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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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 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 31 October 2016.

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 31 October 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:

	For the nine months ended 30 September (unaudited)	
	2016	2015
	(RMB'000)	(RMB'000)
I. Revenue	6,855,292	6,728,949
Less: Costs of sales and services	1,824,141	1,638,910
Business taxes and surcharges	192,557	313,318
Selling and distribution expenses	850,087	839,052
Administrative expenses	767,465	718,754
Finance expenses	621,474	605,528
Allowance on doubtful receivables	104,684	42,392
Add: Gain or loss for change in fair value of investment properties	2,109,725	2,130,381
Investment gain	75,663	58,755
II. Operating profit	4,680,272	4,760,131
Add: Non-operating income	56,221	40,456
Less: Non-operating expenses	12,073	77,235
III. Total profit	4,724,420	4,723,352
Less: Income tax expense	1,221,798	1,232,081
IV. Net profit	3,502,622	3,491,271
Net profit attributable to:		
Owners of the Company	3,279,482	3,310,838
Non-controlling interests	223,140	180,433

During the Reporting Period, the core net profit attributable to the owners of the Company (as defined in the Interim Report despatched to the shareholders of the Company on 22 September 2016) amounted to RMB1,859,708,000, representing an increase of 0.78% from RMB1,845,384,000 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:

	For the nine months ended 30 September (unaudited)	
	2016 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>
Net cash from operating activities	2,258,146	1,810,446
Net cash used in investing activities	(3,064,057)	(2,742,687)
Net cash from financing activities	3,165,051	4,492,828
Net increase in cash and cash equivalents	2,359,140	3,560,588
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	8,384,985	7,282,100

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 at 30 September 2016 (unaudited) (RMB'000)	As at 31 December 2015 (audited) (RMB'000)
Current assets	10,826,780	7,932,512
Long-term equity investments	998,824	911,164
Investment properties	75,398,973	70,593,000
Fixed assets and construction in progress	173,176	163,736
Intangible assets	492,466	539,267
Other non-current assets	3,378,389	3,051,890
Total assets	91,268,608	83,191,569
Current liabilities	10,906,715	10,622,806
Non-current liabilities	33,351,914	27,292,239
Equity attributable to owners of the Company	42,728,100	41,146,135
Non-controlling interests	4,281,879	4,130,389
Total liabilities and Equity	91,268,608	83,191,569

As of the end of the Reporting Period, the balance of total borrowings of the Group amounted to RMB22,790,797,000.

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 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
31 October 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.