

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT ON THE OPERATING STATISTICS FOR THE FIRST HALF OF 2018

This announcement is made by Red Star Macalline Group Corporation Ltd. (the **“Company”**) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

The board of directors and all directors of the Company confirm that there are no false representations, misleading statements or material omission in this announcement, and they shall individually and collectively accept responsibility for the truthfulness, accuracy and completeness of the contents herein.

In accordance with the relevant requirements under the Guidelines No. 5 on Industry Information Disclosure of Listed Companies – Retail (《上市公司行業信息披露指引第五號—零售》) and the Notice in relation to the Endeavour on Disclosure of the 2018 Half Yearly Report by the Listed Companies (《關於做好上市公司2018年半年度報告披露工作的通知》) issued by the Shanghai Stock Exchange, Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the **“Company”**) hereby discloses its principal operating statistics for the first half of 2018 as follows:

I. SITUATION OF CHANGES IN STORES (I.E. MALLS, SAME AS BELOW) FOR THE FIRST HALF OF 2018

During the Reporting Period, the net increase of the Company's Portfolio Shopping Malls was four, with two newly set up shopping malls which are situated respectively in Nanchang City, Jiangxi Province and Chongqing City. Two Managed Shopping Malls located respectively in Ningbo City, Zhejiang Province and Baotou City, Inner Mongolia were transferred to Portfolio Shopping Malls. The net increase of the Managed Shopping Malls was seven, with 10 newly set up shopping malls situated respectively in Chongqing City, Fuzhou City, Fujian Province, Datong City, Shanxi Province, Wuhu City, Anhui Province, Huainan City, Anhui Province, Haicheng City, Liaoning Province, Zhuji City, Zhejiang Province, Zhoukou City, Henan Province, Guiyang City, Guizhou Province and Tangshan City, Hebei Province. The Company closed down one shopping mall situated in Tongxiang City, Zhejiang Province.

(I) Situation of Changes in Malls during the Reporting Period

Table 1-1 Situation of Changes in Owned Portfolio Shopping Malls during the Reporting Period

Mode of Operation	Location	Malls as at the Beginning Period		New Malls		Malls that Transferred from Other Business Mode		Closed Malls		Malls that Transferred to Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Owned	Beijing	3	197,777									3	209,261
Owned	Shanghai	6	652,576			1	61,831					7	714,543
Owned	Tianjin	4	330,044									4	344,677
Owned	Chongqing	1	78,816	1	62,282	1	78,816					3	246,272
Owned	Northeast China	10	828,304									10	836,941
Owned	North China	2	156,204									2	156,524
	(excluding Beijing and Tianjin)												
Owned	East China (excluding Shanghai)	12	1,211,835			1	84,216					13	1,344,998
Owned	Central China	4	434,492									4	443,830
Owned	South China	2	116,017									2	116,021
Owned	West China (excluding Chongqing)	3	208,696									3	209,028
Total:		47	4,214,760	1	62,282	3	224,863					51	4,622,095

Unit : m²

Note 1: Portfolio Shopping Malls in this announcement include 3 types of shopping malls, e.g. Owned Portfolio Shopping Malls, JV/associate Portfolio Shopping Malls and Leased Portfolio Shopping Malls.

Note 2: The discrepancies between total and sums of amounts in the table above are due to rounding.

Table 1–2 Situation of Changes in JV/associate Portfolio Shopping Malls during the Reporting Period

		<i>Unit: m²</i>									
Mode of Operation	Location	Malls as at the		Malls that			Malls that			Malls as at the	
		Beginning Period		Transferred from			Transferred to			End of the Period	
		No. of Malls	Operating Area	New Malls	No. of Operating Malls	Other Business Mode Operating Area	Closed Malls	No. of Operating Malls	Other Business Mode Operating Area	No. of Operating Malls	Operating Area
JV/associate	Beijing										
JV/associate	Shanghai										
JV/associate	Tianjin										
JV/associate	Chongqing										
JV/associate	Northeast China										
JV/associate	North China										
	(excluding Beijing and Tianjin)										
JV/associate	East China (excluding Shanghai)	2	156,978							2	157,248
JV/associate	Central China										
JV/associate	South China	1	94,649							1	94,649
JV/associate	West China	1	71,241							1	71,241
	(excluding Chongqing)										
Total:		4	322,868							4	323,139

Note 1: The discrepancies between total and sums of amounts in the table above are due to rounding.

Table 1–3 Situation of Changes in Leased Portfolio Shopping Malls during the Reporting Period

Unit : m²

Mode of Operation	Location	Malls as at the Beginning Period		New Malls		Malls that Transferred from Other Business Mode		Closed Malls		Malls that Transferred to Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Leased	Beijing	1	85,117									1	92,347
Leased	Shanghai	1	50,258							1	61,831		
Leased	Tianjin												
Leased	Chongqing	2	188,742							1	78,816	1	83,405
Leased	Northeast China	1	82,204									1	82,204
Leased	North China	4	206,633			1	56,949					5	232,585
	(excluding Beijing and Tianjin)												
Leased	East China (excluding Shanghai)	6	250,070	1	72,379							7	349,318
Leased	Central China	3	238,470									3	240,434
Leased	South China	1	35,798									1	35,901
Leased	West China (excluding Chongqing)	1	31,031									1	31,031
Total:		20	1,168,325	1	72,379	1	56,949			2	140,647	20	1,147,224

Note 1: The discrepancies between total and sums of amounts in the table above are due to rounding.

Table 1–4 Situation of Changes in Managed Portfolio Shopping Malls during the Reporting Period

Unit : m²

Mode of Operation Location	Malls as at the Beginning Period		New Malls		Malls that Transferred from Other Business Mode		Closed Malls		Malls that Transferred to Other Business Mode		Malls as at the End of the Period	
	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Managed Beijing	1	82,440									1	88,614
Managed Shanghai												
Managed Tianjin	3	129,176									3	133,515
Managed Chongqing	2	74,184	1	12,919							3	87,103
Managed Northeast China	12	571,493	1	39,821							13	611,717
Managed North China	29	1,484,957	2	63,590					1	56,949	30	1,518,614
(excluding Beijing and Tianjin)												
Managed East China (excluding Shanghai)	82	4,335,566	4	103,339			1	36,748	1	84,216	84	4,507,014
Managed Central China	19	926,921	1	40,086							20	973,129
Managed South China	8	423,468									8	428,652
Managed West China (excluding Chongqing)	29	1,403,570	1	65,070							30	1,514,440
Total:	185	9,431,775	10	324,825			1	36,748	2	141,165	192	9,862,798

Note 1: The discrepancies between total and sums of amounts in the table above are due to rounding.

(II) Details of Changes in Malls during the Reporting Period

Table 1–5 Newly-added Malls during the Reporting Period

Name	Address	Operating Area (m^2)	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)
Honggu Tan, Nanchang (南昌紅谷灘)	969 Honggu Tan New District of Nanchang, Jiangxi Province (江西省南昌市紅谷灘新區969號天使金融廣場)	72,379	22 June 2018	Lease	Due on 31 January 2018
Chayuan, Chongqing (重慶茶園)	7/F, Red Star Macalline, 5 Yuma Road, Nanan District, Chongqing City (重慶市南岸區玉馬路5號(紅星美凱龍7樓))	62,282	26 May 2018	Purchase	–
Liangping, Chongqing (重慶梁平)	Red Star MaCalline Liangping Mall, Jingui Road, Shuanggui Street, Liangping District, Chongqing (重慶市梁平區雙桂街道金桂路紅星美凱龍梁平商場)	12,919	30 January 2018	Contracted management	12 years since the opening
Binjiang, Changle (長樂濱江)	Tower 1–3, 15–17 Binjiang Trade City, Heshang Town, Changle District, Fuzhou (福州市長樂區鶴上鎮濱江商貿城15–17號樓1–3層)	12,496	3 March 2018	Contracted management	10 years since the opening
Dongxin, Datong (大同東信)	Intersection of Yongtai South Road and Yuanmao Road, Chengqu, Urban Sub-district, Datong City, Shanxi Province (山西省大同市城區永泰南路與源茂街交匯處)	31,170	1 April 2018	Contracted management	As of 31 March 2020

Name	Address	Operating Area (m ²)	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)
Aoti, Wuhu (蕪湖奧體)	Intersection of Nanjing 15th Road and Heyue Road, Shannan New Sub-district, Huainan City, Anhui Province (安徽省淮南市山南新區南經十五路與和悅街交叉口)	18,416	28 April 2018	Contracted management	10 years since the opening
Haicheng Mall (海城商場)	Daji Xincheng, Huanglingwei, Xiangtang Management Zone, Haicheng Sub-district, Anshan City, Liaoning Province (遼寧省鞍山市海城市響堂管理區荒嶺委大吉欣城)	39,821	29 April 2018	Contracted management	10 years since the opening
Shannan, Huainan (淮南山南)	Intersection of Nanjing 15th Road and Heyue Road, Shannan New Sub-district, Huainan City, Anhui Province (安徽省淮南市山南新區南經十五路與和悅街交叉口)	27,081	26 May 2018	Contracted management	10 years since the opening
East 2nd Ring, Zhuji (諸暨東二環)	Intersection of East 2nd Ring Road and Xiangnan Road, Zhuji City, Zhejiang Province (浙江省諸暨市東二環路與祥安路交叉路口)	45,348	26 May 2018	Contracted management	10 years since the opening
Longdu, Zhoukou (周口龍都)	Red Star Macalline, Southeast Corner, Intersection of Gongnong Road and Huanghe Road, Chuanhui District, Zhoukou City, Henan Province (河南省周口市川匯區工農路與黃河路交叉口東南角紅星美凱龍)	40,086	2 June 2018	Contracted management	15 years since the opening

Name	Address	Operating Area (m^2)	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)
Yunyan, Guiyang (貴陽雲岩)	Red Star City Square, 66 Beijing West Road, Yunyan District, Guiyang City (貴陽市雲岩區北京西路66號紅星城市廣場)	65,070	8 June 2018	Contracted management	10 years since business start-up
Fengnan, Tangshan (唐山豐南)	18 Qingnian Road, Fengnan District, Tangshan City, Hebei Province (河北省唐山市豐南區青年路18號)	32,420	9 June 2018	Contracted management	6 years since business start-up

Table 1–6 Stores Closure during the Reporting Period

Name	Address	Operating Area (m^2)	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)	Reason for Closure	Time of Closure
Shiji, Tongxiang (桐鄉世紀)	West side of Shiji Avenue, Wutong Sub-district, Tongxiang City (桐鄉市梧桐街道世紀大道西側)	36,748	28 September 2008	Contracted management	10 years since the contract took effect	Expiration of the entrusted management contract	March 2018

II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE END OF FIRST HALF OF 2018

As of 30 June 2018, the Company had 25 pipeline Portfolio Shopping Malls (of which 20 were Owned Portfolio Shopping Malls and 5 were Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 2,599.5 thousand sq.m. (subject to final construction area approved by government permit document). Among the pipeline Managed Shopping Malls, we have obtained land use rights/land parcels for 358 managed contractual projects.

III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST HALF OF 2018

During the Reporting Period, the Portfolio Shopping Malls opened by the Company recorded revenue of RMB3,801,107,430.16, representing an increase of 10.6% as compared with the same period of last year; the gross profit margin was 77.9%, representing an increase of 0.8 percentage point as compared with the same period of 2017.

Table 3–1 Revenue and Gross Profit Margin of Portfolio Shopping Malls Classified by Operating Mode

Unit : RMB

Operating Mode	Revenue	Change as Compared to the Same Period (%)	Gross Profit Margin (%)	Change as Compared to the Same Period (%)
Owned Portfolio				
Shopping Malls	3,021,546,979.13	15.0%	84.7%	-0.5%
Leased Portfolio				
Shopping Malls	510,953,527.78	-8.8%	43.0%	-1.3%
JV/Associate Portfolio				
Shopping Malls	268,606,923.25	7.6%	68.0%	2.2%
Total :	3,801,107,430.16	10.6%	77.9%	0.8%

Note: Malls listed above are Portfolio Shopping Malls opened as at the end of each period (including JV/Associate Portfolio Shopping Malls).

Table 3–2 Revenue and Gross Profit Margin of Portfolio Shopping Malls Classified by Location

Unit : RMB

Location	Revenue	Change as Compared to the Same Period (%)	Gross Profit Margin (%)	Change as Compared to the Same Period (%)
Beijing	465,700,495.71	10.8%	74.8%	2.9%
Shanghai	827,038,233.82	11.4%	89.7%	1.4%
Tianjin	136,929,961.52	-30.8%	81.1%	-8.2%
Chongqing	245,293,442.28	13.2%	67.0%	0.9%
Northeast China	402,382,086.59	12.9%	87.8%	2.6%
North China (excluding Beijing and Tianjin)	98,865,674.31	7.0%	53.8%	5.5%
East China (excluding Shanghai)	877,118,569.58	23.4%	74.7%	-0.2%
Central China	353,493,342.35	3.7%	76.0%	-1.2%
South China	167,887,401.41	13.3%	56.2%	7.6%
West China (excluding Chongqing)	226,398,222.59	6.5%	76.0%	1.1%

Note: Malls listed above are Portfolio Shopping Malls opened as at the end of each period (including JV/Associate Portfolio Shopping Malls).

The operating information of this announcement is unaudited and provided to investors to understand the operation of the Company only. The Company advises investors to exercise caution when using such information.

This announcement is published simultaneously in Chinese and English. In the event of any inconsistency between Chinese and English versions, the Chinese version shall prevail.

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

Shanghai, the PRC
27 August 2018

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