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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)**

**ANNOUNCEMENT**  
**CONTINUING CONNECTED TRANSACTIONS**  
**RENEWAL OF FRAMEWORK AGREEMENTS AND**  
**RENEWAL OF ANNUAL CAPS UNDER THE HOTEL**  
**MANAGEMENT FRAMEWORK AGREEMENT**  
**AND THE CARPARK TENANCY AGREEMENT**

Reference is made to (i) the announcement of the Company dated 18 November 2021 in relation to, among others, the Property Leasing Framework Agreement entered into between the Company and DWCM Group, and the Hotel Management Framework Agreement (as amended by the Novation Agreement), the Hotel Design Framework Agreement and the Hotel Construction Management Framework Agreement entered into between the Company and Dalian Wanda Group; (ii) the announcement of the Company dated 30 June 2022 in relation to, among others, the Carpark Tenancy Agreement entered into between the Guilin Project Company (a subsidiary of the Company) as landlord and Guilin Wanda as tenant; (iii) the announcements of the Company dated 18 November 2021 and 1 August 2024 in relation to, among others, the Product Supply Framework Agreement entered into between the Company and Dalian Wanda Group; and (iv) the announcement of the Company dated 1 August 2024, among others, in relation to the Finance Services Sharing Agreement entered into between the Company and Dalian Wanda Group.

## **RENEWAL OF FRAMEWORK AGREEMENTS DUE TO EXPIRE ON 31 DECEMBER 2024**

Each of the abovementioned framework agreements (except for the Hotel Management Framework Agreement and the Carpark Tenancy Agreement) are due to expire on 31 December 2024. In order to continue the transactions contemplated under the said agreements, on 8 November 2024:–

- (i) the Company entered into the New Property Leasing Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group Companies may from time to time lease properties (including office, storage and parking space) in the PRC to the Group which at the same time may include Property Management Services for the leased properties;
- (ii) the Company entered into the New Hotel Design Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group Companies may from time to time engage the Group to provide Hotel Design Services for the hotel projects of Dalian Wanda Group;
- (iii) the Company entered into the New Hotel Construction Management Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group Companies may from time to time engage the Group to provide hotel construction management services for the hotel projects of Dalian Wanda Group;
- (iv) the Company entered into the New Product Supply Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group Companies have agreed to purchase, and the Group has agreed to supply, the Products according to the terms and conditions agreed therein; and
- (v) the Company entered into the New Finance Sharing and IT System Framework Agreement with Dalian Wanda Group, pursuant to which Dalian Wanda Group shall provide to the Group Finance Sharing Services and IT System Services to the Group in accordance with the terms agreed therein.

## **RENEWAL OF ANNUAL CAPS UNDER THE HOTEL MANAGEMENT FRAMEWORK AGREEMENT (AS AMENDED BY THE NOVATION AGREEMENT)**

On 13 November 2018, the Company and DWCM Group entered into the Hotel Management Framework Agreement, pursuant to which DWCM Group may from time to time engage the Group to provide hotel management services. On 18 November 2021, the Company entered into the Novation Agreement with DWCM Group and Dalian Wanda Group, pursuant to which (i) DWCM Group agreed to novate, and Dalian Wanda Group agreed to assume, all of DWCM Group's rights and obligations in and under the Hotel Management Framework Agreement from 1 January 2022 to 31 December 2038; and (ii) the Company agreed to such change under the Hotel Management Framework Agreement. Further details of the Hotel Management Framework Agreement were set out in the announcement of the Company dated 18 November 2021 and the circular of the Company dated 9 December 2021.

The Hotel Management Framework Agreement will expire on 31 December 2038 and the annual caps in respect of the transactions contemplated under the Hotel Management Framework Agreement will expire on 31 December 2024. As the Company intends to continue the transactions under the Hotel Management Framework Agreement, on 8 November 2024, the Board resolved to propose to renew the annual caps for the transactions contemplated under the Hotel Management Framework Agreement for the three years ending 31 December 2027.

## **RENEWAL OF ANNUAL CAP UNDER CARPARK TENANCY AGREEMENT**

The Carpark Tenancy Agreement will expire on 30 June 2025 and the annual caps in respect of the transactions contemplated under the Carpark Tenancy Agreement will expire on 31 December 2024. As the Group intends to continue the transactions under the Carpark Tenancy Agreement, on 8 November 2024, the Board resolved to propose to renew the annual cap for the transactions contemplated under the Carpark Tenancy Agreement for the six months ending 30 June 2025.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, DWCM Group is an indirect holding company of the Company. DWCM Group is in turn controlled by Dalian Wanda Group which is in turn controlled by Mr. Wang Jianlin. DWCM Group and Dalian Wanda Group as controlling shareholders of the Company are connected persons of the Company under the Listing Rules. Since Guilin Wanda is a wholly-owned subsidiary of Zhuhai Wanda, and Zhuhai Wanda is an associate (as defined under Chapter 14A of the Listing Rules) of DWCM Group, Guilin Wanda is also a connected person of the Company under the Listing Rules. Accordingly, each of the New Framework Agreements, the Hotel Management Framework Agreement, the Carpark Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in relation to the proposed annual caps of the transactions contemplated under the Hotel Management Framework Agreement (taking into account the renewal of annual caps) is expected to exceed 5%, the transactions contemplated under the Hotel Management Framework Agreement (taking into account the renewal of annual caps) shall be subject to the reporting, announcement, annual review, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in relation to the proposed annual caps of the transactions contemplated under the New Framework Agreements exceed 0.1% but none of them exceeds 5%, the New Framework Agreements and the transactions contemplated thereunder shall be subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Carpark Tenancy Agreement and the Existing Tenancy Agreements shall be aggregated. As the highest applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in respect of the annual cap of the Carpark Tenancy Agreement (on its own and when aggregated with the annual caps of the Existing Tenancy Agreements) is expected to exceed 0.1% but will be below 5%, the transactions contemplated under the Carpark Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **GENERAL**

The SGM will be convened for the independent Shareholders to consider and, if thought fit, to approve, among others, the renewal of annual caps under the Hotel Management Framework Agreement. Dalian Wanda Group Companies and their respective associates shall abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the transactions contemplated under the Hotel Management Framework Agreement (as amended by the Novation Agreement). Wanda Overseas, being an associate of Dalian Wanda Group, is interested in 3,055,043,100 Shares representing approximately 65.04% of the issued share capital of the Company as at the date of this announcement, and will abstain from voting on such resolution(s). A circular containing, among other things, (i) details of the renewal of annual caps under the Hotel Management Framework Agreement; (ii) the advice and recommendation of the Independent Board Committee; (iii) the advice and recommendation of the Independent Financial Adviser; and (iv) a notice convening the SGM and a proxy form, will be despatched to the Shareholders within 15 business days after the publication of this announcement.

## **INTRODUCTION**

Reference is made to (i) the announcement of the Company dated 18 November 2021 in relation to, among others, the Property Leasing Framework Agreement entered into between the Company and DWCM Group, and the Hotel Management Framework Agreement (as amended by the Novation Agreement), the Hotel Design Framework Agreement and the Hotel Construction Management Framework Agreement entered into between the Company and Dalian Wanda Group; (ii) the announcement of the Company dated 30 June 2022 in relation to, among others, the Carpark Tenancy Agreement entered into between the Guilin Project Company (a subsidiary of the Company) as landlord and Guilin Wanda as tenant; (iii) the announcements of the Company dated 18 November 2021 and 1 August 2024, in relation to, among others, the Product Supply Framework Agreement entered into between the Company and Dalian Wanda Group; and (iv) the announcement of the Company dated 1 August 2024, among others, in relation to the Finance Services Sharing Agreement entered into between the Company and Dalian Wanda Group.

## **RENEWAL OF FRAMEWORK AGREEMENTS DUE TO EXPIRE ON 31 DECEMBER 2024**

Each of the abovementioned framework agreements (except for the Hotel Management Framework Agreement and the Carpark Tenancy Agreement) are due to expire on 31 December 2024. Details of each of the respective New Framework Agreements are as follow:

### **New Property Leasing Framework Agreement**

A summary of the principal terms of the New Property Leasing Framework Agreement is set out as follows:

Date:	8 November 2024
Parties:	(i) Dalian Wanda Group (as lessor)  (ii) The Company (as lessee)
Term:	From 1 January 2025 to 31 December 2027 (both days inclusive)
Subject matter:	<p>Pursuant to the New Property Leasing Framework Agreement, Dalian Wanda Group Companies may from time to time (i) lease property (including office, storage and parking space) in the PRC to the Group for its daily operation needs and (ii) provide property management services for the leased properties (the “<b>Property Management Services</b>”).</p> <p>Property Management Services to be provided by the Dalian Wanda Group Companies will be specific to the leased property, and may include but are not limited to the repair, management and maintenance of shared and public facilities (such as common green areas, flowerbeds, trees, etc.), traffic and parking management and staff benefits and management at the leased property.</p>

Members of the Group and Dalian Wanda Group Companies shall enter into separate agreements (“**Individual Lease Agreement(s)**”) in relation to the leasing of property by Dalian Wanda Group Companies to the Group (depending on the particular property being leased) and separate agreements (“**Individual Service Agreement(s)**”) in relation to the Property Management Services provided by Dalian Wanda Group Companies in respect of the property being leased, each of which shall be subject to the terms and conditions under the New Property Leasing Framework Agreement and the annual caps thereunder. The duration of each Individual Lease Agreement and Individual Service Agreement shall not exceed the term of the New Property Leasing Framework Agreement and the terms of the Individual Lease Agreements shall be made on normal commercial terms.

Rent and fees:

The rent payable for each lease shall be determined by the parties after arm’s length negotiations based on normal commercial principles with reference to the market price and other commercial considerations, such as floor area, location and type of property. In particular, the rent shall not exceed the amount of rent payable by or to be charged by an independent third party in respect of similar leased properties.

In order to ensure that the terms of the Individual Lease Agreements are and will be made on normal commercial terms, the actual rent for each Individual Lease Agreement shall not, from the Group’s perspective, be less favourable than the rent charged and terms for equivalent or similar leased properties provided by independent third parties to the Group.

The fees or consideration payable for each Individual Service Agreement shall be determined based on normal commercial principles and shall be fair and reasonable and determined with reference to the floor area, the type of property involved, the type of services to be provided and the prevailing market prices by taking into account the quotations obtained by Dalian Wanda Group Companies from at least two independent third parties for the provision of equivalent or similar services.

The Company will, prior to the signing of each of the Individual Lease Agreements and Individual Service Agreements, designate members of the management in its finance and compliance team to review each of such agreements by comparing their terms against the terms for equivalent or similar leased properties and management services provided by independent third parties. Once the designated members determine, after arm's length negotiations, that the terms of the Individual Lease Agreements and Individual Service Agreements are on normal commercial terms or better, the agreements will be approved by such designated members for signing. If there are no comparable leased properties in the vicinity or if for any reason both parties cannot compare the price of the property to be leased with the market, parties must treat each other as an independent third party with the terms of the agreements to be determined on a fair and reasonable basis.

Historical figures and annual caps:

The annual caps under the Property Leasing Framework Agreement for the three years ended 31 December 2024 are set out below:

	<b>Year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	22,372	22,372	22,372



The actual transaction amounts under the Property Leasing Framework Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Nine months ended 30 September 2024 (RMB'000)</b>
Actual transaction amounts	16,086	14,461	12,494

Annual caps:

The annual caps of the maximum aggregate amounts payable by the Group to Dalian Wanda Group Companies for each of the three years ending 31 December 2027 under the New Property Leasing Framework Agreement are set out below:

	<b>Year ending 31 December</b>		
	<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
Annual caps	10,900	11,375	11,872

The annual caps in respect of the transactions contemplated under the New Property Leasing Framework Agreement are arrived at after taking into consideration of, *inter alia*, (i) the existing property leasing agreements entered into between the Group and Dalian Wanda Group Companies, (ii) the Company's anticipated demand for new leasing arrangements (including Property Management Services) during the term of the New Property Leasing Framework Agreement to meet its daily operations needs, and (iii) the expected rent pricing conditions in the PRC property leasing market for office, storage and parking space.

## **New Hotel Design Framework Agreement**

A summary of the principal terms of the New Hotel Design Framework Agreement is set out as follows:

Date: 8 November 2024

Parties: (i) Dalian Wanda Group  
(ii) The Company

Term: From 1 January 2025 to 31 December 2027

Services: Pursuant to the New Hotel Design Framework Agreement, Dalian Wanda Group Companies may from time to time engage the Group to provide hotel design consulting services (the “**Hotel Design Services**”) which may include, but not limited to, the below services for Dalian Wanda Group’s hotel projects:

- (i) interior, furniture, fixtures and equipment design and consulting services;
- (ii) back-of-house area design review services;
- (iii) outdoor direction signage and indoor lighting design consulting services; and
- (iv) kitchen and launderette area design services.

Dalian Wanda Group Companies and the Group shall enter into separate agreements (the “**Individual Hotel Design Agreement(s)**”) in relation to the provision of Hotel Design Services for relevant projects, which shall be subject to the terms and conditions under the New Hotel Design Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Design Agreement shall not exceed the term of the New Hotel Design Framework Agreement and the terms of the Individual Hotel Design Agreements shall be made on normal commercial terms.

Service fees and  
pricing policy:

The service fees payable by Dalian Wanda Group Companies to the Group for the Hotel Design Services under each Individual Hotel Design Agreement shall be fair and reasonable and shall be determined with reference to the prevailing market prices by taking into account the quotations obtained by Dalian Wanda Group from at least two independent third party suppliers for the provision of equivalent or similar services in their ordinary course of business and which shall not, from the Group’s perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading.

In order to ensure that the terms of the Individual Hotel Design Agreements signed on or after the date of the New Hotel Design Framework Agreement are and will be made on normal commercial terms, the Group has established a review mechanism to monitor the prevailing service fees and contractual terms for equivalent or similar services in the market and approve in advance the terms of each Individual Hotel Design Agreement signed on or after the date of the New Hotel Design Framework Agreement to ensure that its actual service fees rates and contractual terms shall not, from the Group's perspective, be less favourable than the rates charged and the terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading. Under the review mechanism, the Company will, prior to the signing of each of the Individual Hotel Design Agreement, designate members of the management in its finance and compliance team to review each of such agreements by comparing their terms against the terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading. Once the designated members determine, after arm's length negotiations, that the terms of the Individual Hotel Design Agreement are on normal commercial terms or better, the Individual Hotel Design Agreement will be approved by such designated members for signing. The review mechanism is intended to ensure that the terms of each Individual Hotel Design Agreement will be entered into after arm's length negotiations based on normal commercial terms.

If in the future the Group is of the view that the service fees and contractual terms fixed under the New Hotel Design Framework Agreement are, from the Group's perspective, less favourable than that provided by the Group to independent third parties at the time, the Group will use its best endeavours to negotiate revised service fees and contractual terms with Dalian Wanda Group under the New Hotel Design Framework Agreement to ensure that each new Individual Hotel Design Agreement to be entered into at the time will be no less favourable than the rates charged and the terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading during the same period. If the rates charged and the terms for equivalent or similar services provided by the Group to Dalian Wanda Group Companies become less favourable than that provided by the Group to independent third parties, signifying a deviation from the terms of the New Hotel Design Framework Agreement, the Company will re-comply with the Listing Rules requirements if applicable.

Historical figures and annual caps:

The annual caps under the Hotel Design Framework Agreement for the three years ended 31 December 2024 are set out below:

	<b>Year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	59,766	17,764	4,065

The actual transaction amounts under the Hotel Design Framework Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Nine months ended 30 September 2024 (RMB'000)</b>
Actual transaction amounts	23,964	17,577	3,938

Annual caps:

The annual caps of the maximum aggregate amounts payable by Dalian Wanda Group for each of the three years ending 31 December 2027 for the provision of Hotel Design Services by the Group are set out below:

	<b>Year ending 31 December</b>		
	<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
Annual caps	7,889	7,889	9,078

The annual caps in respect of the transactions contemplated under the New Hotel Design Framework Agreement are arrived at after taking into consideration of, among others, (i) the anticipated demand for Hotel Design Services by Dalian Wanda Group Companies based on the current development plan of the existing property projects of Dalian Wanda Group Companies, taking into account a sluggish property market which led to a lower demand in 2024 and which is expected to recover in or around 2025; (ii) the prevailing market prices for the relevant design services; and (iii) a buffer of 20% taking into account, among others, (a) the inflation expected during the term of the New Hotel Design Framework Agreement; (b) the potential additional demand for Hotel Design Services by Dalian Wanda Group Companies during the term of the New Hotel Design Framework Agreement; and (c) the possibility of early or delay in revenue recognition due to the progress of Hotel Design Services during the term of the New Hotel Design Framework Agreement.

### **New Hotel Construction Management Framework Agreement**

A summary of the principal terms of the New Hotel Construction Management Framework Agreement is set out as follows:

Date:	8 November 2024
Parties:	(i) Dalian Wanda Group (ii) The Company
Term:	From 1 January 2025 to 31 December 2027
Services:	Pursuant to the New Hotel Construction Management Framework Agreement, Dalian Wanda Group Companies may from time to time engage the Group to provide hotel construction management services. For the avoidance of doubt, such services do not include project design, construction and supervision work, in respect of which Dalian Wanda Group should hire relevant professional advisory body(ies) and be responsible for such expenses.

Dalian Wanda Group Companies and the Group shall enter into separate agreements (the “**Individual Hotel Construction Management Agreement(s)**”) in relation to the provision of hotel construction management services for relevant projects, which shall be subject to the terms and conditions under the New Hotel Construction Management Framework Agreement and the annual caps thereunder. The duration of each Individual Hotel Construction Management Agreement shall not exceed the term of the New Hotel Construction Management Framework Agreement and the terms of the Individual Hotel Construction Management Agreements shall be made on normal commercial terms.

Service fees and  
pricing policy:

The service fees payable by Dalian Wanda Group to the Group for the hotel construction management services for each hotel shall be fair and reasonable and the consultation and hotel construction management service fees for each project shall be charged according to the project area and such fee shall not exceed RMB136 per square meter. The ceiling of the unit price of RMB136 per square meter is higher than the current unit price charged by the Group to independent third parties for equivalent or similar services, and was determined after taking into account historical unit price charged by the Group to Dalian Wanda Group and possible inflation during the term of the New Hotel Construction Management Framework Agreement. The service fees for each project shall be determined after arm’s length negotiation based on normal commercial terms with reference to the prevailing market prices by taking into account the fee charged by the Group to independent third parties for equivalent or similar services. The fee charged by the Company shall not, from the Group’s perspectives, be less favorable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading.



In order to ensure that the terms of the Individual Hotel Construction Management Agreements shall be made on normal commercial terms or better, the actual service fees rates for each Individual Hotel Construction Management Agreement shall be determined with reference to the prices and terms provided by the Group to independent third parties for similar services in hotels of equivalent or similar grading. In order to ensure that the terms of the Individual Hotel Construction Management Agreements signed on or after the date of the New Hotel Construction Management Framework Agreement are and will be made on normal commercial terms, the Group has established a review mechanism to monitor the prevailing service fees and contractual terms for equivalent or similar services in the market and approve in advance the terms of each Individual Hotel Construction Management Agreement signed on or after the date of the New Hotel Construction Management Framework Agreement to ensure that its actual service fees rates and contractual terms shall not, from the Group's perspective, be less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading.

Under the aforementioned review mechanism, the Company will, prior to the signing of each of the Individual Hotel Construction Management Agreements, designate members of the management in its finance and compliance team to review each of such agreements by comparing their terms against the terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading. Once the designated members determine, after arm's length negotiations, that the terms of the Individual Hotel Construction Management Agreement are on normal commercial terms or better, the agreement will be approved by such designated members for signing. The review mechanism is intended to ensure that the terms of each Individual Hotel Construction Management Agreement will be entered into after arm's length negotiations based on normal commercial terms.

If in the future the Group is of the view that the service fees and contractual terms fixed under the New Hotel Construction Management Framework Agreement are, from the Group's perspective, less favourable than that provided by the Group to independent third parties at the time, the Group will use its best endeavours to negotiate revised service fees and contractual terms with Dalian Wanda Group under the New Hotel Construction Management Framework Agreement to ensure that each new Individual Hotel Construction Management Agreement to be entered into at the time will be no less favourable than the rates charged and terms for equivalent or similar services provided by the Group to independent third parties in hotels of equivalent or similar grading during the same period. If the rates charged and the terms for equivalent or similar services provided by the Group to Dalian Wanda Group Companies becomes less favourable than that provided by the Group to independent third parties, signifying a deviation from the terms of the New Hotel Construction Management Framework Agreement, the Company will re-comply with the Listing Rules requirements if applicable.

Historical figures and annual caps:

The annual caps under the Hotel Construction Management Framework Agreement for the three years ended 31 December 2024 are set out below:

	<b>Year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	26,101	14,239	2,431

The actual transaction amounts under the Hotel Construction Management Framework Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Nine months ended 30 September 2024 (RMB'000)</b>
Actual transaction amounts	1,058	5,875	–

Annual caps:

The annual caps of the maximum aggregate amounts payable by Dalian Wanda Group for each of the three years ending 31 December 2027 for the provision of hotel construction management services by the Group are set out below:

	<b>Year ending 31 December</b>		
	<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
Annual caps	5,182	7,587	8,651

The annual caps in respect of the transactions contemplated under the New Hotel Construction Management Framework Agreement are arrived at after taking into consideration of, among others, (i) the anticipated demand for hotel construction management services by Dalian Wanda Group Companies based on the current development plan of the existing hotel projects of Dalian Wanda Group Companies, after taking into account the sluggish property market in the PRC which led to a slowdown in the work progress for construction management services, contributing to the suspension of projects under the Hotel Construction Management Framework Agreement in the year of 2024 but it is expected that the property market in the PRC will grow and recover starting from the year of 2025; (ii) the prevailing market prices for the relevant hotel construction management services; and (iii) a buffer of 20% taking into account, among others, (a) the inflation expected during the term of the New Hotel Construction Management Framework Agreement; (b) the potential additional demand for hotel construction consulting services by Dalian Wanda Group Companies during the term of the New Hotel Construction Management Framework Agreement; and (c) the possibility of early or delay in revenue recognition due to the progress of hotel project construction consulting services during the term of the New Hotel Construction Management Framework Agreement.

### **New Product Supply Framework Agreement**

A summary of the principal terms of the New Product Supply Framework Agreement is set out as follows:

Date: 8 November 2024

Parties: (i) Dalian Wanda Group  
(ii) The Company

Term: From 1 January 2025 to 31 December 2027

Subject matter:

Dalian Wanda Group Companies agreed to purchase, and the Group agreed to supply the Products according to the terms and conditions agreed therein.

Dalian Wanda Group Companies shall place specific orders (“**Individual Specific Order(s)**”) for each purchase through a merchandising platform available to the hotels that is managed by the Group, which shall stipulate, among others, the product types, quantity and delivery details and be subject to the terms and conditions under the New Product Supply Framework Agreement and the annual caps thereunder. The duration of each Individual Specific Order shall not exceed the term of the New Product Supply Framework Agreement and the terms of the Individual Specific Orders shall be made on normal commercial terms.

Purchase prices and pricing policy:

The purchase prices payable by Dalian Wanda Group to the Group for the Products for each purchase shall be determined with reference to the purchase prices for equivalent or similar products offered by the Group to other independent third parties.

In order to ensure that the terms of the Individual Specific Orders shall be made on normal commercial terms or better (from the perspective of the Group), the actual prices for each Individual Specific Order shall be determined with reference to the prices and terms provided by the Group to independent third parties for equivalent or similar products on rates and/or terms not less favourable from the Group’s perspective than the rates charged and/or terms for equivalent or similar products sold to independent third parties.

Upon the New Product Supply Framework Agreement taking effect, the internal compliance review department of the Company will regularly review any Individual Specific Order against equivalent or similar product supply agreement entered into between the Group and independent third parties to ensure that all Products sold under the Individual Specific Orders to Dalian Wanda Group Companies by the Group are sold on rates charged and/or terms not less favourable from the Group's perspective than the rates charged and/or terms for equivalent or similar products sold to independent third parties. Such review will be performed annually by the independent non-executive Directors of the Company. If the Company is of the view that the rates charged and/or terms for the Products sold to Dalian Wanda Group Companies are less favourable from the Group's perspective than the rates charged and terms for equivalent or similar products sold by the Group to independent third parties, Dalian Wanda Group Companies and the Group agree to use their best endeavour to adjust the rates and/or terms to ensure that the terms of the transactions are fair and reasonable.

Historical figures and annual caps:

The annual caps under the Product Supply Framework Agreement for the three years ended 31 December 2024 are set out below:

	<b>Year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	22,973	22,973	42,000

The actual transaction amounts under the Product Supply Framework Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Nine months ended 30 September 2024 (RMB'000)</b>
Actual transaction amounts	22,333	22,526	25,700

Annual caps:

The annual caps of the maximum aggregate amounts payable by Dalian Wanda Group for each of the three years ending 31 December 2027 for the purchases of the Products from the Group are set out below:

	<b>Year ending 31 December</b>		
	<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
Annual caps	44,412	44,823	44,823

The annual caps in respect of the transactions under the New Product Supply Framework Agreement is arrived at after taking into consideration of, among others, (i) the anticipated amount of purchases of the Products from the Group by Dalian Wanda Group Companies with reference to the expected market demand for relevant products; and (ii) the anticipated prices for the Products, for each of the three years ending 31 December 2027.

## **New Finance Sharing and IT System Framework Agreement**

A summary of the principal terms of the New Finance Sharing and IT System Framework Agreement is set out as follows:

Date: 8 November 2024

Parties: (i) Dalian Wanda Group

(ii) The Company

Term: From 1 January 2025 to 31 December 2027

Services: Pursuant to the New Finance Sharing and IT System Framework Agreement, Dalian Wanda Group shall provide to the Group finance services and IT system services including the provision of intra-group transfer and settlement services, assistance in the receipt and payment of transaction proceeds, general ledger and other finance and office administration function (“**Finance Sharing Services**”), and the provision of IT infrastructure services, general business system services and related management services (“**IT System Services**”) in accordance with the terms of the New Finance Sharing and IT System Framework Agreement.

Dalian Wanda Group Companies and the Group shall enter into separate agreements (the “**Individual Finance Sharing and IT System Agreement(s)**”) which set out the terms and conditions of the relevant transactions under the New Finance Sharing and IT System Framework Agreement.

Service fee and pricing policy: The service fees payable by the Group shall be the actual cost of the Finance Sharing Services and IT System Services plus a mark-up of the prevailing value-added tax for the provision of such services.



In relation to the Finance Sharing Services, the service fees shall be prepaid by the Group half-yearly in advance. The Group's prepayment amount will be based on the estimated cost of the finance service which will in turn be based on the estimated volume of business transactions of the Group. The difference between the actual cost incurred and the estimated cost prepaid will be reviewed annually. In case the estimated cost prepaid is higher than the actual cost incurred, the difference will be refunded to the Group.

In relation to the IT System Services, 50% of the service fee shall be payable by the Group within 10 working days after the contract becomes effective, and the remaining 50% of the service fee shall be payable half-year after the contract becomes effective and upon receipt of the invoice for value-added tax. The service fee will be based on the actual cost of the IT system services charged by third party service providers and the actual administrative cost incurred by the Dalian Wanda Group.

Historical figures and  
annual caps:

The annual cap under the Finance Services Sharing Agreement for the year ending 31 December 2024 is RMB3,800,000.

The actual transaction amounts under the Finance Services Sharing Agreement for the nine months ended 30 September 2024 (unaudited) is RMB2,070,288.

Annual caps:

The annual caps of the maximum aggregate amounts payable by the Group to Dalian Wanda Group Companies for the provision of Finance Sharing Service and IT System Services for each of the three years ending 31 December 2027 are set out below:

	<b>Year ending 31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	12,907	15,648	15,724

In addition to the Finance Sharing Service provided under the Finance Services Sharing Agreement for the year ending 31 December 2024, the New Finance Sharing and IT System Framework Agreement also covers IT System Services, resulting in the substantial increase in annual caps for each of the three years ending 31 December 2027.

The annual caps in respect of the transactions contemplated under the New Finance Sharing and IT System Framework Agreement are arrived at after taking into consideration of, among others: (i) the estimated cost and the prevailing applicable value-added tax of 6% for the provision of Finance Sharing Service and IT System Services by Dalian Wanda Group Companies; (ii) the historical actual transaction amounts incurred for similar services under the Finance Services Sharing Agreement; (iii) the anticipated increase in demand for Finance Sharing Service during the term of the New Finance Sharing and IT System Framework Agreement due to the Group's increasing volume of business transactions and the addition of provision of IT System Services which were not previously provided; and (iv) a buffer of 20% to account for any potential additional demand for Finance Sharing Service and IT System Services from the Group.

## **RENEWAL OF ANNUAL CAPS UNDER THE HOTEL MANAGEMENT FRAMEWORK AGREEMENT**

On 13 November 2018, the Company and DWCM Group entered into the Hotel Management Framework Agreement, pursuant to which DWCM Group may from time to time engage the Group to provide hotel management services. On 18 November 2021, the Company entered into the Novation Agreement with DWCM Group and Dalian Wanda Group, pursuant to which (i) DWCM Group agreed to novate, and Dalian Wanda Group agreed to assume, all of DWCM Group's rights and obligations in and under the Hotel Management Framework Agreement from 1 January 2022 to 31 December 2038; and (ii) the Company agreed to such change under the Hotel Management Framework Agreement.

Further details of the Hotel Management Framework Agreement were set out in the announcement of the Company dated 18 November 2021 and the circular of the Company dated 9 December 2021.

The Hotel Management Framework Agreement will expire on 31 December 2038 and the annual caps in respect of the transactions contemplated under the Hotel Management Framework Agreement will expire on 31 December 2024. As the Company intends to continue the transactions under the Hotel Management Framework Agreement, on 8 November 2024, the Board resolved to propose to renew the annual caps for the transactions contemplated under the Hotel Management Framework Agreement for the three years ending 31 December 2027. The Company will comply with the reporting, announcement, circular and independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules in respect of the continuing connected transactions contemplated under the Hotel Management Framework Agreement for the three years ending 31 December 2027.

All terms and conditions under the Hotel Management Framework Agreement remain unchanged. The major terms of the Hotel Management Framework Agreement (as amended by the Novation Agreement) are set out in the section headed "Hotel Management Framework Agreement" in the circular of the Company dated 9 December 2021.

## Historical figures under the Hotel Management Framework Agreement

The annual caps under the Hotel Management Framework Agreement for the three years ended 31 December 2024 are set out below:

	Year ended 31 December		
	2022	2023	2024
	(RMB'000)	(RMB'000)	(RMB'000)
Annual caps	67,624	75,923	75,676

The actual transaction amounts under the Hotel Management Framework Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	Year ended	Year ended	Nine months
	31 December	31 December	ended
	2022	2023	30 September
	(RMB'000)	(RMB'000)	(RMB'000)
Actual transaction amounts	47,050	74,099	43,118

## Renewal of annual caps under the Hotel Management Framework Agreement

The Directors expect the maximum amounts payable by Dalian Wanda Group Companies for each of the three years ending 31 December 2027 for the hotel management services provided by the Group will not exceed the following amounts:

	Year ending 31 December		
	2025	2026	2027
	(RMB'000)	(RMB'000)	(RMB'000)
Annual caps	78,644	80,440	80,973

The annual caps in respect of the transactions under the Hotel Management Framework Agreement are arrived at after taking into consideration of, *inter alia*, (i) anticipated demand for hotel management services provided by the Group based on the current development plan of the existing property projects of the Group and on the assumption that the Group will continue to hold the existing property projects; (ii) the prevailing market prices for the relevant hotel management services; (iii) the expected occupancy of the hotels of the Group's existing property projects, and taking into account expected gross domestic product (“GDP”) growth of the PRC during the three years ending 31 December 2027; and (iv) possible reasonable buffer to allow for increase in the room rate and the occupancy rate of the hotels.

## **RENEWAL OF ANNUAL CAPS UNDER THE CARPARK TENANCY AGREEMENT**

Reference is made to the announcement of the Company dated 30 June 2022 in relation to, among others, the Carpark Tenancy Agreement entered into between Guilin Project Company (a subsidiary of the Company) as landlord and Guilin Wanda as tenant for the Carpark Premises of Guilin Gaoxin Plaza in Guilin City, the PRC.

The Carpark Tenancy Agreement will expire on 30 June 2025 and the annual caps in respect of the transactions contemplated under the Carpark Tenancy Agreement will expire on 31 December 2024. As the Group intends to continue the transactions under the Carpark Tenancy Agreement, on 8 November 2024, the Board resolved to propose to renew the annual cap for the transactions contemplated under the Carpark Tenancy Agreement for the six months ending 30 June 2025.

All terms and conditions under the Carpark Tenancy Agreement remain unchanged. The major terms of the Carpark Tenancy Agreement are set out in the section headed “New Carpark Tenancy Agreement” in the announcement of the Company dated 30 June 2022.

## Historical figures under the Carpark Tenancy Agreement

The annual caps under the Carpark Tenancy Agreement for the three years ended 31 December 2024 are set out below:

	<b>Year ended 31 December</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual caps	4,667	5,544	5,544

The actual transaction amounts under the Carpark Tenancy Agreement for the two years ended 31 December 2023 (audited) and the nine months ended 30 September 2024 (unaudited) are set out below:

	<b>Year ended</b>	<b>Year ended</b>	<b>Nine</b>
	<b>31 December</b>	<b>31 December</b>	<b>months</b>
	<b>2022</b>	<b>2023</b>	<b>ended 30</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Actual transaction amounts	2,713	3,251	2,335

## Renewal of annual caps under the Carpark Tenancy Agreement

The Directors expect that the maximum amounts payable by Guilin Wanda pursuant to the Carpark Tenancy Agreement for the six months ending 30 June 2025 for the lease of the Carpark Premises will not exceed the following amount:

	<b>Six months ending 30 June 2025</b>
	<i>(RMB'000)</i>
Annual caps	4,320

**Annual caps (as aggregated with the Existing Tenancy Agreements):**

It is estimated that the total amounts payable by each of Guilin Wanda Kids and Guilin Wanda to Guilin Project Company under the Carpark Tenancy Agreement and each of the Existing Tenancy Agreements, respectively, will not exceed the annual caps set out below:

<b>Year ending 31 December</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>		
<b>Kidsland Tenancy Agreement</b> <i>(RMB'000)</i>	1,668	1,718	1,769	1,822	1,877		
<b>Kidsplace Tenancy Agreement</b> <i>(RMB'000)</i>	97	102	107	112	58		
<b>Carpark Tenancy Agreement</b> <i>(RMB'000)</i>	<u>5,544</u>	<u>4,320</u>	<u>–</u>	<u>–</u>	<u>–</u>		
<b>Aggregate Annual Caps (RMB'000)</b>	<u><u>7,309</u></u>	<u><u>6,140</u></u>	<u><u>1,876</u></u>	<u><u>1,934</u></u>	<u><u>1,935</u></u>		
<b>Year ending 31 December (Note 1)</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>
<b>Kidsland Tenancy Agreement</b> <i>(RMB'000)</i>	<u>1,933</u>	<u>1,991</u>	<u>2,051</u>	<u>2,112</u>	<u>2,176</u>	<u>2,241</u>	<u>1,595</u>

*Note 1:* The Carpark Tenancy Agreement and the Kidsplace Tenancy Agreement will end on 30 June 2025 and 30 June 2028, respectively. As such, for simplicity of illustration, they have been omitted from the compilation of the aggregate annual caps above for the year ending 31 December 2029 onwards.

*Note 2:* The annual caps for the tenancy agreement entered into between Guilin Project Company (as landlord) and Wanda Cinema (as tenant) on 8 September 2015 for the cinema premises is no longer aggregated as Wanda Cinema is no longer a joint-stock company and an indirect non-wholly owned subsidiary of Dalian Wanda Group since 1 January 2024. Accordingly, Wanda Cinema is no longer a connected person of the Company and the transactions contemplated under the said tenancy agreement is no longer a connected transaction pursuant to Chapter 14A of the Listing Rules.

The annual caps for the transactions contemplated under the Carpark Tenancy Agreement are arrived at after taking into consideration (i) historical transaction amounts; (ii) revenue generated from comparable carpark in neighbouring cities/areas of the Carpark Premises; (iii) estimated occupancy rate of the carpark at the Carpark Premises based on the location of the carpark and its surrounding facilities and attractions; (iv) the current market price for parking in comparable areas in neighbouring cities/areas of the Carpark Premises; and (v) a 20% margin of buffer to accommodate any unexpected fluctuation in respect of the carpark business.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

Entering into the New Framework Agreements and the renewal of annual caps under the Hotel Management Framework Agreement are consistent with the Company's business strategy to capitalise on the Group's hotel management expertise, improve its business operations and maximize return to its Shareholders, which should expand the Company's source of revenue and improve the Company's profitability and are in line with the Group's plan to adopt an asset-light business model and the strategic goal of achieving long-term development of the Group and sustainable growth of the Shareholders' value in the long run.

The Company is of the view that the New Property Leasing Framework Agreement, the New Hotel Design Framework Agreement, the New Hotel Construction Management Framework Agreement and the renewal of annual caps under the Hotel Management Framework Agreement could provide an effective framework to regulate the provision and receipt of services between the Company and Dalian Wanda Group. The Company also believes that by maintaining the existing relationship between the Company and Dalian Wanda Group, the Company could further its development into a global leading comprehensive hotel design and management services provider.

In respect of the New Product Supply Framework Agreement, the supply of the Products to Dalian Wanda Group enables the Company to have an assured and stable outlet for its products and acquire a better understanding of end-customers, which in turn should enhance its capabilities to attract and retain customers by maximizing cross-selling opportunities and sharing of business resources, and optimize the Group's manufacturing processes to predict and control costs.



The entering into of the New Finance Sharing and IT System Framework Agreement will enable the Group to continue to improve and streamline its business operations. It is expected that Dalian Wanda Group will be able to leverage the familiarity with the Group's business requirements and to provide reliable and timely services for the Group's business operations. By entering into the New Finance Sharing and IT System Framework Agreement, the Group will benefit from a clear delineation of service capabilities in respect of the shared finance services and IT system services with enhanced service effectiveness, which will in turn optimize the Group's contract management and internal control system. Further, the entering into of the New Finance Sharing and IT System Framework Agreement will allow the Company to continue to leverage on the mature infrastructure and coverage already built by Dalian Wanda Group and promote better cooperation between Dalian Wanda Group and the Group, thereby reducing the transaction costs to achieve more profits and competitive advantages.

For the Carpark Tenancy Agreement, considering Guilin Wanda's experience in the management and operation of carpark businesses in the PRC, leasing the entire carpark of Guilin Gaoxin Plaza to Guilin Wanda to manage and operate the Carpark Premises will allow the Group to have a clearer delineation of service capabilities. Given the Group has been transitioning to focus on hotel management related services, the renewal of annual caps under the Carpark Tenancy Agreement will enable the Group to continue to focus its resources on its core businesses of hotel operation and management, and hotel design and construction management services.

The Directors (excluding the independent non-executive Directors in respect of the renewal of annual caps under the Hotel Management Framework Agreement whose views will be set out, after receiving the advice from the Independent Financial Adviser, in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) consider that the terms of (i) the New Framework Agreements and the continuing connected transactions contemplated thereunder (including the annual caps); (ii) the transactions contemplated under the Hotel Management Framework Agreement (taking into account the renewal of annual caps) (including the annual caps); and (iii) the transactions contemplated under the Carpark Tenancy Agreement (taking into account the renewal of annual caps) (including the annual caps) are entered into in the ordinary and usual course of business of the Company, were negotiated on an arm's length basis and are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

None of the Directors have any material interest in the transactions contemplated under the New Framework Agreements, the Hotel Management Framework Agreement and the Carpark Tenancy Agreement, and none of them were required to abstain from voting on the resolutions in relation to the transactions pursuant to the bye-laws of the Company.

## **INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS**

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has adopted certain measures in monitoring the transactions under the New Framework Agreements, the Hotel Management Framework Agreement and the Carpark Tenancy Agreement (taking into account the renewal of annual caps referred to above) including the following, for so long as the transactions constitute continuing connected transactions of the Company:

- (i) the internal audit department of the Company is responsible for the review of any Individual Lease Agreement, Individual Service Agreement, Individual Hotel Design Agreement, Individual Hotel Construction Management Agreement, Individual Specific Order, Individual Finance Sharing and IT System Agreement and separate agreements entered into in relation to the provision of hotel management services under the Hotel Management Framework Agreement (collectively “**Individual Agreements**”) on a regular basis to ensure that the terms thereunder are made in accordance with the terms and conditions (including the pricing policies) of the respective New Framework Agreements and the Hotel Management Framework Agreement;
- (ii) the Company has designated certain members of the management to closely monitor subsisting and potential connected transactions of the Group on a regular basis and will review the transactions under the New Framework Agreements, the Hotel Management Framework Agreement and the Carpark Tenancy Agreement with Dalian Wanda Group and/or their respective subsidiaries to identify any continuing connected transaction that may be at risk of exceeding the annual caps so as to ensure that relevant Listing Rules requirements have been re-complied before any annual cap is being exceeded; and

- (iii) the Company will report any Individual Agreements to the independent non-executive Directors for their review annually to ensure that all services provided and/or products sold under the respective Individual Agreements are on rates charged and/or terms not less favourable from the Group's perspective than the rates charged and/or terms for equivalent or similar services provided and/or products sold to independent third parties.

## **INFORMATION ABOUT THE PARTIES**

The Company is a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange. The Group is principally engaged in investment property leasing, hotel operation and management, hotel design and construction management services in the PRC.

DWCM Group, a company established in the PRC with limited liability, is principally engaged in the business of investment holding.

Dalian Wanda Group, a joint stock company incorporated in the PRC with limited liability, is a large multinational conglomerate focusing on modern services. Its core businesses are commercial management, cultural industry, real estate and investment. It is the ultimate holding company of the Company.

Guilin Project Company is a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company.

Guilin Wanda, a company established under the laws of the PRC with limited liability, is principally engaged in the operation and management of commercial properties and carparks in the PRC and it is a wholly-owned subsidiary of Zhuhai Wanda, which is an associate (as defined under Chapter 14A of the Listing Rules) of DWCM Group.

As at the date of this announcement, DWCM Group is an indirect holding company of the Company interested in approximate 65.04% of the total issued Shares of the Company and DWCM Group is in turn controlled by Dalian Wanda Group, which is ultimately beneficially controlled by Mr. Wang Jianlin.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, DWCM Group is an indirect holding company of the Company. DWCM Group is in turn controlled by Dalian Wanda Group which is in turn controlled by Mr. Wang Jianlin. DWCM Group and Dalian Wanda Group as controlling shareholders of the Company are connected persons of the Company under the Listing Rules. Since Guilin Wanda is a wholly-owned subsidiary of Zhuhai Wanda, and Zhuhai Wanda is an associate (as defined under Chapter 14A of the Listing Rules) of DWCM Group, Guilin Wanda is also a connected person of the Company under the Listing Rules. Accordingly, each of the New Framework Agreements, the Hotel Management Framework Agreement, the Carpark Tenancy Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in relation to the proposed annual caps of the transactions contemplated under the Hotel Management Framework Agreement (taking into account the renewal of annual caps) is expected to exceed 5%, the transactions contemplated under the Hotel Management Framework Agreement (taking into account the renewal of annual caps) shall be subject to the reporting, announcement, annual review, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in relation to the proposed annual caps of the transactions contemplated under the New Framework Agreements exceed 0.1% but none of them exceeds 5%, the New Framework Agreements and the transactions contemplated thereunder shall be subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Carpark Tenancy Agreement and the Existing Tenancy Agreements shall be aggregated. As the highest applicable percentage ratios (as defined under the Listing Rules) (other than the profits ratio) in respect of the annual cap of the Carpark Tenancy Agreement (on its own and when aggregated with the annual caps of the Existing Tenancy Agreements) is expected to exceed 0.1% but will be below 5%, the transactions contemplated under the Carpark Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent Shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **GENERAL**

The SGM will be convened for the independent Shareholders to consider and, if thought fit, to approve, among others, the renewal of annual caps under the Hotel Management Framework Agreement. Dalian Wanda Group Companies and their respective associates shall abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the transactions contemplated under the Hotel Management Framework Agreement (as amended by the Novation Agreement). Wanda Overseas, being an associate of Dalian Wanda Group, is interested in 3,055,043,100 Shares representing approximately 65.04% of the issued share capital of the Company as at the date of this announcement, and will abstain from voting on such resolution(s).

To the best of the knowledge of the Directors, as at the date of this announcement, no Directors have any material interest in the transactions contemplated under the New Framework Agreements, the Hotel Management Framework Agreement and the Carpark Tenancy Agreement and none of them were required to abstain from voting on relevant resolution(s) pursuant to the bye-laws of the Company.

A circular containing, among other things, (i) details of the renewal of annual caps of the Hotel Management Framework Agreement; (ii) the advice and recommendation of the Independent Board Committee; (iii) the advice and recommendation of the Independent Financial Adviser; and (iv) a notice convening the SGM and a proxy form, will be despatched to the Shareholders within 15 business days after the publication of this announcement (i.e. by 29 November 2024).

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the Board of Directors
“Carpark Premises”	comprising (i) the carpark of Guilin Gaoxin Plaza in Guilin City, the PRC, including all the car parking spaces thereof and area for equipment and storage; and (ii) the carpark management office

“Carpark Tenancy Agreement”	the tenancy agreement entered into between the Guilin Project Company (as landlord) and Guilin Wanda (as tenant) on 30 June 2022 for the Carpark Premises
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Dalian Wanda Group”	Dalian Wanda Group Co., Ltd.* (大連萬達集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, a controlling shareholder of the Company and the controlling shareholder of DWCM Group as at the date of this announcement
“Dalian Wanda Group Companies”	Dalian Wanda Group and/or its subsidiaries (except for the Group)
“Director(s)”	director(s) of the Company
“DWCM Group”	Dalian Wanda Commercial Management Group Co., Ltd* (大連萬達商業管理集團股份有限公司), a company established in the PRC with limited liability and controlled by Dalian Wanda Group, a controlling shareholder of the Company as at the date of this announcement
“Existing Tenancy Agreements”	collectively, the Kidsland Tenancy Agreement and the Kidsplace Tenancy Agreement

“Finance Services Sharing Agreement”	the finance services sharing agreement entered into between the Company and Dalian Wanda Group on 1 August 2024
“Finance Sharing Services”	has the meaning ascribed to it in the section headed “New Finance Sharing and IT System Framework Agreement – Services” of this announcement
“Group”	the Company and its subsidiaries
“Guilin Gaoxin Plaza”	the Guilin Gaoxin Wanda Plaza* (桂林高新萬達廣場) is located in Guilin City, the PRC
“Guilin Project Company”	Guilin Gaoxin Wanda Plaza Co., Ltd.* (桂林高新萬達廣場有限公司), an indirect non-wholly owned subsidiary of the Company
“Guilin Wanda”	Guilin Wanda Shopping Plaza Business Management Co., Ltd.* (桂林萬達廣場商業管理有限公司), a company established under the laws of the PRC with limited liability, which is indirectly wholly-owned by Zhuhai Wanda
“Guilin Wanda Kids”	Guilin Gaoxin Wanda Kids Entertainment Co., Ltd* (桂林高新萬達兒童娛樂有限公司), a wholly-owned subsidiary of Wanda Kidsland, is a company established under the laws of the PRC with limited liability which is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel Construction Management Framework Agreement”	the hotel construction management services framework agreement entered into between the Company and Dalian Wanda Group on 18 November 2021
“Hotel Design Framework Agreement”	the hotel design consulting services framework agreement entered into between the Company and Dalian Wanda Group on 18 November 2021

“Hotel Design Services”	has the meaning ascribed to it in the section headed “New Hotel Design Framework Agreement – Services” of this announcement
“Hotel Management Framework Agreement”	the hotel management framework agreement entered into between the Company and DWCM Group on 13 November 2018, which is amended by the Novation Agreement
“Independent Board Committee”	the independent committee of the Board of the Company comprising Mr. He Zhiping, Dr. Teng Bing Sheng and Dr. Chen Yan, all being independent non-executive Directors, which is formed to advise the independent Shareholders on the renewal of annual caps under the Hotel Management Framework Agreement
“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the independent Shareholders on the renewal of annual caps under the Hotel Management Framework Agreement
“independent third party(ies)”	party(ies) which is/are independent of the Group and the connected persons of the Company
“Individual Agreements”	has the meaning ascribed to it in the section headed “Internal Control Measures On Continuing Connected Transactions”
“Individual Finance Sharing and IT System Agreement”	has the meaning ascribed to it in the section headed “New Finance Sharing and IT System Framework Agreement – Services” of this announcement
“Individual Hotel Construction Management Agreement(s)”	has the meaning ascribed to it in the section headed “New Hotel Construction Management Framework Agreement – Services” of this announcement



“Individual Hotel Design Agreement(s)”	has the meaning ascribed to it in the section headed “New Hotel Design Framework Agreement – Services” of this announcement
“Individual Lease Agreement(s)”	has the meaning ascribed to it in the section headed “New Property Leasing Framework Agreement – Subject matter” of this announcement
“Individual Service Agreement(s)”	has the meaning ascribed to it in the section headed “New Property Leasing Framework Agreement – Subject matter” of this announcement
“Individual Specific Order(s)”	has the meaning ascribed to it in the section headed “New Product Supply Framework Agreement – Subject matter” of this announcement
“IT System Services”	has the meaning ascribed to it in the section headed “New Finance Sharing and IT System Framework Agreement – Services” of this announcement
“Kidsland Tenancy Agreement”	the tenancy agreement entered into between the Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 7 September 2020, details of which are set out in the announcement of the Company dated 7 September 2020
“Kidsplace Tenancy Agreement”	the tenancy agreement entered into between Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 29 June 2018, which is amended and supplemented by the Kidsplace Supplemental Agreement. For details of the Kidsplace Tenancy Agreement and the Kidsplace Supplemental Agreement, please refer to the announcements of the Company dated 29 June 2018 and 2 August 2019, respectively
“Kidsplace Supplemental Agreement”	the supplemental deed entered into between Guilin Project Company (as landlord) and Guilin Wanda Kids (as tenant) on 2 August 2019 regarding the Kidsplace Tenancy Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Finance Sharing and IT System Framework Agreement”	the finance sharing and IT system framework agreement entered into between the Company and Dalian Wanda Group on 8 November 2024
“New Framework Agreements”	the New Property Leasing Framework Agreement, the New Hotel Design Framework Agreement, the New Hotel Construction Management Framework Agreement, the New Product Supply Framework Agreement and the New Finance Sharing and IT System Framework Agreement
“New Hotel Construction Management Framework Agreement”	the hotel construction management services framework agreement entered into between the Company and Dalian Wanda Group on 8 November 2024
“New Hotel Design Framework Agreement”	the hotel design consulting services framework agreement entered into between the Company and Dalian Wanda Group on 8 November 2024
“New Product Supply Framework Agreement”	the product supply framework agreement entered into between the Company and Dalian Wanda Group on 8 November 2024
“New Property Leasing Framework Agreement”	the property leasing framework agreement entered into between the Company and Dalian Wanda Group on 8 November 2024
“Novation Agreement”	the deed of novation entered into between the Company, DWCM Group and Dalian Wanda Group on 18 November 2021 in relation to the Hotel Management Framework Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Products”	the specially accustomed gift and food products supplied by the Group, including but not limited to products such as rice dumplings, mooncakes and gift boxes
“Product Supply Framework Agreement”	the product supply framework agreement entered into between the Company and Dalian Wanda Group on 18 November 2021
“Property Leasing Framework Agreement”	the property leasing framework agreement entered into between the Company and DWCM Group on 18 November 2021
“Property Management Services”	has the meaning ascribed to it in the section headed “New Property Leasing Framework Agreement – Subject matter” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for the independent Shareholders to consider and, if thought fit, approve the transactions contemplated thereunder and the renewal of annual caps under the Hotel Management Framework Agreement
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wanda Cinema”	Wanda Cinema Line Co., Ltd.* (萬達電影院線有限公司) (formerly known as Wanda Cinema Line Holding Co., Ltd.* (萬達電影院線股份有限公司))

“Wanda Kidsland”	Wanda Baby King Group Company Limited* (萬達寶貝王集團有限公司) (formerly known as, Wanda Kidsland Co. Limited* (萬達兒童娛樂有限公司)), a company established under the laws of the PRC with limited liability, which is indirectly wholly-owned by Mr. Wang Jianlin who is a controlling shareholder of the Company
“Wanda Overseas”	Wanda Commercial Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability, a controlling shareholder of the Company
“Zhuhai Wanda”	Zhuhai Wanda Commercial Management Group Co., Ltd.* (珠海萬達商業管理集團股份有限公司), a company established under the laws of the PRC with limited liability, and an associate of DWCM Group
“%”	per cent.

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

Hong Kong, 8 November 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 Dr. Chen Yan, Mr. He Zhiping and Dr. Teng Bing Sheng are the independent non-executive Directors.*

\* For identification purpose only