Seller in relation to the Disposal subject to the terms and conditions under the Master Agreement |
| “controlling shareholder” | has the meaning as ascribed to it in the Listing Rules |
| “Debt” | the Existing Loan, the Additional Loan, the Existing Interest and the Additional Interest |
| “Disposal” | the disposal of the Sale Shares by the Seller to the Purchaser and the repayment of the Debt by the Target Company to the Seller pursuant to the Master Agreement |
| “Deposit” | an amount of AU\$50 million (equivalent to approximately HK\$304,625,000) paid by the Purchaser to the Seller pursuant to the Master Agreement |
| “Directors” | directors of the Company |
| “Existing Interest” | the interest accrued on the interest-bearing portion of the Existing Loan and interest payable at an annualized interest rate of 4.425% for the Sydney Company and 4.85% for the Gold Coast Company the period from the 1 January 2018 to the Completion Date |

| | |
|--------------------------------|--|
| “Existing Loan” | the aggregate amount of loan which has been provided by the Seller to the Target Company as of 31 December 2017 |
| “Gold Coast Company” | Wanda Ridong (Gold Coast) Development Pty Limited, a company incorporated with limited liability under the laws of Australia and is a wholly-owned subsidiary of the Target Company directly owned as to 55% by the Target Company |
| “Gold Coast HMA” | a Gold Coast hotel management agreement to be executed by the Gold Coast Company and a hotel management company designated by the Seller with respect to the hotel component of the Gold Coast Project |
| “Gold Coast Project” | the rights and interests in the real estate development project located at 38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | party(ies) which is/are independent of the Group and the connected persons of the Company |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Master Agreement” | the master agreement entered into on 18 January 2018 between the Seller as vendor, the Purchaser as purchaser and the Target Company in relation to the Disposal |
| “Purchaser” | AWH Investment Group Pty Ltd, a company incorporated with limited liability under the laws of Australia and an Independent Third Party |
| “Sale Shares” | 202,783,619 shares of the Target Company (comprised A ordinary shares and ordinary shares) owned by the Seller, representing the entire issued share capital of the Target Company |
| “Seller” | Wanda Australia Real Estate Investment Co., Limited, a company with limited liability incorporated under the laws of Hong Kong and a non-wholly owned subsidiary of the Company |

| | |
|------------------|--|
| “SGM” | the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Master Agreement and the transactions contemplated thereunder |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Sydney Company” | Wanda One Sydney Pty Ltd, a company incorporated with limited liability under the laws of Australia and is a wholly-owned subsidiary of the Target Company |
| “Sydney HMA” | a Sydney hotel management agreement to be executed by the Sydney Company and a hotel management company designated by the Seller with respect to the hotel component of the Sydney Project |
| “Sydney Project” | the rights and interests in the real estate development project located at One Alfred Street, Circular Quay, Sydney Australia |
| “Target Company” | Wanda Australia Commercial Properties Pty Ltd., a company incorporated with limited liability under the laws of Australia and is a wholly-owned subsidiary of the Seller |
| “Target Group” | the Target Company, Gold Coast Company and Sydney Company |
| “Wanda HK” | Wanda Commercial Properties (Hong Kong) Co. Limited (萬達商業地產(香港)有限公司), a company incorporated in Hong Kong with limited liability |
| “%” | per cent |

For the purpose of this announcement and for illustration purpose only, the exchange rate between AU\$ and HK\$ is 1: 6.0925 and no representation is made that any amount in AU\$ or HK\$ could have been or could be converted at such rates or at any other rates.

By Order of the Board
Wanda Hotel Development Company Limited
Ding Benxi
Chairman

Hong Kong, 29 January 2018

As at the date of this announcement, Mr. Ding Benxi (Chairman), Mr. Zhang Lin and Mr. Hui Yung, Chris are the non-executive Directors; Mr. Ning Qifeng is the executive Director; and Mr. Liu Jipeng, Dr. Xue Yunkui and Mr. Zhang Huaqiao are the independent non-executive Directors.