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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)

ANNOUNCEMENT ON THE OPERATING STATISTICS FOR THE FIRST QUARTER OF 2019

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 omissions in this announcement, and they shall individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of 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 2019 First-Quarter Report by the Listed Companies (《關於做好上市公司2019年第一季度報告披露工作的通知》) issued by the Shanghai Stock Exchange, the Company hereby discloses its principal operating statistics for the first quarter of 2019 (the “**Reporting Period**”) as follows:

As of 31 March 2019, the Company operated 81 Portfolio Shopping Malls and 230 Managed Shopping Malls. In addition, the Company opened 24 franchised home improvement material stores/industry streets^{Note 1} by way of franchising, which includes a total of 364 home improvement material stores/industry streets^{Note 2}.

Note 1: Franchised home improvement material projects represent the home improvement material stores and home improvement material industry streets operated by the Company by the way of franchising. For such franchised home improvement material stores/industry streets, the Company will not participate in the daily operation and management after their commencement of operations.

Note 2: For home improvement material stores/industry streets, the Company regards those with independent market logos as home improvement material stores/industry streets for the purpose of operation and management by taking account of physical form of the managed property and product categories sold.

I. CHANGES IN MALLS FOR THE FIRST QUARTER OF 2019

During the Reporting Period, the net increase in the number of Portfolio Shopping Malls was one, and one Managed Shopping Mall, situated in Taiyuan, Shanxi Province, was converted into Portfolio Shopping Mall. The net increase in the number of Managed Shopping Malls was two, and six new shopping malls commenced operation, situated respectively in Fuyang, Anhui Province, Yueqing, Zhejiang Province, Nantong, Jiangsu Province, Xuchang, Henan Province and Lu'an, Anhui Province and three shopping malls were closed, situated respectively in Wuxi, Jiangsu Province, Guiyang, Guizhou Province and Zhaoyuan, Shandong Province.

(I) Changes in Malls during the Reporting Period

Table 1–1 Changes in Owned Portfolio Shopping Malls during the Reporting Period

Unit: m²

Mode of Operation	Location	Malls as at the beginning of the period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls 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	231,495									3	198,457
Owned	Shanghai	7	727,992									7	737,583
Owned	Tianjin	4	427,238									4	424,078
Owned	Chongqing	3	247,141									3	247,124
Owned	Northeast China	10	954,800									10	979,581
Owned	North China (excluding Beijing and Tianjin)	2	168,193									2	167,891
Owned	East China (excluding Shanghai)	13	1,465,408									13	1,471,633
Owned	Central China	4	501,441									4	501,331
Owned	South China	2	116,266									2	116,199
Owned	West China (excluding Chongqing)	5	427,135									5	445,603
Total:		53	5,267,111									53	5,289,483

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

Note 2: Portfolio Shopping Malls stated in this announcement include Owned Portfolio Shopping Malls, JV/Associate Portfolio Shopping Malls and Leased Portfolio Shopping Malls.

**Table 1–2 Changes in JV/Associate
Portfolio Shopping Malls during the Reporting Period**

Unit: m²

Mode of Operation	Location	Malls as at the beginning of the period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls 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
JV/Associate	Beijing												
JV/Associate	Shanghai												
JV/Associate	Tianjin												
JV/Associate	Chongqing												
JV/Associate	Northeast China												
JV/Associate	North China (excluding Beijing, Tianjin)												
JV/Associate	East China (excluding Shanghai)	2	157,391									2	157,715
JV/Associate	Central China												
JV/Associate	South China	1	94,649									1	94,649
JV/Associate	West China (excluding Chongqing)	1	88,909									1	88,909
Total:		4	340,949									4	341,273

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

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

Unit: m²

Mode of Operation	Location	Malls as at the beginning of the period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls 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	93,050									1	92,443
Leased	Shanghai												
Leased	Tianjin												
Leased	Chongqing	1	84,320									1	84,320
Leased	Northeast China	1	82,204									1	82,779
Leased	North China (excluding Beijing and Tianjin)	5	243,772			1	34,033					6	277,888
Leased	East China (excluding Shanghai)	9	428,311									9	428,136
Leased	Central China	4	307,391									4	307,640
Leased	South China	1	35,901									1	35,901
Leased	West China (excluding Chongqing)	1	35,985									1	35,985
Total:		23	1,310,934			1	34,033					24	1,345,092

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

**Table 1–4 Changes in Managed
Shopping Malls during the Reporting Period**

Unit: m²

Mode of Operation	Location	Malls as at the beginning of the period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls 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	89,710									1	74,851
Managed	Shanghai												
Managed	Tianjin	3	170,228									3	170,889
Managed	Chongqing	6	183,599									6	192,801
Managed	Northeast China	16	734,107									16	747,937
Managed	North China (excluding Beijing, Tianjin)	31	1,733,203							1	34,033	30	1,710,013
Managed	East China (excluding Shanghai)	91	5,222,532	5	177,534			2	116,866			94	5,312,010
Managed	Central China	30	1,433,364	1	77,337							31	1,517,958
Managed	South China	11	554,016									11	549,575
Managed	West China (excluding Chongqing)	39	1,899,589					1	148,265			38	1,754,796
Total:		228	12,020,347	6	254,872			3	265,131	1	34,033	230	12,030,830

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***Unit: m²*

Name	Address	Operating Area	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)
Funan Tianzhu (阜南天築)	South to Road S328, East to Nanyang Revenue, Economic Development Zone, Funan County, Anhui Province (安徽省阜南縣經濟開發區 南陽大道東側 S328 公路南側)	23,297	11 January 2019	Contracted management	10 years since the opening
Yueqing Hongqiao (樂清虹橋)	No. 188, Chengnan Revenue, Hongqiao Town, Yueqing City, Zhejiang Province (浙江省樂清市虹橋鎮城 南大道 188 號)	36,994	13 January 2019	Contracted management	15 years since the opening
Hai'an Yingbin (海安迎賓)	No. 169, Yingbin Road, Chengdong Town, Hai'an City, Jiangsu Province (江蘇省海安市城東鎮 迎賓路 169 號)	35,123	9 March 2019	Contracted management	10 years since the opening
Xuchang Mall (許昌商場)	500m to the north of the Cross of Tianbao Road and Longxiang Road, Weidu District, Xuchang City, Henan Province (河南省許昌市魏都區天寶路 與龍翔路交叉口向北 500 米)	77,337	9 March 2019	Contracted management	10 years since the opening

Name	Address	Operating Area	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)
Lu'an Yingbin (六安迎賓)	Cross of Gaocheng Road and Yingbin Revenue, Lu'an Economic Technology Development District, Anhui Province (安徽省六安經濟技術開發區 皋城路與迎賓大道交叉口)	49,669	15 March 2019	Contracted management	10 years since the opening
Fuyang Tairui (阜陽泰睿)	Red Star Macalline Global Home Furnishings Plaza, Cross of Taihe Road and Shuanghe Road, Yingquan District, Fuyang City, Anhui Province (安徽省阜陽市潁泉區 太和路與雙河路交叉口 紅星美凱龍全球家居 生活廣場)	32,451	16 March 2019	Contracted management	10 years since the opening

Table 1–6 Malls Closure during the Reporting Period

Unit: m²

Name	Address	Operating Area	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)	Reason for Closure	Time of Closure
Wuxi Wuzhou (無錫五洲)	No. 668, Qianqiaosheng'an West Road, Huishan District, Wuxi City (無錫市惠山區 錢橋盛岸西路 668 號)	76,621	1 May 2009	Contracted management	10 years since the contract took effect	Expiration of the entrusted management contract	March 2019
Guiyang Nanming (貴陽南明)	Within the Fuyuanmei Home Furnishing Market, No. 281, Youzha Street, Nanming District, Guiyang City, Guizhou Province (貴州省貴陽市 南明區油榨街 281 號 富源美家居市場內)	148,265	16 May 2009	Contracted management	Due on 31 May 2026	Relocation due to municipal construction	March 2019
Shandong Zhaoyuan (山東招遠)	No. 102, Wenquan Road, Zhaoyuan City, Yantai City, Shandong Province (山東省煙台市 招遠市溫泉路 102 號)	40,245	30 December 2017	Contracted management	10 years since the opening	Adjustment of operating mode of the partner	March 2019

II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE END OF THE FIRST QUARTER OF 2019

As of 31 March 2019, the Company had 33 pipeline Portfolio Shopping Malls (of which 23 were Owned Portfolio Shopping Malls and 10 were Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 4.18 million 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 357 managed contractual projects.

III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST QUARTER OF 2019

During the Reporting Period, the Portfolio Shopping Malls opened by the Company recorded revenue of RMB2,055,211,250.19, representing an increase of 10.1% as compared with the same period of last year; the gross profit margin was 78.3%, representing an increase of 0.4 percentage point as compared with the same period of 2018.

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 (%)	Gross Profit Margin Change as Compared to the Same Period of Last Year (Percentage Point)
Owned Portfolio Shopping Malls	1,628,120,079.24	14.1%	85.5%	Decrease by 0.8 percentage point
Leased Portfolio Shopping Malls	290,755,327.87	-5.8%	43.0%	Decrease by 0.3 percentage point
JV/Associate Portfolio Shopping Malls	136,335,843.08	4.3%	67.8%	Decrease by 0.9 percentage point
Total:	<u>2,055,211,250.19</u>	<u>10.1%</u>	<u>78.3%</u>	<u>Increase by 0.4 percentage point</u>

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 (%)	Gross Profit Margin Change as Compared to the Same Period of Last Year (Percentage Point)
Beijing	225,571,097.77	1.0%	77.3%	Increase by 2.8 percentage points
Shanghai	434,613,207.03	3.2%	90.2%	Increase by 0.0 percentage point
Tianjin	58,264,294.87	-16.6%	77.9%	Decrease by 3.6 percentage points
Chongqing	144,284,327.39	22.7%	81.6%	Increase by 12.7 percentage points
Northeast China	207,195,037.22	5.4%	80.4%	Decrease by 1.2 percentage points
North China (excluding Beijing and Tianjin)	62,278,271.93	39.7%	60.4%	Increase by 11.4 percentage points
East China (excluding Shanghai)	493,402,293.61	16.7%	74.0%	Decrease by 2.2 percentage points
Central China	189,536,433.24	10.3%	74.1%	Decrease by 1.7 percentage points
South China	91,065,548.97	11.4%	58.5%	Decrease by 1.8 percentage points
West China (excluding Chongqing)	149,000,738.16	27.1%	78.9%	Increase by 4.0 percentage points
Total:	<u>2,055,211,250.19</u>	<u>10.1%</u>	<u>78.3%</u>	Increase by <u>0.4 percentage point</u>

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 is provided to investors to understand the operation of the Company only. The Company advises investors to exercise caution when using such information. Notice is hereby given.

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
Vice Chairman

Shanghai, the PRC
26 April 2019

As at the date of this announcement, the executive directors of the Company are CHE Jianxing, GUO Binghe, 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 QIAN Shizheng, LEE Kwan Hung, WANG Xiao and ZHAO Chongyi.