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**大連萬達商業地產股份有限公司**  
**Dalian Wanda Commercial Properties Co., Ltd.**

*(A joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock code: 3699)**

**EQUITY TRANSFER AGREEMENT**  
**AND**  
**LIGHT ASSET COOPERATION FRAMEWORK AGREEMENT**

**I. INTRODUCTION**

The Board is pleased to announce that on 15 October 2015, the Company entered into:

- (i) the Equity Transfer Agreement with Wanda Wenpu, pursuant to which the Company had agreed to transfer, and Wanda Wenpu had agreed to acquire all the equity interests in the Project Companies.
- (ii) the Light Asset Cooperation Framework Agreement with KuaiQian Financial (being the general partner of Wanda Wenpu) and Wanda Wenpu, pursuant to which (i) the Group had agreed to provide construction management and operation management services and license certain intellectual property rights to Wanda Wenpu and Project Companies, and (ii) Wanda Wenpu had agreed to provide funds to the Project Companies for the development, construction and operation management of the Wanda Plazas under the Project Companies.

The Company has been actively exploring the light-asset business model and dedicated to the long-term stable development of property management so as to avoid the risks of the uncertain fluctuations of the real estate market. The Company believes that the entering into of the Connected Transaction Agreements is an important step to achieve its light asset strategy. The allocation mechanism of net property income can (1) increase the Company's fee income from business service management; and (2) reduce the Company's indebtedness level to deal with the fluctuations of the real estate market in China.

## II. EQUITY TRANSFER AGREEMENT

### 1. Date

15 October 2015

### 2. Parties

- (i) the Company (as transferor); and
- (ii) Wanda Wenpu (as transferee)

### 3. Equity Transfer

The Company will transfer, and Wanda Wenpu will acquire all the equity interest in the Project Companies.

### 4. Consideration

The book value of the net assets of each Project Company as at 31 August 2015 and the consideration for the equity transfer thereof are set out below:

<b>Project Companies</b>	<b>Book Value of Net Assets (RMB million)</b>	<b>Consideration (RMB million)</b>
Fuyang Yingquan Wanda Plaza Investment Co., Ltd.	9.75	11.79
Binzhou Wanda Plaza Investment Co., Ltd.	9.59	12.83
Yantai Wanda Plaza Investment Co., Ltd.	11.33	13.83
Yingkou Bayuquan Wanda Plaza Investment Co., Ltd.	10.02	12.79
Lianyungang Wanda Plaza Investment Co., Ltd.	100.64	106.34
<b>Total</b>	<b>141.33</b>	<b>157.58</b>

The consideration for the equity transfer of each Project Company is determined after arm's length negotiations with reference to (i) the book value of the net assets of each Project Company as at 31 August 2015, and (ii) the capital occupancy fees at an annualized rate of 6% for the Company's previous investment in each Project Company, with reference to the benchmark lending interest rate for loans with a term of one to five years published by the People's Bank of China at the end of 2014.

Wanda Wenpu shall pay all the consideration to the Company in cash before 15 October 2015, and will provide funds to those Project Companies. The total investment amount of the above five projects is approximately RMB4.22 billion.

After transferred to Wanda Wenpu, the Project Companies will become wholly-owned subsidiaries of Wanda Wenpu. However, the Project Companies will still be accounted for and consolidated in the audited consolidated accounts of the Company as the Company's subsidiaries under the Hong Kong Financial Reporting Standards.

## **5. Listing Rules Implications**

As at the date of this announcement, Mr. WANG Jianlin held, directly and indirectly, approximately 53.68% equity interest in the Company, and approximately 68.7% equity interest in KuaiQian Financial, the general partner of Wanda Wenpu. As a result, Wanda Wenpu is a connected person of the Company under Rule 14A.13(1) of the Listing Rules and the transactions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company.

Reference is made to the announcements of the Company dated 25 August 2015 and 10 September 2015 in relation to the equity transfer agreements entered into between the Company and Wanda Wensheng and between the Company and Wanda Wenyu. As the general partner of the transferees of the three share transfer agreements (Wanda Wensheng, Wanda Wenyu and Wanda Wenpu) is KuaiQian Financial, and the three equity transfer transactions are completed within a 12-month period, the applicable percentage ratios of the three equity transfer transactions shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio after aggregation is more than 0.1% but less than 5%, the transactions contemplated under the Equity Transfer Agreement are exempt from independent shareholders' approval requirement but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

## **III. LIGHT ASSET COOPERATION FRAMEWORK AGREEMENT**

### **1. Date**

15 October 2015

### **2. Parties**

- (i) the Company;
- (ii) KuaiQian Financial (as the general partner of Wanda Wenpu); and
- (iii) Wanda Wenpu

### **3. Light Asset Cooperation**

After the Project Companies are transferred to Wanda Wenpu pursuant to the Equity Transfer Agreement, the Group will (i) provide construction management and operation management services to Wanda Wenpu and the Project Companies for the construction and operation of the Wanda Plazas under the Project Companies, and (ii) license certain intellectual property rights to Wanda Wenpu and the Project Companies; Wanda Wenpu shall provide funds contributed by its partners to the Project Companies for the development and construction of the Wanda Plazas.

Pursuant to the Light Asset Cooperation Framework Agreement, the Company shall (i) have absolute, exclusive and irrevocable right in the construction management and operation management of the Project Companies; and (ii) have the right to appoint all the directors and senior managers (except the legal representatives) of the Project Companies.

#### 4. Term

The term of the Light Asset Cooperation Framework Agreement is four years.

Wanda Wenpu may transfer its interests in the Project Companies by the following ways within the term of the Light Asset Cooperation Framework Agreement: (a) getting those assets listed as REITs or by other ways after expiration of three years from the effective date of the Light Asset Cooperation Framework Agreement; (b) transferring those assets to Dalian Wanda Group or any other party designated by it; or (c) transferring those assets to another third party.

#### 5. Fees and Annual Caps

In consideration of construction management and operation management services provided by, as well as the licensing of certain intellectual property rights granted by the Group, the Group will receive fees of 30% of the net property income generated by the Project Companies each year after the relevant Wanda plazas commence operation. For the purpose of determining such fees, the “net property income” refers to the gross property income generated from the operation of the Project Companies minus reasonable costs and expenses.

Notwithstanding the above, if in any year the 70% of the net property income generated by the Project Companies and attributable to Wanda Wenpu is less than the relevant investment return for that specific year as prescribed in the Light Asset Cooperation Framework Agreement, the net property income attributable to Wanda Wenpu shall be increased to the extent of the net property income received by the Group. If the 70% of the net property income generated by the Project Company attributable to Wanda Wenpu in any subsequent year within the investment period is more than the annualized return of 7.5% of the investment of Wanda Wenpu, the exceeding part shall be refunded to the Group to the extent of the additional net property income received by Wanda Wenpu as a result of the above increases in the preceding years. Such adjustment shall terminate after four years from the date of the Light Asset Cooperation Framework Agreement.

The fees above are determined after arm’s length negotiations with reference to (i) the Company’s business and project management experiences obtained from previous practices; and (ii) profit margin of the similar properties on the market as known to the Company.

The proposed annual caps under the Light Asset Cooperation Framework Agreement for the five years ending 31 December 2019 are set out below:

	<b>Annual Caps</b> <i>(RMB million)</i>				
<b>For the year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>ending 31 December</b>					
Construction management and operation management service and licensing of certain intellectual property rights	0	10.29	236.48	251.21	261.71

In determining the annual caps listed above, the Directors have taken into account, among other things, (i) the expected timetable of construction, operation and generation of income by the Project Companies, and (ii) the estimated net property income generated by the Project Companies after they commence operations; and (iii) the allocation of the income as agreed under the Light Asset Cooperation Framework Agreement.

## **6. Listing Rules Implications**

As illustrated above, KuaiQian Financial and Wanda Wenpu are connected persons of the Company under Rule 14A.13(1) of the Listing Rules, and the transactions contemplated under the Light Asset Cooperation Framework Agreement constitute continuing connected transactions of the Company.

Reference is made to the announcements of the Company dated 25 August 2015 and 10 September 2015 in relation to the light asset cooperation framework agreements entered into among the Company, KuaiQian Financial and Wanda Wensheng and among the Company, KuaiQian Financial and Wanda Wenyu. As the three light asset cooperation framework agreements are entered into with Wanda Wensheng, Wanda Wenyu or Wanda Wenpu (all of their general partner is KuaiQian Financial) and KuaiQian Financial within a 12-month period, the applicable percentage ratios of the transactions under the three light asset cooperation framework agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio after aggregation is more than 0.1% but less than 5%, the transactions contemplated under the Light Asset Cooperation Framework Agreement are exempt from independent shareholders' approval requirement but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Since the term of the Light Asset Cooperation Framework Agreement is longer than three years, pursuant to Rule 14A.52 of the Listing Rules, the Company must appoint an independent financial adviser to explain why the Light Asset Cooperation Framework Agreement requires a longer period and to confirm that it is normal business practice for the agreements of this type to be of such duration. For this purpose, the Company has engaged Gram Capital Limited ("**Gram Capital**") as the independent financial adviser.

## **IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONNECTED TRANSACTION AGREEMENTS**

The Company has been actively exploring the light-asset business model and dedicated to the long-term stable development of property management so as to avoid the risks of the uncertain fluctuations of the real estate market. The Company believes that the entering into of the Connected Transaction Agreements is an important step to achieve its light asset strategy. The allocation mechanism of net property income can (1) increase the Company's fee income for business service management; and (2) reduce the Company's indebtedness level to deal with the fluctuations of the real estate market in China.

The Directors (including all independent non-executive Directors) are of the view that the connected transactions and/or the continuing connected transactions contemplated under the Connected Transaction Agreements are on normal commercial terms in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Connected Transaction Agreements, and none of them therefore was required to abstain from voting on the resolutions passed by the Board approving the Connected Transaction Agreements and the transactions contemplated thereunder.

## V. VIEW OF INDEPENDENT FINANCIAL ADVISER

In assessing the reasons for the duration of the Light Asset Cooperation Framework Agreement to be longer than three years, Gram Capital has considered the following factors:

- (i) in consideration of construction management and operation management services provided, as well as the licensing of certain intellectual property rights granted by the Group, the Group will receive a portion of the net property income generated by the Project Companies;
- (ii) the operation of the Wanda Plazas is expected to be longer than three years; and
- (iii) Wanda Wenpu may transfer its interests in the Project Companies by the following ways within the term of the Light Asset Cooperation Framework Agreement: (a) getting those assets listed as REITs or by other ways after expiration of three years from the effective date of the Light Asset Cooperation Framework Agreement; (b) transferring those assets to Dalian Wanda Group or any other party designated by it; or (c) transferring those assets to another third party.

In considering whether it is normal business practice for agreements of similar nature with the Light Asset Cooperation Framework Agreement to have a term of such duration, Gram Capital was advised by the Directors that the provision of the construction management service by the Group will end in 2017 (which is 150 days after the opening of the Wanda Plazas). In addition, Gram Capital has identified continuing connected transactions entered into by companies listed on the Stock Exchange involving (i) the provision of property operation management services; or (ii) the licensing of intellectual property rights, with duration of more than three years.

Gram Capital noted that the Company entered into a light asset cooperation framework agreement on 25 August 2015 with KuaiQian Financial and Wanda Wensheng and another light asset cooperation framework agreement with KuaiQian Financial and Wanda Wenyu on 10 September 2015 (the “**Previous CCT Agreements**”), the major terms of which are similar with those of the Light Asset Cooperation Framework Agreement.

In addition, Gram Capital has also reviewed a cooperation agreement which is similar in nature with the Light Asset Cooperation Framework Agreement, entered into among the Company, an independent third party (“**Party A**”) and its subsidiary (the “**Comparable Cooperation Agreement**”). Pursuant to the Comparable Cooperation Agreement:

- (i) Party A would provide a land for the development of a shopping mall and be responsible for the construction and the construction cost of the shopping mall;

- (ii) the Company would be responsible for the construction design of the shopping mall and a management company established and wholly-owned by the Company (the “**Management Company**”) would enter into a lease agreement with Party A upon completion of the construction of the main structure of the shopping mall or one year prior to the opening of the shopping mall (whenever is earlier) for the leasing of the shopping mall to the Management Company;
- (iii) the Management Company would be responsible for the leasing of shops of the shopping mall to commercial tenants and the operation and management of the shopping mall;
- (iv) the Management Company would pay a fixed rent annually to Party A; and
- (v) should the net income of the shopping mall exceed a predetermined benchmark amount, the Management Company and Party A would share such portion of net income which exceeds the predetermined benchmark amount, in a predetermined proportion.

The term of the Comparable Cooperation Agreement is over three years.

Taking into account of the above, Gram Capital confirms that the duration of the Light Asset Cooperation Framework Agreement, which is longer than three years is required and it is normal business practice for the Light Asset Cooperation Framework Agreement to be of such duration.

## **VI. GENERAL INFORMATION**

### **1. The Group**

The Group believes that it is the largest owner and operator of shopping centers, the largest developer and seller of commercial properties and the largest owner and operator of luxury hotels in the PRC.

The business of the Group comprises three segments, namely investment property development and operations, property development and sales and hotel business.

### **2. Wanda Wenpu**

Wanda Wenpu is a limited liability partnership incorporated in the PRC, and is principally engaged in the investment of the Project Companies pursuant to the Connected Transaction Agreements.

### **3. KuaiQian Financial**

KuaiQian Financial is a company incorporated in the PRC with limited liability, and is principally engaged in financing, payment and settlement services. It is the general partner of Wanda Wenpu. Mr. WANG Jianlin held approximately 68.7% equity interests in KuaiQian Financial as at the date of this announcement.

## VII. DEFINITIONS

“Board”	the board of Directors
“Company”	Dalian Wanda Commercial Properties Co., Ltd. (大連萬達商業地產股份有限公司) (Stock Code: 3699 HK), a joint stock company with limited liability incorporated in the PRC on 10 December 2009
“Connected Transaction Agreements”	the Equity Transfer Agreement and the Light Asset Cooperation Framework Agreement
“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 on 28 September 1992, which held approximately 43.71% equity interest in the Company as at the date of this announcement
“Directors”	directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and Wanda Wenpu on 15 October 2015
“Group”	the Company and its subsidiaries
“KuaiQian Financial”	KuaiQian (Tianjin) Financial Service Co, Ltd. (快錢(天津)金融服務有限公司), a company incorporated in the PRC with limited liability
“Light Asset Cooperation Framework Agreement”	the agreement entered into among the Company, KuaiQian Financial and Wanda Wenpu on 15 October 2015, pursuant to which (i) the Group shall provide construction management and operation management services and license certain intellectual property rights to Wanda Wenpu and the Project Companies, (ii) Wanda Wenpu shall provide funds to the Project Companies for the development, construction and operation management of the Wanda Plazas under the Project Companies
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Project Companies”	the project companies established by the Company for the construction and operation of the Wanda Plazas, which shall be transferred to Wanda Wenpu pursuant to the Equity Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC



“Wanda Plazas”	Fuyang Yingquan Wanda Plaza, Binzhou Wanda Plaza, Yantai Wanda Plaza, Yingkou Bayuquan Wanda Plaza and Lianyungang Wanda Plaza
“Wanda Wenpu”	Wanda Wenpu (Shanghai) Investment Partnership (萬達穩普(上海)投資合夥企業), a limited partnership incorporated in the PRC with KuaiQian Financial as its general partner
“Wanda Wensheng”	Wanda Wensheng (Shanghai) Investment Partnership (萬達穩升(上海)投資合夥企業), a limited partnership incorporated in the PRC with KuaiQian Financial as its general partner
“Wanda Wenyu”	Wanda Wenyu (Shanghai) Investment Partnership (萬達穩余(上海)投資合夥企業), a limited partnership incorporated in the PRC with KuaiQian Financial as its general partner
“%”	per cent.

By Order of the Board  
**Dalian Wanda Commercial Properties Co., Ltd.**  
**DING Benxi**  
*Chairman*

Beijing, 15 October 2015

*As at the date of this announcement, our executive Directors are Mr. DING Benxi, Mr. QI Jie and Mr. QU Dejun; our non-executive Directors are Mr. ZHANG Lin, Mr. WANG Guiya and Mr. YIN Hai; and our independent non-executive Directors are Mr. LIU Jipeng, Dr. XUE Yunkui and Dr. HU, Fred Zulu.*