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MEDIA RELEASE

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Positive contribution from Sasseur Changsha in 1Q2019

- The Group made net profit of RMB22.3 million in 1Q2019 on higher revenue
- Changsha Outlets made net profit of RMB1.86 million in 1Q2019
- Store expansion programme on track
- E-commerce team established

Zhongmin Baihui Retail Group Ltd., (“Zhongmin Baihui”, “中闽百汇” or “the Group”), an established PRC retail brand that operates and manages a chain of department stores and supermarkets in Fujian province, wishes to announce that it has achieved profit after taxation of RMB22.3 million for 1Q2019 ending in 31 March 2019, a decline of 6.3% from the previous corresponding period. Revenue rose 3.5% to RMB263.8 million on the back of a 7%-point increase in direct sales.

The Group’s maiden outlet mall, SASSEUR Changsha (Zhongmin Baihui) Outlets 砂之船长沙(中闽百汇)奥莱 in Changsha City, Hunan province, made a positive contribution of RMB1.86 million in after-tax profits in the first quarter of FY2019. The Changsha outlet held a successful grand opening on 22 December 2018. We are pleased with the performance of the outlet so far and we are confident that the performance of the outlet will be satisfactory over the foreseeable future. The contribution of the Changsha mall is at the associate level and hence revenue from the mall is not recognised in the reported revenue figure.

SASSEUR Changsha (Zhongmin Baihui) Outlets is a 5-storey, 210,000 sqm mega mall and offers over 500 brands with a good selection of international and domestic labels. Notable brands include Jeep, Michael Kors, Calvin Klein, Kate Spade, I.T., Cerruti 1881, ABC Kids and Belle. A large sports section features recognized brands like Nike, Adidas, Puma, Fila, Anta, Kappa, Xtep and Li-Ning. A special section offers high-end luxury products from Gucci, Prada, Coach, Burberry, Versace, Armani, etc. Several brands offer goods at highly discounted prices not normally found in their usual stores. There is also a popular hypermarket. Non-retail attractions in the mall include restaurants, fast food joints, cafes, a modern cinema, a food court, fitness centres and amusement centres.

Changsha Sasseur (Zhongmin Baihui) Outlets Commercial Management Co., Ltd (“Changsha Outlets Mgmt”) is 49% owned by Changsha Mingfa City Construction Development Co., Ltd, which is the developer and owner of the mall; the remainder 51% is owned by Changsha City Shamin Enterprise Management Co., Ltd. (“Shamin”), which is 47.5% owned by a wholly owned subsidiary of Zhongmin

Baihui and 52.5% owned by the SASSEUR Group via Chongqing Sasseur Outlets Commercial Management Co., Ltd.. Hence, Zhongmin Baihui has an effective 24.225% stake in Changsha Outlets Mgmt. As the sole manager of the mall, Shamin is responsible for seeking suitable tenants, organising marketing activities, managing tenants, maintaining the complex, providing security services, etc. Revenue from the tenants, based on a formula with fixed and variable components, is paid to Changsha Outlets Mgmt.

The Group is also pleased to announce that it has assembled a team tasked with formulating and creating an e-commerce platform for our products. We believe e-commerce is an important part of our retail business and hence, have decided to put resources in this area.

The expansion programme includes adding four stores in 2019. The largest of the four stores is located in Yongchun, Quanzhou City and is expected to be operational in mid-2019. The Yongchun store has a GFA of 23,300 sqm. The other three stores to be opened in 2019 are the 1,400 sqm store in Haicang, Xiamen City, 1,400 sqm store in Xiangcheng, Zhangzhou City and a 4,000 sqm store in Nan'an.

“We are pleased with our performance in 1Q2019, especially the performance of the Changsha mall. Venturing into the outlet mall business is an important step for our growth and we will continue to explore opportunities in this area.”

- Mr. Lee Swee Keng (“李瑞庆”), Executive Chairman of Zhongmin Baihui



Picture: Sasseur (Changsha) Outlet 砂之船（长沙）奥莱

About Zhongmin Baihui Retail Group Ltd. (“Zhongmin Baihui”)

Zhongmin Baihui is principally engaged in the ownership, operation and management of department stores and supermarkets in the People’s Republic of China (the “PRC”) under the name “中闽百汇” . The first modern 中闽百汇 store was opened in Anxi County, Quanzhou City, Fujian Province in 1997. Since then, the Group has

expanded its footprint in Fujian to 11 self-owned stores and three managed stores, spanning an aggregate gross floor area of 181,700 sq m.

With 20 years of strong retail reputation under the “中闽百汇” brand name, the Group offers a pleasant shopping experience with a wide variety of quality merchandise, lifestyle products and customer-oriented services catering to the middle-income consumers.

The Group’s revenue is mainly derived from four sources, namely direct sales, commissions from concessionaire sales, rental income and income from managed rental.

For more information, go to <http://www.zhongminbaihui.com.sg> or email enquires@zhongminbihui.com.sg