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## **Red Star Macalline Group Corporation Ltd.**

紅星美凱龍家居集團股份有限公司

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

**(Stock Code: 1528)**

### **RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2016 SUMMARY OF THE UNAUDITED KEY FINANCIAL INFORMATION**

The board of directors (the “**Board**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) announced the summary of the unaudited key financial information of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2016 (the “**Reporting Period**”). This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### **Summary of the Unaudited Key Financial Information**

Reference is made to the issuance of the domestic medium term notes by the Company from the period of 2012 to 2014. For the details of the domestic medium term notes, please refer to the prospectus of the Company dated 16 June 2015. Pursuant to the relevant regulations of the People's Bank of China and the National Association of Financial Market Institutional Investors, the unaudited key financial information of the Group during the Reporting Period is required to be published by the Company on the websites of Chinamoney ([www.chinamoney.com.cn](http://www.chinamoney.com.cn)) and Shanghai Clearing House ([www.shclearing.com](http://www.shclearing.com)) on 29 April 2016.

The Company also issued domestic corporate bonds in 2015. For the details of the domestic corporate bonds and the completion of the issue of the first tranche of corporate bonds, please refer to the announcements of the Company dated 31 July 2015 and 12 November 2015, respectively. Pursuant to the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, the unaudited key financial information of the Group during the Reporting Period is required to be published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 29 April 2016.

Set out below is the unaudited key financial information of the Group during the Reporting Period as published on the aforesaid three websites:

**(i) Summary of the Unaudited Key Financial Information of the Group**

The table below sets forth the key data of the statement of profit or loss and other comprehensive income of the Group during the Reporting Period:

	<b>For the three months ended 31 March (unaudited)</b>	
	<b>2016 (RMB'000)</b>	<b>2015 (RMB'000)</b>
I. Revenue	<b>2,178,768</b>	2,042,135
Less: Costs of sales and services	<b>577,777</b>	512,308
Business taxes and surcharges	<b>108,102</b>	99,069
Selling and distribution expenses	<b>249,976</b>	258,414
Administrative expenses	<b>190,355</b>	229,482
Finance expenses	<b>205,514</b>	229,067
Allowance on doubtful receivables	<b>6,938</b>	18,156
Add: Gain or loss for change in fair value of investment properties	<b>665,458</b>	731,494
Investment gain	<b>32,467</b>	13,408
II. Operating profit	<b>1,538,031</b>	1,440,541
Add: Non-operating income	<b>13,394</b>	4,925
Less: Non-operating expenses	<b>1,465</b>	10,202
III. Total profit	<b>1,549,960</b>	1,435,264
Less: Income tax expense	<b>407,187</b>	387,742
<b>IV. Net profit</b>	<b>1,142,773</b>	1,047,522
Net profit attributable to:		
Owners of the Company	<b>1,052,520</b>	979,438
Non-controlling interests	<b>90,253</b>	68,084

During the Reporting Period, the core net profit attributable to the owners of the Company (as defined in the annual report despatched to the shareholders of the Company on 21 April 2016) amounted to RMB582,604,000, representing an increase of 20.07% from RMB485,239,000 for the same period of 2015.

The table below sets forth the key data of the statement of cash flows of the Group during the Reporting Period:

	<b>For the three months ended 31 March (unaudited)</b>	
	<b>2016 (RMB'000)</b>	<b>2015 (RMB'000)</b>
Net cash from operating activities	377,932	1,342,023
Net cash used in investing activities	(1,558,794)	(951,960)
Net cash from (used in) financing activities	364,459	(447,359)
Net decrease in cash and cash equivalents	(816,403)	(57,296)
Balances of cash and cash equivalents at the beginning of the period	6,025,845	3,721,512
Balances of cash and cash equivalents at the end of the period	5,209,442	3,664,216

The table below sets forth the data of the condensed statement of financial position of the Group at the end of the Reporting Period:

	<b>As at 31 March 2016 (unaudited) (RMB'000)</b>	<b>As at 31 December 2015 (audited) (RMB'000)</b>
Current assets	7,253,104	7,932,512
Long-term equity investments	939,314	911,164
Investment properties	71,799,000	70,593,000
Fixed assets and construction in progress	158,127	163,736
Intangible assets	535,517	539,267
Other non-current assets	3,111,813	3,051,890
<b>Total assets</b>	<b>83,796,875</b>	<b>83,191,569</b>
Current liabilities	9,119,049	10,622,806
Non-current liabilities	28,261,818	27,292,239
Equity attributable to owners of the Company	42,189,864	41,146,135
Non-controlling interests	4,226,144	4,130,389
<b>Total liabilities and equity</b>	<b>83,796,875</b>	<b>83,191,569</b>

As of the end of the Reporting Period, the balance of the total borrowings of the Group amounted to RMB17,791,967,000.

The aforesaid unaudited key financial information during the Reporting Period of the Group was prepared in accordance with the relevant management accounts and the Generally Accepted Accounting Principles of the PRC, and has not been reviewed or audited by the auditors of the Company.

Shareholders of the Company and potential investors are advised by the Board that, the data above is based on the internal records and the relevant management accounts of the Group as of the end of the Reporting Period, therefore, the data above is for reference only. When dealing in the shares of the Company, shareholders of the Company and potential investors are advised to exercise caution.

By order of the Board  
**Red Star Macalline Group Corporation Ltd.**  
**GUO Binghe**  
*Company Secretary*

Shanghai, the PRC  
29 April 2016

*As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, ZHANG Qi, CHE Jianfang and JIANG Xiaozhong; the non-executive Directors are CHEN Shuhong, XU Guofeng, Joseph Raymond GAGNON and ZHANG Qiqi; and the independent non-executive Directors are LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.*