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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 QUARTER OF 2023

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 (the “Board”) of the Company and all its directors 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 Important Reminder in relation to the Endeavour on Disclosure of the Report for the First Quarter of 2023 by the Listed Companies of the Main Board (《關於做好主板上市公司2023年第一季度報告披露工作的重要提醒》) issued by the Shanghai Stock Exchange, the Company hereby discloses its principal operating statistics for the first quarter of 2023 (the “**Reporting Period**”) as follows:

As of 31 March 2023, the Company operated 91 Portfolio Shopping Malls, 285 Managed Shopping Malls, and 8 home furnishing malls through strategic cooperation, in addition, the Company authorized 55 franchised home improvement material projects by way of franchising, which included a total of 472 home improvement material stores/industry streets.

I. CHANGES IN MALLS FOR THE FIRST QUARTER OF 2023

During the Reporting Period, no Portfolio Shopping Mall of the Company was newly opened, 2 shopping malls were closed, situated in Nanchang, Jiangxi Province and Shiyan, Hubei Province, and 1 was transferred from Portfolio Shopping Mall to Managed Shopping Mall, situated in Wuhan, Hubei Province; 2 Managed Shopping Malls were newly opened, situated in Xingtai, Hebei Province and Taizhou, Jiangsu Province, and 2 shopping malls were closed, situated in Anshun, Guizhou Province and Xianyang, Shaanxi 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	226,910									3	226,910
Owned	Shanghai	7	905,650									7	905,413
Owned	Tianjin	4	462,091									4	463,111
Owned	Chongqing	4	330,711									4	330,711
Owned	Northeast China	10	1,101,531									10	1,089,892
Owned	North China (excluding Beijing and Tianjin)	3	224,326									3	224,390
Owned	East China (excluding Shanghai)	15	1,773,829									15	1,773,826
Owned	Central China	4	526,946									4	526,919
Owned	South China	3	181,892									3	181,892
Owned	West China (excluding Chongqing)	8	669,944									8	669,772
Total:		61	6,403,829									61	6,392,836

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)	1	127,129									1	127,131
JV/Associate	Central China	-	-									-	-
JV/Associate	South China	3	104,031									3	104,031
JV/Associate	West China (excluding Chongqing)	1	88,355									1	88,355
Total:		5	319,514									5	319,516

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	122,427									1	122,404
Leased	Shanghai	-	-									-	-
Leased	Tianjin	-	-									-	-
Leased	Chongqing	1	63,972									1	63,972
Leased	Northeast China	-	-									-	-
Leased	North China (excluding Beijing and Tianjin)	8	447,177									8	446,999
Leased	East China (excluding Shanghai)	12	598,780					1	53,993			11	544,787
Leased	Central China	4	340,332					1	59,509	1	105,020	2	175,886
Leased	South China	2	73,770									2	73,770
Leased	West China (excluding Chongqing)	-	-									-	-
Total:		28	1,646,459					2	113,502	1	105,020	25	1,427,818

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 Leased Portfolio Shopping Mall to a Managed Shopping Mall.

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	112,400									1	112,400
Managed	Shanghai	-	-									-	-
Managed	Tianjin	3	177,196									3	177,154
Managed	Chongqing	8	264,079									8	264,263
Managed	Northeast China	13	676,682									13	676,682
Managed	North China (excluding Beijing and Tianjin)	33	1,551,406	1	21,458							34	1,589,397
Managed	East China (excluding Shanghai)	126	6,719,056	1	34,984							127	6,771,077
Managed	Central China	38	1,712,415			1	105,020					39	1,816,956
Managed	South China	10	502,392									10	502,392
Managed	West China (excluding Chongqing)	52	2,422,863					2	85,942			50	2,359,910
Total:		284	14,138,489	2	56,442	1	105,020	2	85,942			285	14,270,232

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 Leased 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)
Xingdong Rencheng	South side of Renmin Street, Rencheng Town, Renze District, Xingtai City, Hebei Province	21,458	1 March 2023	Contracted management	10 years since the opening
Taizhou Hailing	No. 1, Nantong Road, Hailing District, Taizhou City, Jiangsu Province	34,984	15 March 2023	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
Nanchang Honggutan	No. 969, Financial Street, Honggutan District, Nanchang City, Jiangxi Province	53,993	22 June 2018	Lease	Due on 28 February 2023	Expiration of the lease contract	February 2023
Shiyan Zhejiang Road	No. 36, Zhejiang Road, Zhangwan District, Shiyan City, Hubei Province	59,509	1 August 2015	Lease	Due on 30 March 2023	Expiration of the lease contract	March 2023
Anshun Xixiu	No. 188, Huangguoshu Street, Xixiu District, Anshun City, Guizhou Province	57,133	15 November 2014	Contracted management	10 years since the opening	Early termination of the contract	March 2023
Xianyang Shopping Mall	No. 29, West Renmin Road, Qindu District, Xianyang City, Shaanxi Province	28,809	23 December 2017	Contracted management	10 years since the opening	Early termination of the contract	March 2023

II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE FIRST QUARTER OF 2023

As of 31 March 2023, 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 309 managed contractual projects.

III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST QUARTER OF 2023

The Portfolio Shopping Malls opened by the Company recorded revenue of RMB1,641,094,301.19 during the Reporting Period, representing a decrease of 24.4% as compared with the same period of last year; the gross profit margin was 71.9%, which was a decrease of 4.2 percentage points compared with the same period of 2022.

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	1,361,898,536.42	-23.8%	80.9%	a decrease of 3.8 percentage points
Leased Portfolio Shopping Malls	213,098,274.95	-30.4%	21.2%	a decrease of 10.2 percentage points
JV/Associate Portfolio Shopping Malls	66,097,489.82	-12.9%	48.6%	a decrease of 3.8 percentage points
Total:	<u>1,641,094,301.19</u>	<u>-24.4%</u>	<u>71.9%</u>	<u>a decrease of 4.2 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).

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	168,967,814.35	-20.8%	73.5%	a decrease of 4.7 percentage points
Shanghai	340,548,170.59	-29.5%	83.9%	a decrease of 5.2 percentage points
Tianjin	48,163,778.04	-5.4%	73.5%	an increase of 1.0 percentage point
Chongqing	101,172,809.80	-33.3%	71.8%	a decrease of 7.9 percentage points
Northeast China	126,960,657.38	-32.3%	74.1%	a decrease of 7.3 percentage points
East China (excluding Shanghai)	484,306,475.76	-13.9%	72.3%	an increase of 0.8 percentage point
North China (excluding Beijing and Tianjin)	66,881,695.55	-19.0%	41.7%	a decrease of 8.7 percentage points
South China	52,671,223.50	-21.3%	24.5%	a decrease of 29.1 percentage points
Central China	117,270,411.16	-39.7%	63.2%	a decrease of 0.7 percentage point
West China (excluding Chongqing)	134,151,265.06	-24.5%	76.5%	a decrease of 1.9 percentage points
Total:	<u>1,641,094,301.19</u>	<u>-24.4%</u>	<u>71.9%</u>	<u>a decrease of 4.2 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.
QIU Zhe
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
28 April 2023

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing and LI Jianhong; the non-executive Directors are CHEN Zhaohui, JIANG Xiangyu, HU Xiao, ZHENG Yongda, WANG Wenhui and ZOU Shaorong; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.