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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 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 Half of 2023 by the Listed Companies of the Main Board (《關於做好主板上市公司2023年半年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 half of 2023 (the “**Reporting Period**”) as follows:

As of 30 June 2023, the Company operated 91 Portfolio Shopping Malls, 281 Managed Shopping Malls, and 8 home furnishing malls through strategic cooperation, in addition, the Company authorized 54 franchised home improvement material projects by way of franchising, which included a total of 465 home improvement material stores/industry streets.

I. CHANGES IN MALLS FOR THE FIRST HALF 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; 5 Managed Shopping Malls were newly opened, situated in Xingtai, Hebei Province, Taizhou, Jiangsu Province, Lianyungang, Jiangsu Province, Yan'an, Shaanxi Province and Zhuhai, Guangdong Province, 7 shopping malls were closed, situated in Anshun, Guizhou Province, Xianyang, Shaanxi Province, Jiujiang, Jiangxi Province, Huainan, Anhui Province, Chaohu, Anhui Province, Liuzhou, Guangxi Province and Taizhou, Zhejiang Province, and 2 were transferred from Managed Shopping Malls to franchised home improvement material projects, situated in Lishui, Zhejiang Province and Fuyang, Anhui 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	227,023
Owned	Shanghai	7	905,650									7	905,481
Owned	Tianjin	4	462,091									4	463,103
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	1,773,675
Owned	Central China	4	526,946									4	526,905
Owned	South China	3	181,892									3	181,892
Owned	West China (excluding Chongqing)	8	669,944									8	668,521
Total:		61	6,403,829									61	6,391,595

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	127,308
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	319,694

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	122,318
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	446,931
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	1,427,664

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	112,111
Managed	Shanghai	-	-									-	-
Managed	Tianjin	3	177,196									3	177,148
Managed	Chongqing	8	264,079									8	264,379
Managed	Northeast China	13	676,682									13	676,652
Managed	North China (excluding Beijing and Tianjin)	33	1,551,406	1	21,458							34	1,591,430
Managed	East China (excluding Shanghai)	126	6,719,056	2	65,085			4	196,058	2	68,905	122	6,544,730
Managed	Central China	38	1,712,415			1	105,020					39	1,816,439
Managed	South China	10	502,392	1	62,802			1	65,630			10	499,366
Managed	West China (excluding Chongqing)	52	2,422,863	1	25,640			2	85,942			51	2,382,009
Total:		284	14,138,489	5	174,986	1	105,020	7	347,630	2	68,905	281	14,064,264

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.

Note 3: Malls Transferred into Other Business Mode: 2 malls were transferred from Managed Shopping Malls to franchised home improvement material projects.

(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
Lianyungang Guannan	Red Star Macalline, No. 57, South Suzhou Road, Xin'an Town, Guannan County, Lianyungang City, Jiangsu Province	30,101	1 April 2023	Contracted management	10 years since the opening
Yan'an New Shengming Palace	Northeast of the intersection of Beijing Road and North Changzheng Road, Baota District, Yan'an City, Shaanxi Province	25,640	19 May 2023	Contracted management	10 years since the opening
Zhuhai Jinwan	601, No. 1151, Jinhe East Road, Sanzao Town, Jinwan District, Zhuhai City, Guangdong Province	62,802	18 June 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
Jiangxi Jiujiang	No. 8, Xunnan Avenue, Lianxi District, Jiujiang City, Jiangxi Province	75,182	29 June 2017	Contracted management	10 years since the opening	Early termination of the contract	April 2023
Shou County Yaohai	Red Star Macalline Shopping Mall, Building 2, Yaohai Comprehensive Market, Shouchun Road, Shouchun Town, Shou County, Huainan City, Anhui Province	23,471	29 May 2021	Contracted management	10 years since the opening	Early termination of the contract	May 2023
Anhui Chaohu	Intersection of Jinshan Road and Jinhu Avenue, Chaohu City, Hefei City, Anhui Province	36,564	3 December 2016	Contracted management	10 years since the opening	Early termination of the contract	May 2023
Liuzhou New Era	No. 94, Chengzhan Road, Liunan District, Liuzhou City, Guangxi Zhuang Autonomous Region	65,630	30 December 2016	Contracted management	10 years since the opening	Early termination of the contract	June 2023
Taizhou Jiaojiang	No.8, Taizhou Avenue, east side of Jiaojiang Bridge, Jiaojiang District, Taizhou City, Zhejiang Province	60,840	28 November 2010	Contracted management	Due on 18 January 2024	Early termination of the contract	June 2023

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

As of 30 June 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 306 managed contractual projects.

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

The Portfolio Shopping Malls opened by the Company recorded revenue of RMB3,507,511,377.23 during the Reporting Period, representing a decrease of 18.5% as compared with the same period of last year; the gross profit margin was 71.8%, which was a decrease of 4.3 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	2,937,907,733.30	-16.6%	80.7%	a decrease of 4.5 percentage points
Leased Portfolio Shopping Malls	429,660,291.29	-30.1%	19.7%	a decrease of 9.2 percentage points
JV/Associate Portfolio Shopping Malls	139,943,352.64	-16.9%	46.1%	a decrease of 12.2 percentage points
Total:	<u>3,507,511,377.23</u>	<u>-18.5%</u>	<u>71.8%</u>	<u>a decrease of 4.3 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	391,036,313.04	-11.0%	73.4%	a decrease of 4.6 percentage points
Shanghai	759,516,174.17	-16.1%	82.7%	a decrease of 6.5 percentage points
Tianjin	99,004,657.87	-1.2%	72.9%	a decrease of 0.1 percentage point
Chongqing	220,391,596.17	-23.9%	73.1%	a decrease of 7.3 percentage points
Northeast China	290,072,084.90	-23.8%	77.4%	a decrease of 4.5 percentage points
East China (excluding Shanghai)	957,873,492.23	-14.8%	70.2%	a decrease of 3.7 percentage points
North China (excluding Beijing and Tianjin)	138,408,294.08	-16.1%	43.3%	a decrease of 5.7 percentage points
South China	110,384,198.84	-23.8%	21.0%	a decrease of 24.7 percentage points
Central China	261,447,335.55	-33.4%	68.4%	an increase of 8.7 percentage points
West China (excluding Chongqing)	279,377,230.37	-23.1%	75.9%	a decrease of 5.5 percentage points
Total:	<u>3,507,511,377.23</u>	<u>-18.5%</u>	<u>71.8%</u>	<u>a decrease of 4.3 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
30 August 2023

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, SHI Yaofeng, LI Jianhong and YANG Yingwu; the non-executive Directors are ZHENG Yongda, WANG Wenhui, ZOU Shaorong, SONG Guangbin and XU Di; and the independent non-executive Directors are XUE Wei, HUANG Jianzhong, CHEN Shanang, WONG Chi Wai and CAI Qinghui.