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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 2021

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 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 Report for the First Quarter of 2021 by the Listed Companies of the main board (《關於做好主板上市公司2021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 2021 (the “**Reporting Period**”) as follows:

As of 31 March 2021, the Company operated 93 Portfolio Shopping Malls, 271 Managed Shopping Malls, and 12 home furnishing malls through strategic cooperation. In addition, the Company opened 66 franchised home improvement material projects by way of franchising, which includes a total of 476 home improvement material stores/industry streets.

I. CHANGES IN MALLS FOR THE FIRST QUARTER OF 2021

During the Reporting Period, no Portfolio Shopping Mall or Managed Shopping Mall of the Company was net increased and newly opened and one Managed Shopping Mall was converted into Portfolio Shopping Mall, situated in Shenzhen, Guangdong Province; one Managed Shopping Mall was closed, situated in Zhoushan, Zhejiang 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 into 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	226,359									3	226,359
Owned	Shanghai	7	905,389									7	905,540
Owned	Tianjin	4	457,240									4	457,240
Owned	Chongqing	4	317,145									4	309,324
Owned	Northeast China	10	1,030,696									10	1,030,736
Owned	North China (excluding Beijing and Tianjin)	3	223,479									3	223,928
Owned	East China (excluding Shanghai)	13	1,500,666									13	1,548,177
Owned	Central China	4	527,162									4	525,705
Owned	South China	2	116,204									2	116,201
Owned	West China (excluding Chongqing)	8	628,037									8	628,123
Total:		58	5,932,377									58	5,971,333

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 into 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 and Tianjin)	–	–									–	–
JV/Associate	East China (excluding Shanghai)	3	247,702									3	248,682
JV/Associate	Central China	–	–									–	–
JV/Associate	South China	1	15,857									1	15,857
JV/Associate	West China (excluding Chongqing)	1	89,268									1	89,268
Total:		5	352,827									5	353,806

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 into 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	117,369									1	117,369
Leased	Shanghai	–	–									–	–
Leased	Tianjin	–	–									–	–
Leased	Chongqing	2	132,752									2	132,780
Leased	Northeast China	–	–									–	–
Leased	North China (excluding Beijing and Tianjin)	8	441,017									8	440,978
Leased	East China (excluding Shanghai)	11	544,912									11	543,839
Leased	Central China	5	409,680									5	414,147
Leased	South China	2	103,345			1	37,469					3	140,817
Leased	West China (excluding Chongqing)	–	–									–	–
Total:		29	1,749,074			1	37,469					30	1,789,930

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 into 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	112,885									1	112,885
Managed	Shanghai	—	—									—	—
Managed	Tianjin	3	178,268									3	178,268
Managed	Chongqing	8	265,218									8	265,223
Managed	Northeast China	14	714,635									14	715,028
Managed	North China (excluding Beijing and Tianjin)	28	1,536,903									28	1,536,773
Managed	East China (excluding Shanghai)	119	6,486,497					1	64,122			118	6,428,448
Managed	Central China	40	1,852,924									40	1,856,274
Managed	South China	13	649,539							1	37,469	12	608,876
Managed	West China (excluding Chongqing)	47	2,224,522									47	2,210,458
Total:		273	14,021,390					1	64,122	1	37,469	271	13,912,234

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

Note 2: Malls Transferred into Other Business Mode: one mall was changed from a Managed Shopping Mall to a Leased Portfolio Shopping Mall.

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

Table 1–5 Mall Closures 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
Zhoushan Lincheng (舟山臨城)	No. 1188, Haitian Avenue, Dinghai District, Zhoushan City, Zhejiang Province (浙江省舟山市定海區海天大道1188號)	64,122	27 March 2011	Contracted management	10 years since the opening	Expiration of the entrusted management contract	March 2021

II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE FIRST QUARTER OF 2021

As of 31 March 2021, the Company has 24 pipeline Portfolio Shopping Malls (of which 19 are Owned Portfolio Shopping Malls and 5 are Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 3.55 million sq.m. (subject to the final construction areas as approved in the government permit documents). Among the pipeline Managed Shopping Malls, we have obtained land use rights/land parcels for 344 managed contractual projects.

III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST QUARTER OF 2021

During the Reporting Period, the Portfolio Shopping Malls opened by the Company recorded revenue of RMB1,950,688,884.78, representing an increase of 31.7% as compared with the same period of last year; the gross profit margin was 74.3%, which was increase of 0.8 percentage points compare with the same period of 2020.

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

Unit: RMB

Mode of Operation	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	1,591,775,060.85	34.8%	83.4%	an increase of 0.5 percentage points
Leased Portfolio Shopping Malls	291,702,332.97	30.8%	30.5%	a decrease of 0.5 percentage points
JV/Associate Portfolio Shopping Malls	67,211,490.96	-12.8%	49.4%	a decrease of 3.0 percentage points
Total:	1,950,688,884.78	31.7%	74.3%	an increase of 0.8 percentage points

Note 1: 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	178,725,914.13	36.8%	73.0%	an increase of 0.2 percentage point
Shanghai	408,173,484.80	26.9%	88.7%	an increase of 0.1 percentage point
Tianjin	46,654,567.35	17.4%	72.8%	an increase of 0.8 percentage point
Chongqing	136,543,550.55	46.2%	80.0%	an increase of 3.6 percentage points
Northeast China	174,232,038.35	33.2%	84.8%	an increase of 11.5 percentage points
East China (excluding Shanghai)	528,766,004.64	27.6%	70.7%	an increase of 0.5 percentage point
North China (excluding Beijing and Tianjin)	76,814,091.89	27.0%	46.4%	an increase of 4.0 percentage points
South China	46,145,088.07	21.9%	40.5%	a decrease of 4.7 percentage points
Central China	205,090,649.71	64.1%	64.3%	a decrease of 6.3 percentage points
West China (excluding Chongqing)	149,543,495.29	17.3%	71.0%	a decrease of 0.2 percentage point
Total:	<u>1,950,688,884.78</u>	<u>31.7%</u>	<u>74.3%</u>	<u>an increase of 0.8 percentage point</u>

Note 1: 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 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.

Notice is hereby given.

By Order of the Board
Red Star Macalline Group Corporation Ltd.
GUO Binghe
Vice Chairman

Shanghai, the PRC
29 April 2021

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, JING Jie, XU Hong, LIU Jin and CHEN Zhaohui; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.