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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)

FINANCIAL INFORMATION IN RELATION TO A SHARE PROSPECTUS

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) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of Red Star Macalline Group Corporation Ltd. (the “**Company**”, together with its subsidiaries as the “**Group**”) dated 12 February 2016, 19 April 2016, 13 May 2016, 28 February 2017, 19 April 2017, 10 November 2017, 5 December 2017 and 22 December 2017 and the circulars of the Company dated 12 February 2016 and 2 March 2017 in relation to, amongst others, the proposed initial public offering of not more than 315,000,000 A shares by the Company (the “**A Share Offering**”).

The full text of the prospectus in relation to the A Share Offering (the “**A Share Prospectus**”), a summary of the A Share Prospectus and the relevant appendices were published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in Chinese on 26 December 2017.

For the year ended 31 December 2017, it is expected that the Company will achieve operating income of approximately RMB10,579,340,000 to RMB10,668,020,000, representing a change of 12.12% to 13.06% as compared to the year ended 31 December 2016; net profits attributable to the owners of the parent company after deduction of non-recurring profit or loss (whichever is lesser) of approximately RMB2,131,020,000 to RMB2,280,030,000, representing a change of 2.82% to 10.01% as compared to the year ended 31 December 2016 (the aforementioned financial data does not represent the profit forecast made by the Company).

The above estimates of the Company do not constitute guarantee of its future development, and may differ from the actual results of the Company due to various uncertainties. Such estimates do not constitute actual commitments to potential investors and shareholders of the Company. Potential investors and shareholders of the Company should be aware that inappropriate reliance on and usage of such information may expose to investment risks. The above English version of the major operation conditions of the Group is an unofficial translation. In case of any discrepancies, the Chinese version shall prevail.

Further announcement(s) regarding the detailed terms of the proposed A Share Offering will be made by the Company as and when applicable. This announcement appears for information purposes only and does not constitute an invitation or an offer to acquire, purchase or subscribe for the securities of the Company.

By order of the Board of Directors
Red Star Macalline Group Corporation Ltd.
Guo Binghe
Company Secretary

Shanghai, the PRC
26 December 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, ZHANG Qiqi; and the independent non-executive Directors are LI Zhenning, DING Yuan, LEE Kwan Hung and QIAN Shizheng.