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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)

(Listed Debt Securities Code: 5454)

ANNOUNCEMENT ON THE OPERATING STATISTICS FOR THE FIRST HALF 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 accept full and legal 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 Half of 2022 by the Listed Companies of the Main Board (《關於做好主板上市公司2022年半年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 half of 2022 (the “**Reporting Period**”) as follows:

As of 30 June 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 59 franchised home improvement material projects by way of franchising, which included a total of 475 home improvement material stores/industry streets.

I. CHANGES IN MALLS FOR THE FIRST HALF OF 2022

During the Reporting Period, 1 Portfolio Shopping Mall of the Company was newly opened, situated in Shenzhen, Guangdong Province, 1 shopping mall was closed, situated in Chongqing, 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, 4 were newly-opened shopping malls, situated in Huanggang, Hubei Province, Wuhan, Hubei Province, Yangzhou, Jiangsu Province and Linfen, Shanxi Province, and 3 shopping malls were closed, situated in Nanyang, Henan Province, Nanjing, Jiangsu Province and Bei'an, Heilongjiang 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	226,914
Owned	Shanghai	7	905,572									7	905,553
Owned	Tianjin	4	461,429									4	461,548
Owned	Chongqing	4	330,805									4	330,798
Owned	Northeast China	10	1,098,917									10	1,099,429
Owned	North China (excluding Beijing and Tianjin)	3	224,380									3	224,332
Owned	East China (excluding Shanghai)	15	1,774,394									15	1,773,963
Owned	Central China	4	527,373									4	527,216
Owned	South China	3	181,884									3	181,902
Owned	West China (excluding Chongqing)	8	668,582									8	668,115
Total:		61	6,400,260									61	6,399,771

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	127,128
JV/Associate	Central China	-	-									-	-
JV/Associate	South China	2	60,497	1	43,662							3	104,159
JV/Associate	West China (excluding Chongqing)	1	88,780									1	88,344
Total:		5	342,509	1	43,662					1	66,084	5	319,632

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	122,312
Leased	Shanghai	-	-									-	-
Leased	Tianjin	-	-									-	-
Leased	Chongqing	2	132,669					1	49,241			1	83,301
Leased	Northeast China	-	-									-	-
Leased	North China (excluding Beijing and Tianjin)	8	445,716									8	447,177
Leased	East China (excluding Shanghai)	12	598,046									12	598,265
Leased	Central China	4	340,794									4	340,104
Leased	South China	2	73,782									2	73,770
Leased	West China (excluding Chongqing)	-	-									-	-
Total:		29	1,712,717					1	49,241			28	1,664,930

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	112,865									1	112,653
Managed	Shanghai	-	-									-	-
Managed	Tianjin	3	177,922									3	178,163
Managed	Chongqing	8	264,975									8	264,978
Managed	Northeast China	15	714,927					1	27,018			14	708,227
Managed	North China (excluding Beijing and Tianjin)	31	1,547,571	1	46,186							32	1,577,040
Managed	East China (excluding Shanghai)	120	6,342,522	1	26,293	1	66,084	1	46,579			121	6,379,820
Managed	Central China	39	1,772,554	2	61,731			1	57,116			40	1,777,104
Managed	South China	10	501,598									10	502,199
Managed	West China (excluding Chongqing)	51	2,413,129									51	2,385,523
Total:		278	13,848,062	4	134,210	1	66,084	3	130,714			280	13,885,707

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)
Shenzhen Houhai	Phase II of Haijingjiejiayuan, Zhaoshang East Road, Dongjiaotou Community, Shekou Street, Nanshan District, Shenzhen City, Guangdong Province	43,662	28 May 2022	JV/Associate	Due on 14 November 2041
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
Yangzhou Jiangdu	No. 238, Changjiang East Road, Jiangdu District, Yangzhou City, Jiangsu Province	26,293	29 May 2022	Contracted management	10 years since the opening
Linfen Yaodu	Northeast corner of the intersection of Binhe Road and Wuyi West Road, Xiguan Community, Yaodu District, Linfen City, Shanxi Province	46,186	18 June 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
Chongqing Yongchuan	Red Star Macalline, No. 129, Changzhou Avenue, Yongchuan District, Chongqing City	49,241	17 March 2017	Lease	Due on 27 April 2022	Expiration of the lease contract	April 2022
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
Nanjing Jiangning	No. 9 Changting Street, Moling Street, Jiangning District, Nanjing City, Jiangsu Province	46,579	28 December 2019	Contracted management	10 years since the opening	Early termination of the contract	April 2022
Bei'an Beigang	The south side of No. 1 Nongken Middle School and the west side of Longjiang Road, Bei'an City, Heilongjiang Province	27,018	25 November 2018	Contracted management	10 years since the opening	Early termination of the contract	May 2022

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

As of 30 June 2022, the Company had 19 pipeline Portfolio Shopping Malls (of which 16 were Owned Portfolio Shopping Malls and 3 were Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 2.97 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 323 managed contractual projects.

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

The Portfolio Shopping Malls opened by the Company recorded revenue of RMB4,306,006,083.42 during the Reporting Period, representing an increase of 6.2% as compared with the same period of last year; the gross profit margin was 76.1%, which was an increase of 0.7 percentage point 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	3,523,348,173.05	6.3%	85.2%	an increase of 0.4 percentage point
Leased Portfolio Shopping Malls	614,315,095.40	3.1%	28.9%	a decrease of 0.2 percentage point
JV/Associate Portfolio Shopping Malls	168,342,814.97	17.4%	58.3%	an increase of 8.4 percentage points
Total:	<u>4,306,006,083.42</u>	<u>6.2%</u>	<u>76.1%</u>	<u>an increase of 0.7 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).

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	439,513,432.08	9.8%	78.0%	an increase of 2.9 percentage points
Shanghai	905,614,080.93	3.4%	89.2%	a decrease of 0.3 percentage point
Tianjin	100,157,366.26	5.9%	73.0%	an increase of 2.1 percentage points
Chongqing	289,462,399.07	4.9%	80.4%	a decrease of 0.2 percentage point
Northeast China	380,894,787.16	1.1%	81.9%	a decrease of 3.3 percentage points
East China (excluding Shanghai)	1,124,672,436.16	7.9%	73.9%	an increase of 3.4 percentage points
North China (excluding Beijing and Tianjin)	165,042,496.50	-6.1%	49.0%	a decrease of 7.2 percentage points
South China	144,845,250.51	41.7%	45.7%	a decrease of 5.3 percentage points
Central China	392,661,429.11	-0.4%	59.7%	an increase of 0.2 percentage point
West China (excluding Chongqing)	363,142,405.64	15.3%	81.4%	an increase of 4.8 percentage points
Total:	<u>4,306,006,083.42</u>	<u>6.2%</u>	<u>76.1%</u>	<u>an increase of 0.7 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 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.
QIU Zhe
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
30 August 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.