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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 2017 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 2017 (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 Rules 13.09(2) and 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) and Shanghai Clearing House (www.shclearing.com) on 28 April 2017.

The Company also issued domestic corporate bonds in 2015 and 2016. For the details of the domestic corporate bonds and the completion of the issue of the first tranche and second tranche of corporate bonds, please refer to the announcements of the Company dated 31 July 2015, 12 November 2015 and 15 July 2016 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) on 28 April 2017.

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:

	For the three months ended 31 March (unaudited)	
	2017	2016
	(RMB'000)	(RMB'000)
I. Revenue	2,304,278	2,178,768
Less: Costs of sales and services	665,344	577,777
Business taxes and surcharges	79,297	108,102
Selling and distribution expenses	264,508	249,976
Administrative expenses	205,769	190,355
Finance expenses	257,235	205,514
Allowance on doubtful receivables	7,684	6,938
Add: Gain or loss for change in fair value of investment properties	658,566	665,458
Investment gain	28,829	32,467
II. Operating profit	1,511,836	1,538,031
Add: Non-operating income	7,662	13,394
Less: Non-operating expenses	18,617	1,465
III. Total profit	1,500,881	1,549,960
Less: Income tax expense	377,724	407,187
IV. Net profit	1,123,157	1,142,773
Net profit attributable to:		
Owners of the Company	1,031,016	1,052,520
Non-controlling interests	92,141	90,253

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 20 April 2017) amounted to RMB588,919,163, representing an increase of 1.1% from RMB582,604,351 for the same period of 2016.

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

	For the three months ended 31 March (unaudited)	
	2017	2016
	(RMB'000)	(RMB'000)
Net cash from operating activities	641,670	377,932
Net cash used in investing activities	(1,363,308)	(1,558,794)
Net cash from financing activities	580,163	364,459
Net increase in cash and cash equivalents	(141,475)	(816,403)
Balances of cash and cash equivalents at the beginning of the period	6,137,865	6,025,845
Balances of cash and cash equivalents at the end of the period	5,996,390	5,209,442

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

	As of 31 March 2017 (unaudited) (RMB'000)	As of 31 December 2016 (audited) (RMB'000)
Current assets	8,700,914	8,794,876
Long-term equity investments	1,187,891	1,119,597
Investment properties	78,509,000	77,090,000
Fixed assets and construction in progress	353,167	353,592
Intangible assets	493,605	467,822
Other non-current assets	5,750,143	4,011,595
Total assets	<u>94,994,720</u>	<u>91,837,482</u>
Current liabilities	13,138,120	13,547,348
Non-current liabilities	31,450,722	30,602,459
Equity attributable to owners of the Company	45,953,145	43,470,625
Non-controlling interests	4,452,733	4,217,050
Total liabilities and equity	<u>94,994,720</u>	<u>91,837,482</u>

As of the end of the Reporting Period, the balance of the total borrowings of the Group amounted to RMB22,304,706,705.

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 in the People's Republic of China (“**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 only for reference. 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
28 April 2017

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.