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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 2022**

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 2022 by the Listed Companies of the Main Board (《關於做好主板上市公司 2022 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 2022 (the “**Reporting Period**”) as follows:

As of 31 March 2022, the Company operated 94 Portfolio Shopping Malls, 280 Managed Shopping Malls, and 10 home furnishing malls through strategic cooperation, in addition, the Company authorized 64 franchised home improvement material projects by way of franchising, which included a total of 481 home improvement material stores/industry streets.

I. CHANGES IN MALLS FOR THE FIRST QUARTER OF 2022

During the Reporting Period, no Portfolio Shopping Mall of the Company was newly opened, and 1 was transferred from Portfolio Shopping Mall to Managed Shopping Mall, situated in Xiamen, Fujian Province; the net increase in the number of Managed Shopping Malls was 2, in which, 2 were newly-opened shopping malls, situated in Huanggang, Hubei Province, Wuhan, Hubei Province, and 1 shopping mall was closed, situated in Nanyang, Henan 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	226,925									3	226,898
Owned	Shanghai	7	905,572									7	905,572
Owned	Tianjin	4	461,429									4	461,423
Owned	Chongqing	4	330,805									4	330,805
Owned	Northeast China	10	1,098,917									10	1,098,966
Owned	North China (excluding Beijing and Tianjin)	3	224,380									3	224,332
Owned	East China (excluding Shanghai)	15	1,774,394									15	1,774,092
Owned	Central China	4	527,373									4	527,402
Owned	South China	3	181,884									3	181,903
Owned	West China (excluding Chongqing)	8	668,582									8	667,740
Total:		61	6,400,260									61	6,399,134

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)	2	193,232							1	66,084	1	127,151
JV/Associate	Central China	-	-									-	-
JV/Associate	South China	2	60,497									2	60,497
JV/Associate	West China (excluding Chongqing)	1	88,780									1	88,780
Total:		5	342,509							1	66,084	4	276,429

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: 1 mall was transferred from a JV/Associate Portfolio Shopping Mall to a Managed Shopping Mall.

**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	121,710									1	121,712
Leased	Shanghai	-	-									-	-
Leased	Tianjin	-	-									-	-
Leased	Chongqing	2	132,669									2	132,784
Leased	Northeast China	-	-									-	-
Leased	North China	8	445,716									8	447,145
	(excluding Beijing and Tianjin)												
Leased	East China	12	598,046									12	598,046
	(excluding Shanghai)												
Leased	Central China	4	340,794									4	340,708
Leased	South China	2	73,782									2	73,782
Leased	West China	-	-									-	-
	(excluding Chongqing)												
Total:		29	1,712,717									29	1,714,177

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	112,865									1	112,865
Managed	Shanghai	–	–									–	–
Managed	Tianjin	3	177,922									3	177,922
Managed	Chongqing	8	264,975									8	264,974
Managed	Northeast China	15	714,927									15	735,070
Managed	North China (excluding Beijing and Tianjin)	30	1,527,496									30	1,527,471
Managed	East China (excluding Shanghai)	120	6,342,522			1	66,084					121	6,417,104
Managed	Central China	40	1,810,626	2	61,731			1	57,116			41	1,813,862
Managed	South China	11	549,441									11	550,331
Managed	West China (excluding Chongqing)	50	2,347,290									50	2,345,350
Total:		278	13,848,062	2	61,731	1	66,084	1	57,116			280	13,944,949

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

Note 2: Malls Transferred from Other Business Mode: 1 mall was transferred from a JV/Associate Portfolio Shopping Mall to a Managed Shopping Mall.

(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 Lease, Managed Business Mode)
Huanggang Tuanfeng	Intersection of Jiangbei Avenue and Desheng Road, Tuanfeng County, Huanggang City, Hubei Province	15,442	12 March 2022	Contracted management	10 years since the opening
Wuhan Zhuodaoquan	No. 466, Xiongchu Avenue, Hongshan District, Wuhan City, Hubei Province	46,289	27 March 2022	Contracted management	10 years since the opening

Table 1-6 Mall Closures during the Reporting Period

Unit: m²

Name	Address	Operating Area	Opening Date	Way of Contracting	Contract Period (Applicable to Lease, Managed Business Mode)	Reason for Closure	Time of Closure
Nanyang Jianshe	Intersection of Chezhan Road and Jianshe Road, Wolong District, Nanyang City, Henan Province	57,116	12 December 2009	Contracted management	15 years upon the contract commencement	Early termination of the contract	March 2022

II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE FIRST QUARTER OF 2022

As of 31 March 2022, the Company had 20 pipeline Portfolio Shopping Malls (of which 16 were Owned Portfolio Shopping Malls and 4 were Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 3.01 million sq.m. (subject to the final construction area as approved in the government permit documents). Among the pipeline Managed Shopping Malls, the Company obtained land use rights/land parcels for 325 managed contractual projects.

III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST QUARTER OF 2022

The Portfolio Shopping Malls opened by the Company recorded revenue of RMB2,170,545,234.26 during the Reporting Period, representing an increase of 11.3% as compared with the same period of last year; the gross profit margin was 76.1%, which was an increase of 1.8 percentage points compared with the same period of 2021.

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
Owned Portfolio Shopping Malls	1,788,425,047.97	12.4%	84.7%	an increase of 1.3 percentage points
Leased Portfolio Shopping Malls	306,245,416.77	5.0%	31.4%	an increase of 0.9 percentage point
JV/Associate Portfolio Shopping Malls	75,874,769.52	12.9%	52.4%	an increase of 3.0 percentage points
Total:	2,170,545,234.26	11.3%	76.1%	an increase of 1.8 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
Beijing	213,408,483.14	19.4%	78.2%	an increase of 5.2 percentage points
Shanghai	482,828,379.01	18.3%	89.1%	an increase of 0.4 percentage point
Tianjin	50,926,222.45	9.2%	72.5%	a decrease of 0.3 percentage point
Chongqing	151,674,915.50	11.1%	79.7%	a decrease of 0.3 percentage point
Northeast China	187,413,275.48	7.6%	81.4%	a decrease of 3.4 percentage points
East China (excluding Shanghai)	562,648,444.80	6.4%	71.5%	an increase of 0.8 percentage point
North China (excluding Beijing and Tianjin)	82,596,081.89	7.5%	50.4%	an increase of 4.0 percentage points
South China	66,966,079.27	45.1%	53.6%	an increase of 13.1 percentage points
Central China	194,321,977.50	-5.3%	63.9%	a decrease of 0.4 percentage point
West China (excluding Chongqing)	177,761,375.22	18.9%	78.4%	an increase of 7.4 percentage points
Total:	<u>2,170,545,234.26</u>	<u>11.3%</u>	<u>76.1%</u>	<u>an increase of 1.8 percentage points</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 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.

Notice is hereby given.

By Order of the Board
Red Star Macalline Group Corporation Ltd.
CHE Jianxing
Chairman

Shanghai, the PRC
29 April 2022

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, CHEN Zhaohui, JIANG Xiangyu, HU Xiao and YANG Guang; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.