萬 達 酒 店 發 展 有 限 公 司

WANDA HOTEL DEVELOPMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 169)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The Board of Directors (the "Board") of Wanda Hotel Development Company Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 as follows:—

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2015 — unaudited
(Expressed in Hong Kong Dollars)

		Six months ended 30 June	
		2015	2014
	Notes	***$'000***	*$'000*
Revenue	*4*	**99,808**	88,728
Cost of sales		**(23,475)**	(19,065)
Gross profit		**76,333**	69,663
Other revenue	*5*	**20,869**	3,493
Other net income	*5*	**67,476**	28,822
Net valuation gain/(loss) on investment properties	*11*	**20,281**	(148,376)
Selling expenses		**(33,962)**	(4,610)
Administrative expenses		**(63,131)**	(42,048)
Gain on revaluation of convertible bonds redemption options		—	11,050
Impairment loss on goodwill		—	(2,531)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)
for the six months ended 30 June 2015 — unaudited
(Expressed in Hong Kong Dollars)

		Six months ended 30 June	
		2015	2014
	Notes	***$'000***	*$'000*
Profit/(loss) from operations		**87,866**	(84,537)
Finance costs	*7*	**(61,263)**	(36,702)
Share of loss of a joint venture		**(8,090)**	—
Profit/(loss) before tax	*6*	**18,513**	(121,239)
Income tax (expense)/credit	*8*	**(8,225)**	46,291
Profit/(loss) for the period		**10,288**	(74,948)
Attributable to:			
Owners of the parent		**(82,094)**	(57,803)
Non-controlling interests		**92,382**	(17,145)
		10,288	(74,948)
Loss per share attributable to ordinary equity holders of the parent (HK cents)	*9*		
Basic		**(1.7)**	(1.6)
Diluted		**(1.7)**	(1.3)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2015 — unaudited
(Expressed in Hong Kong Dollars)

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Profit/(loss) for the period	**10,288**	(74,948)
Other comprehensive loss		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(235,497)**	(50,225)
Other comprehensive loss, net of tax	**(235,497)**	(50,225)
Total comprehensive loss, net of tax	**(225,209)**	(125,173)
Attributable to:		
Owners of the parent	**(223,973)**	(76,953)
Non-controlling interests	**(1,236)**	(48,220)
	(225,209)	(125,173)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2015 — unaudited

(Expressed in Hong Kong Dollars)

	Notes	30 June 2015 $'000	31 December 2014 $'000
Non-current assets			
Property, plant and equipment	*10*	**702,356**	619,547
Freehold land		**1,067,311**	1,129,596
Investment properties	*11*	**6,422,460**	3,161,737
Prepaid land lease payments		**20,107**	20,432
Goodwill		**17,484**	17,469
Investments in a joint venture		**555,872**	601,747
Prepayments	*14*	**179,879**	—
Deferred tax assets		**154,075**	123,708
Total non-current assets		**9,119,544**	5,674,236
Current assets			
Properties under development	*12*	**3,309,158**	3,006,613
Completed properties held for sales	*13*	**165,701**	182,414
Trade and other receivables	*14*	**486,606**	1,073,992
Prepaid tax		**70,467**	60,324
Restricted bank deposits		**22,412**	83,208
Cash and cash equivalents		**2,378,372**	2,103,615
Total current assets		**6,432,716**	6,510,166
Current liabilities			
Trade and other payables	*15*	**2,612,714**	1,003,422
Bills payable		**14,296**	—
Receipts in advance		**2,053,541**	1,445,354
Loans from financial institutions		**85,739**	119,916
Loans from related parties		**295,591**	225,026
Current taxation		**152,616**	448,557
Total current liabilities		**5,214,497**	3,242,275
Net current assets		**1,218,219**	3,267,891
Total assets less current liabilities		**10,337,763**	8,942,127

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
at 30 June 2015 — unaudited
(Expressed in Hong Kong Dollars)

	Notes	**30 June 2015** **$'000**	31 December 2014 *$'000*
Non-current liabilities			
Loans from financial institutions		**1,722,977**	1,463,642
Loans from an intermediate holding company		**4,770,622**	3,451,423
Interest payable to an intermediate holding company	*15*	**116,201**	77,755
Deferred tax liabilities		**474,823**	470,958
Total non-current liabilities		**7,084,623**	5,463,778
Net assets		**3,253,140**	3,478,349
Equity			
Equity attributable to owners of the parent			
Share capital	*16*	**469,735**	469,735
Retained earnings		**10,519**	92,613
Other reserves		**2,064,920**	2,206,799
		2,545,174	2,769,147
Non-controlling interests		**707,966**	709,202
Total equity		**3,253,140**	3,478,349

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was approved by the Board of Directors and authorised for issue on 17 August 2015.

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the changes in accounting policies that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of interim condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains the condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These financial statements are presented in Hong Kong dollars ("$") and all values are rounded to the nearest thousand except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties are stated at their fair value. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment are described below:

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*

HKAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

HKFRS 2 *Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Annual Improvements 2010-2012 Cycle (Continued)

HKFRS 2 *Share-based Payment* (Continued)

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.

HKFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 (or HKAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

HKFRS 8 *Operating Segments*

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are "similar"

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in HKFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in note 3 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.

HKAS 16 *Property, Plant and Equipment and* HKAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in HKAS 16 and HKAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Annual Improvements 2010-2012 Cycle (Continued)

HKAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

HKFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within HKFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of HKFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

Wanda Hotel Development Company Limited is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

HKFRS 13 *Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 (or HKAS 39, as applicable). The Group does not apply the portfolio exception in HKFRS 13.

HKAS 40 *Investment Property*

The description of ancillary services in HKAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that HKFRS 3, and not the description of ancillary services in HKAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on HKFRS 3, not HKAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the six months ended 30 June 2015.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses by projects in different geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- The PRC: this segment engages in the development of commercial and residential properties for sales and leasing in the PRC.

- Overseas: this segment engages in the development of overseas property projects.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets exclude the head office's assets and goodwill and segment liabilities exclude the head office's liabilities as these assets and liabilities are managed on a group basis.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "Profit/(loss) before tax".

	The PRC	**Overseas**	**Total**
	$'000	*$'000*	*$'000*
For the six months ended 30 June 2015			
Revenue from external customers	67,806	32,002	99,808
Reportable segment profit/(loss)	180,150	(140,561)	39,589
For the six months ended 30 June 2014			
Revenue from external customers	88,728	—	88,728
Reportable segment loss	(84,314)	(16,153)	(100,467)
As at 30 June 2015			
Reportable segment assets	6,618,880	8,859,180	15,478,060
Reportable segment liabilities	4,320,117	3,895,814	8,215,931
As at 31 December 2014			
Reportable segment assets	6,208,636	5,643,077	11,851,713
Reportable segment liabilities	4,092,551	2,429,506	6,522,057

3. OPERATING SEGMENT INFORMATION (Continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Revenue		
Reportable segment and consolidated revenue	**99,808**	88,728
Profit/(loss) before tax		
Reportable segment profit/(loss)	**39,589**	(100,467)
Unallocated head office and corporate results	**(21,076)**	(20,772)
Consolidated profit/(loss) before tax	**18,513**	(121,239)

	30 June	31 December
	2015	2014
	$'000	*$'000*
Assets		
Reportable segment assets	**15,478,060**	11,851,713
Unallocated head office and corporate assets	**74,200**	332,689
Consolidated total assets	**15,552,260**	12,184,402
Liabilities		
Reportable segment liabilities	**8,215,931**	6,522,057
Unallocated head office and corporate liabilities	**4,083,189**	2,183,996
Consolidated total liabilities	**12,299,120**	8,706,053

3. OPERATING SEGMENT INFORMATION (Continued)

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets (excluding deferred tax assets) ("specified non-current assets"). The geographical location of revenue from external customers is based on the location at which the services were provided or the properties were sold or leased. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of fixed assets, and the location of the operation to which they are allocated, in the case of goodwill.

	Revenue from external customers		**Specified non-current assets**	
	Six months ended 30 June			
	2015	2014	**30 June 2015**	31 December 2014
	$'000	*$'000*	***$'000***	*$'000*
The PRC (including Hong Kong)	**67,806**	88,728	**3,606,405**	3,866,775
Overseas	**32,002**	—	**5,359,064**	1,683,753
	99,808	88,728	**8,965,469**	5,550,528

(iv) Information about major customers

The Group had one customer with whom transactions exceeded 10% of the Group's revenue for the period ended 30 June 2015 (six months ended 30 June 2014: one). For the period ended 30 June 2015, the revenue from this customer amounted to $38,944,000 (six months ended 30 June 2014: $39,567,000).

4. REVENUE

Revenue, which is also the Group's turnover, represents income from the sales of properties, property rental income and property management income during the period, net of business tax and other sales related taxes and discounts allowed.

An analysis of revenue is as follows:

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Revenue		
Sales of properties	**5,926**	26,699
Rental income	**83,489**	53,619
Property management income	**10,393**	8,410
	99,808	88,728

5. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Other revenue		
Bank interest income	**20,869**	3,493
Other net income		
Exchange gain	**67,336**	30,295
Forfeiture of deposits from purchasers	**50**	—
Others	**90**	(1,473)
	67,476	28,822

6. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Cost of properties sold	**4,586**	12,002
Cost of services provided	**18,889**	7,063
Depreciation	**10,341**	1,259
Amortisation of land lease payments	**256**	354
Minimum lease payments under operating leases for land and buildings	**10,294**	3,715

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Interest on loans from financial institutions	**39,646**	6,450
Interest on convertible bonds	**—**	9,138
Interest on loans from an intermediate holding company repayable within five years	**67,420**	36,088
Interest on loans from related parties	**15,022**	18,963
Others	**—**	24
	122,088	70,663
Less: Interest expenses capitalised into properties under development and construction in progress	**(60,825)**	(33,961)
	61,263	36,702

8. INCOME TAX

	Six months ended 30 June	
	2015	2014
	$'000	*$'000*
Current tax		
Corporate income tax for the period *(note (iii))*	**33,575**	11,508
PRC Land Appreciation Tax *(note (iv))*	**1,200**	4,904
	34,775	16,412
Deferred tax		
Origination and reversal of temporary differences:		
— Revaluation of properties for sales	**(1,645)**	(5,093)
— Revaluation of investment properties	**5,070**	(37,094)
— Deductibility of PRC Land Appreciation Tax	**—**	(15,387)
— Pre-sale properties in PRC	**(13,071)**	—
— Tax losses	**(16,904)**	(5,129)
	(26,550)	(62,703)
Total tax expense/(credit) for the period	**8,225**	(46,291)

8. INCOME TAX (Continued)

Notes:

(i) Pursuant to the rules and regulations of the Bermuda and British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

(ii) No provision for Hong Kong profit tax or overseas corporate tax has been made as the Company and Group did not have assessable profit in Hong Kong or overseas during the period.

(iii) Corporate Income Tax ("CIT")

The provision for the PRC CIT has been provided at the applicable income tax rate of 25% on the assessable profits of the Group's subsidiaries in Mainland China (six months ended 30 June 2014: 25%). Taxes on profit assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

(iv) PRC Land Appreciation Tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share for the six months ended 30 June 2015 is based on loss attributable to equity shareholders of the parent of $82,094,000 (six months ended 30 June 2014: $57,803,000) and the weighted average number of 4,697,346,000 shares (six months ended 30 June 2014: 3,603,812,000 shares) in issue during the interim period.

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the parent of $82,094,000 (six months ended 30 June 2014: $59,715,000) and the weighted average number of 4,697,346,000 shares (six months ended 30 June 2014: 4,588,475,000 shares after adjusting for the effect of conversion and redemption of convertible bonds).

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment at a total cost of $126,711,000 (six months ended 30 June 2014: $55,238,000).

As at 30 June 2015, certain items of the Group's property, plant and equipment with a net carrying amount of approximately $8,516,000 (31 December 2014: $6,902,000) were pledged to secure interest-bearing bank borrowings granted to the Group.

11. INVESTMENT PROPERTIES

On 23 January 2015, the Company's overseas subsidiary, Wanda One Sydney Pty Ltd ("Wanda One Sydney"), entered into agreements with Valad Commercial Management Limited and 31 Pitt Street Pty Limited, pursuant to which the Group acquired investment properties, 1 Alfred and 19-31 Pitt Street in Sydney, Australia, for a total consideration of approximately AUD487,699,000 (approximately $2,900,248,000) on 4 March 2015. The total fair values of 1 Alfred and 19-31 Pitt Street at the acquisition date were AUD488,800,000 (approximately $2,906,796,000). As at 30 June 2015, all the consideration for the acquisition of the above properties had been paid. It is the intention of the Group to redevelop the above properties, together with a property located at 31a Pitt Street in Sydney, Australia to be acquired by the Group pursuant to the assignment deed dated 4 March 2015, in order to construct a new high-end and mixed-use hotel, residential and retail complex in the future and demolition of the existing structure is expected to commence in the first half of 2017.

During the six months ended 30 June 2015, the Group's additions in investment properties amounted to $3,273,456,000 (six months ended 30 June 2014: $210,578,000). Additions in investment properties during the six months ended 30 June 2015 mainly included newly acquired investment properties in Sydney, Australia, an addition in investment property under construction in Guilin, Guangxi Zhuang Autonomous Region, the PRC and an addition in completed investment property in Fuzhou, the PRC which was transferred from completed properties held for sales.

Investment properties carried at fair value were revalued on an open market value by independent firms of surveyors, DTZ Debenham Tie Leung Limited and Cushman & Wakefield Valuation Advisory Services (HK) Limited, which have recent experience in the respective locations and categories of property being valued. As a result of the revaluation, a net gain of $20,281,000 (net loss in the six months ended 30 June 2014: $148,376,000) in respect of investment properties has been recognised in the statement of profit or loss for the period.

As at 30 June 2015, certain items of the Group's investment properties with a carrying amount of $1,316,131,000 (31 December 2014: $379,446,000) were pledged to secure interest-bearing bank borrowings and undrawn bank facilities granted to the Group.

12. PROPERTIES UNDER DEVELOPMENT

Properties under development represents the project cost, land acquisition cost, compensation cost and other preliminary infrastructure costs in relation to the Group's properties for future sales under property development project situated in Guilin, Guangxi Zhuang Autonomous Region, the PRC and property development projects situated in United Kingdom and Spain.

13. COMPLETED PROPERTIES HELD FOR SALES

Completed properties held for sales are situated in Fuzhou, Fujian Province, the PRC.

As at 30 June 2015, certain items of the Group's properties held for sales with a carrying amount of $9,876,000 (31 December 2014: $25,439,000) were pledged to secure interest-bearing bank borrowings granted to the Group.

14. TRADE AND OTHER RECEIVABLES

	30 June 2015	31 December 2014
	$'000	*$'000*
Trade receivables	**59,026**	70,590
Prepayments	**189,981**	4,010
Deposits and other receivables	**409,382**	988,294
Amounts due from related parties	**6,260**	9,262
Amounts due from an intermediate holding company	**1,836**	1,836
	666,485	1,073,992
Portion classified as current assets	**(486,606)**	(1,073,992)
Non-current portion	**179,879**	—

The aging analysis of trade receivables based on the invoice date, is as follows:

	30 June 2015	31 December 2014
	$'000	*$'000*
Within 3 months	**23,604**	27,557
Over 3 months but within 6 months	**20,254**	22,465
Over 6 months but within 12 months	**13,677**	20,266
Over 12 months	**1,491**	302
	59,026	70,590

For the trade receivables arising from sales of properties, the Group manages the credit risk by fully receiving cash before delivery of property. The Group has set out policies to ensure follow-up action is taken to recover overdue debts. The Group also reviews regularly the recoverable amount of each individual trade receivable balance to ensure that adequate impairment losses are made for irrecoverable amounts. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

At 30 June 2015, no impairment allowance is necessary in respect of the Group's trade receivables as the management considers that the balance is fully recoverable. The Group does not hold any collateral over the balance.

15. TRADE AND OTHER PAYABLES

An analysis of trade payables, other payables and accruals as at the end of the reporting period is as follows:

	Notes	30 June 2015 $'000	31 December 2014 $'000
Trade payables	*(a)*	**233,236**	368,559
Other payables		**155,311**	126,442
Accruals		**1,995**	5,010
Interest payable to financial institutions		**23,352**	22,307
Interest payable to an intermediate holding company	*(b)*	**146,324**	77,755
Interest payable to related parties	*(b)*	**38,658**	23,586
Amounts due to an intermediate holding company	*(c)*	**2,096,038**	290,213
Amounts due to related parties	*(c)*	**34,001**	167,305
		2,728,915	1,081,177
Portion classified as current liabilities		**(2,612,714)**	(1,003,422)
Non-current portion		**116,201**	77,755

Notes:

(a) None of the Group's trade payable are expected to be settled after more than one year (31 December 2014: Nil).

The aging analysis of trade payables based on the invoice date is as follows:

	30 June 2015 $'000	31 December 2014 $'000
Within 3 months	**23,903**	330,026
Over 3 months but within 6 months	**1,362**	6,532
Over 6 months but within 12 months	**195,104**	13,859
Over 12 months	**12,867**	18,142
	233,236	368,559

15. TRADE AND OTHER PAYABLES (Continued)

(b) Except for the amount of $116,201,000 in interest payable to an intermediate holding company which is repayable more than one year (31 December 2014: $77,755,000), the interest payable to an intermediate holding company and related parties are repayable on demand or within one year. These interest payable balances are unsecured and are not subject to compound interests.

(c) The amounts due to an intermediate holding company and related parties are repayable on demand or within one year. These balances are unsecured and are interest free.

16. SHARE CAPITAL AND DIVIDEND

(i) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Dividend

No dividend has been declared in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2015, the Company, supported by its controlling shareholder, Wanda Commercial Properties Development (HK) Co, Limited ("Wanda HK"), continued to press ahead with its positioning and development strategy in establishing the Group as a platform for the investment and operation of mixed-use property projects with a focus on hotel assets under the Wanda brands in overseas markets. During this period, after having acquired the Jewel Project in 2014, the Company acquired the second premium landmark project in Australia — the Sydney Project, through the joint venture platform established by and between the Company and Wanda HK in 2014.

The Group held seven projects in total as of 30 June 2015, namely the London Project in the UK, the Madrid Project in Spain, the Chicago Project in the US, the Jewel Project and the Sydney Project in Australia, the Guilin Project and the Fuzhou Project in the PRC. The Group will continue to promote the development of such premium projects to further expand the Group's sources of revenue as well as to enhance the Group's profitability. At the same time, the Group will explore prudently other profitable investment opportunities that are in line with the Group's development strategy as such investment opportunities arise, through the various joint venture platforms established with Wanda HK.

London Project, UK

In September 2013, the Company acquired a project at 1 Nine Elms Lane, London SW8 5NQ, in the UK with Wanda HK in form of a joint venture, in which the Company holds 60% and Wanda HK 40%. The planned total gross floor area of the project is approximately 110,000 sq.m., and is expected to be developed into a high-end complex comprising residential unit and a hotel. Pre-sale of the London Project commenced in November 2014 with outstanding results achieved. The Company has completed the demolition work of the existing structure in April 2015 and commenced construction work in May 2015, and the development of this project is expected to be completed in 2019.

Joint Venture Platform in Continental Europe and Madrid Project, Spain

In June 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Continental Europe with a total capital commitment of HK$12.5 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in Continental Europe.

On the same day, the Company and Wanda HK acquired the Madrid Project in Spain through this joint venture platform. The planned total gross floor area of the project is approximately 92,000 sq.m., and is expected to be developed into a complex featuring a 180-room luxury hotel, prime retail spaces and around 178 residential apartments featuring stunning views of Madrid. The Madrid Project is expected to commence pre-sale by the end of 2015 and to obtain the relevant planning approvals in the first half of 2016. Refurbishment work of the existing structure is expected to be completed in the first half of 2017 and the construction work is to commence afterwards. The development of this project is expected to be completed in 2019.

Joint Venture Platform in the Americas and Chicago Project, America

In July 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in the Americas with a total capital commitment of HK$10 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in the Americas.

On the same day, through Wanda Chicago, a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into (i) the Formation and Contribution Agreement with Magellan Parcel C/D LLC ("Magellan") and Lakeshore East LLC; and (ii) the Operating Agreement with Magellan to jointly develop the Chicago Project in which Wanda Chicago holds 90% and Magellan 10% of such joint venture.

The planned total gross floor area of the Chicago Project is approximately 173,000 sq.m. It is located in the heart of Chicago, adjacent to Millennium Park and Chicago CBD. Many of the well-known destinations are within walking distance of the project, such as the Theatre District, Museum Campus and Michigan Avenue. This is the last unbuilt site within the Lakeshore East area with excellent geographic location. The project is expected to be developed into a 350-meter, 93-story super five-star hotel (with estimated 160 rooms) and high-end condominiums, which will be Chicago's third highest building upon completion and a new landmark in Chicago. The Chicago Project is expected to commence pre-sale by the end of 2015, obtain the planning approvals, complete settlement and commence construction work in the first half of 2016. The development of this project is expected to be completed in 2020.

Joint Venture Platform in Australia and Gold Coast Jewel Project, Australia

In August 2014, the Company formed a joint venture with Wanda HK to establish a joint venture platform in Australia with a total capital commitment of HK$12.5 billion, in which the Company holds 60% and Wanda HK 40%, for the joint acquisition and development of suitable real property projects in Australia.

On the same day, through Wanda Australia Commercial, a wholly owned subsidiary of this joint venture platform, the Company and Wanda HK entered into the Subscription and Shareholders Agreement with the parent Dalian Wanda Commercial Properties Co., Ltd ("DWCP"), Mr. Li (a shareholder of Jewel Project company) and Jewel Project company. After completion of the subscription under the agreement, the Jewel Project company is now owned by Wanda Australia Commercial and Mr. Li, as to 55% and 45% respectively, for the joint development of the Jewel Project in the Gold Coast.

The planned total gross floor area of the Jewel Project is approximately 144,000 sq.m. It 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 and completed the demolition work of the existing structure in February 2015, and the construction work commenced in March 2015. Pre-sale will commence by the end of 2015 and the development of this project is expected to be completed in 2018.

Sydney Project, Australia

After the acquisition of the Jewel Project, on 23 January 2015 and 4 March 2015, the Company and Wanda HK, through Wanda One, a wholly owned subsidiary of the joint venture platform in Australia under the Master Australia JV Agreement, entered into agreements to acquire the second premium project in Australia — the Sydney Project.

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 185 meter high tower mixed-used complex comprising hotel, residential and retail areas, with a planned total gross floor area of approximately 98,300 sq.m.. The project will become a new city landmark in Sydney upon completion. It is expected that the approval for the development plan will be obtained in early 2017 and pre-sale will commence also in 2017. Demolition of the existing structure is expected to commence in the first half of 2017 and construction work in 2018. The development of this project is expected to be completed in 2021.

Wanda Plaza, Guilin, the PRC

In February 2014, the Company acquired a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous Region, the PRC with Wanda HK in the form of a joint venture, in which the Company holds 51% and Wanda HK 49% of the joint venture company, respectively. The planned total gross floor area of the project is approximately 330,000 sq.m., and is being developed into a "Wanda Plaza" which comprises commercial and residential properties. The construction work of Wanda Plaza commenced in May 2014, and pre-sale commenced in July 2014. The shopping mall under the project is expected to open in September 2015.

Hengli City, Fuzhou, PRC

The total gross floor area of Hengli City is approximately 242,000 sq.m.. The project is a residential, office and retail complex located in Fuzhou, the PRC. As of 30 June 2015, the floor area of its remaining properties was approximately 89,000 sq.m., and the majority of the office and car park units were leased. The commercial portion was fully leased to Wangfujing Department Store. In the first half of 2015, total rental income at Hengli City amounted to approximately HK$51.49 million, providing stable cash flow to the Company. At the same time, revenue of approximately HK$5.93 million was generated from the sales of residential units and car park.

FINANCIAL REVIEW

Revenue and results

The Group's revenue for the six months ended 30 June 2015 was approximately HK$99.8 million, compared to that of HK$88.7 million for the same period in 2014. The increase was mainly due to additional contribution of rental income from the Sydney Project, which was acquired during the six month period ended 30 June 2015.

Revenue of HK$5.9 million, HK$83.5million and HK$10.4 million was derived from the sales of developed properties, property leasing and property management service for the six months ended 30 June 2015 respectively.

The Group's loss attributable to the equity shareholders of the Company was approximately HK$82.1 million (six months ended 30 June 2014: HK$57.8 million), which mainly comprised of exchange loss, finance costs and administrative expenses incurred by the Company of approximately HK$176.1 million, HK$30.7 million and HK$8.8 million, which were partly set off by net profits attributable to the Company contributed by the Company's subsidiaries of approximately HK$133.5 million. The Group's profit for the six months period ended 30 June 2015 was approximately HK$10.3 million (six months ended 30 June 2014: loss of HK$74.9 million). The increase in net profit was mainly due to i) a net valuation gain on investment properties of approximately HK$20.3 million in the six month ended 30 June 2015 as compared to a net valuation loss of approximately HK$148.4 million in six months ended 30 June 2014, ii) an increase in other revenue and other net income of approximately HK$56 million, which was partly set off by: iii) an increase in selling and administrative expenses of approximately HK$50.4 million, iv) an increase in finance costs of approximately HK$24.6 million and v) an increase in income tax of approximately HK$54.5 million.

Net assets and equity attributable to equity shareholders

As at 30 June 2015, the Group recorded total assets and total liabilities of approximately HK$15,552.3 million and HK$12,299.1 million respectively. The Group had net assets of approximately HK$3,253.1 million as at 30 June 2015 as compared to approximately HK$3,478.3 million as at 31 December 2014. As at 30 June 2015, the equity attributable to the equity shareholders of the Company was approximately HK$2,545.2 million as compared to HK$2,769.1 million as at 31 December 2014.

Liquidity and financial ratios

The Group had total cash and bank balances of approximately HK$2,400.8 million as at 30 June 2015 as compared with HK$2,186.8 million as at 31 December 2014. About 69% and 22% of the cash and bank balances were denominated in Renminbi ("RMB") and Euro ("EUR") respectively. The remaining 9% was denominated in Great British Pound ("GBP"), Hong Kong Dollar ("HK$"), Australian Dollar ("AUD") and US Dollar ("USD"). As at 30 June 2015, the current ratio, which is the quotient arrived at by dividing current assets by current liabilities, was 1.23 as compared with 2.01 as at 31 December 2014. The gearing ratio, which is the quotient arrived at by dividing net debt by the aggregate of net debt and total equity, was 57.9% as at 30 June 2015 as compared with 46.9% as at 31 December 2014.

Borrowings and financial resources

The Group had interest-bearing borrowings from financial institutions of approximately HK$1,808.7 million as at 30 June 2015 (31 December 2014: HK$1,583.6 million). These borrowings were denominated in RMB and USD. Approximately 5% of these borrowings is repayable within one year. The rest represents bank loans of HK$1,723 million which are repayable after one year. The Group had interest-bearing borrowings from related parties of approximately HK$295.6 million as at 30 June 2015 (31 December 2014: HK$225 million). These borrowings were denominated in RMB and were repayable within one year.

The Group had interest-bearing borrowings from an intermediate holding company of approximately HK$2,691.7 million as at 30 June 2015 (31 December 2014: HK$1,276 million), of which HK$1,458.8 million were denominated in GBP and HK$1,232.9 million in AUD. The above borrowings denominated in GBP were repayable in year 2018 and those in AUD were repayable in year 2025. The Group also had non-interest-bearing borrowings from an intermediate holding company of approximately HK$2,078.9 million of which HK$683.8 million were denominated in USD, HK$1,160.2 million in EUR and HK$234.9 million in AUD. The above borrowings denominated in USD are repayable in 2017 and the borrowings denominated in EUR and AUD are repayable in 2019.

As the Group continues to acquire and develop suitable property projects, different funding options, including debt, bank loan, and equity, will be explored. As at 30 June 2015, the Group's authorised commitment for capital expenditure is approximately HK$5,853 million. On 23 April 2015, the Company entered into a 5 to 10 years term loan facility of up to an aggregate amount of USD520 million with Wanda HK for the acquisition of property projects and general working capital purpose. This facility has not been drawn and was still available as at 30 June 2015. Going forward, the Company will continue to explore funding opportunities to support the growth of its business portfolio.

Foreign currency and interest rate exposure

The Group's business is principally conducted in RMB, GBP, USD, EUR and AUD. The functional currencies of the Group's subsidiaries in the PRC, United Kingdom, the USA, Spain and Australia are RMB, GBP, USD, EUR and AUD respectively and they do not have significant monetary assets or liabilities denominated in currencies other than their respective functional currencies. The functional currency of the Group's other subsidiaries is HK$. The Group is exposed to currency risk primarily through loans that are denominated in GBP, USD, EUR and AUD respectively. The Group maintains a conservative approach on foreign exchange exposure management. During the period, the Group did not use any financial instruments to hedge foreign currency exposure and the Group did not have any hedging instruments outstanding as at 30 June 2015.

During the period, the Group had interest-bearing borrowings from financial institutions, related parties and an intermediate holding company. Accordingly, the Group's cost of borrowing was affected by changes in interest rates. As at 30 June 2015, interest-bearing borrowings of HK$3,267.5 million, being 68% of the total interest-bearing borrowings, were on a floating rate basis, of which HK$1,458.8 million were loans from an intermediate holding company.

The remaining interest-bearing borrowings of HK$1,528.5 million were on fixed interest rate basis. During the year, the Group had monitored the suitability and cost efficiency of hedging instruments and had considered a mix of fixed and floating rate borrowings in order to manage interest rate risks. The Group will prudently consider entering into currency and interest rate hedging arrangements to minimise such exposures if and when appropriate.

PLEDGE OF ASSETS

As at 30 June 2015, the Group pledged certain of its building held for own use, prepaid lease payments, investment properties, completed properties for sales and restricted bank deposits to financial institutions in the PRC to secure the loans of approximately HK$568.3 million granted by these financial institutions. The aggregate carrying value of these building held for own use, prepaid lease payments, investment properties, completed properties for sales and restricted bank deposits as at 30 June 2015 amounted to approximately HK$8.5 million, HK$20.1 million, HK$1,316.1 million, HK$9.9 million and HK$8.1 million respectively. The Group also pledged time deposits of HK$14.3 million for obtaining bank acceptance notes as at 30 June 2015.

In addition, 60% of the shares in Wanda International Real Estate Investment Co., Ltd, the Company's direct 60% owned subsidiary, was charged to secure a loan of approximately HK$837.7 million from an intermediate holding company as at 30 June 2015. At the same time, the entire share capital of Wanda Madrid Development, S.L., the Company' s indirect 60% owned subsidiary, was pledged to secure a loan of USD160 million from a financial institution as at 30 June 2015.

CHANGES IN SHARE CAPITAL

There are no changes in the Company's share capital during the six months ended 30 June 2015.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group had provided guarantees of approximately HK$700.7 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees would be released upon the execution of individual purchasers' collateral agreements.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANY

On 23 January 2015, the Company and Wanda HK entered into a joint venture agreement in relation to the establishment of Wanda One Sydney Pty Ltd, which acquired the Sydney Project in March 2015. By virtue of the terms of the joint venture agreement, Wanda One Sydney Pty Ltd is an indirect 60%-owned subsidiary of the Company. The Group had no disposal of subsidiaries and associated companies during the six months ended 30 June 2015.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No director has the right to acquire shares or debentures of the Company or its subsidiaries.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had around 320 full time employees, who are located in the PRC, Hong Kong, the United Kingdom, Spain, the USA and Australia.

During the six months ended 30 June 2015, the Group remunerated its employees based on their performance, experience and the prevailing market salaries. Performance bonuses were granted on a discretionary basis. Other employee benefits included insurance and medical cover, subsidized educational and training programs.

INTERIM DIVIDEND

The Directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

OUTLOOK

With support from the parent DWCP, the Group will continue to focus on international gateway cities which attract a significant number of tourists, business travellers and a growing trend of international tourists. The Group will actively participate in the investment, development and operation of mixed-use property projects with a focus on hotel assets. The Group plans to retain the commercial component and hotel assets for investment purpose whereas the residential component of such mixed-use property projects will be sold if market conditions are favourable, and to have the hotels operated under Wanda brands (the existing brands include but are not limited to Wanda Vista, Wanda Reign and Wanda Realm). The Company expects that the hotel development business of the Group will maintain steady growth over the years and become an important part of the Group's operating activities. The Group will continue to be prudent and steadily develop commercial property projects together with DWCP. It will also actively seek profitable investment opportunities that are in line with the Group's development strategy through the various joint venture platforms established with its controlling shareholder, capture such investment opportunities as they arise in the target countries and regions, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its shareholders.

OTHER INFORMATION

SHARE OPTIONS SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 15 May 2002 for the primary purpose of providing incentives to Directors and eligible employees. The scheme period of the Scheme was ten years commencing on the adoption date.

As such, the Scheme has already expired. The Company did not have any effective share option scheme as at 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

The Company has complied with the Corporate Governance Code (the "Code") as contained in Appendix 14 of the Listing Rules, except for deviations from Code Provisions A.6.7 and E.1.2. Code Provision A.6.7 stipulates that independent non-executive directors and non-executive directors should attend general meetings. Due to other important business engagements at the relevant time, not all independent non-executive directors and non-executive directors attended the annual general meeting of the Company. Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. Due to other important business engagements at the relevant time, the Chairman did not attend the annual general meeting of the Company held on 19 June 2015.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises one non-executive director and two independent non-executive directors, namely Mr. Qi Jie, Mr. Xue Yunkui and Mr. Zhang Huaqiao.

The Audit Committee meets regularly with the Company's senior management and the Company's auditors to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The Audit Committee has reviewed the Group's financial statements for the six months ended 30 June 2015 and discussed the financial related matters with management and external auditor. Based on its review and discussion with the Company's management and external auditor, the Audit Committee was satisfied that the financial statements were prepared in accordance with the applicable accounting standards and fairly present the Group's financial position as at 30 June 2015 and results for the six months ended 30 June 2015.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement will be published on both the websites of the Company (www.wanda-hotel.com.hk) and of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2015 will be dispatched to shareholders and published on the aforesaid websites in due course.

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

Hong Kong, 17 August 2015

As at the date of this announcement, Mr. Ding Benxi, Mr. Qi Jie and Mr. Qu Dejun are the non-executive Directors; Mr. Liu Chaohui is the executive Director; Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Zhang Huaqiao are the independent non-executive Directors.