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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)

**RESULTS ANNOUNCEMENT FOR
THE THREE MONTHS ENDED 31 MARCH 2025
SUMMARY OF THE UNAUDITED KEY
FINANCIAL INFORMATION**

The board of directors (the “**Board**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) announced the summary of the unaudited key financial information of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2025 (the “**Reporting Period**”). This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

SUMMARY OF THE UNAUDITED KEY FINANCIAL INFORMATION

In 2022, the Company issued credit enhanced bonds with a total principal amount of US\$249,700,000 at an interest of 5.20% per annum due in 2025 by way of debt issues to professional investors (as defined in Chapter 37 of the Hong Kong Listing Rules and the SFO). Please refer to the announcement published by the Company on the website of The Stock Exchange of Hong Kong Limited on 24 August 2022 for details.

Set out below is the unaudited key financial information of the Group during the Reporting Period:

(i) Summary of the Unaudited Key Financial Information of the Group

The table below sets forth the data of Consolidated Income Statement of the Group during the Reporting Period:

		For the three months ended 31 March	
		(Unaudited)	
		2025	2024
		(RMB)	(RMB)
I. Revenue		1,615,436,680.31	2,111,539,269.77
Less: Cost of sales		661,287,429.25	833,758,133.48
Taxes and surcharges		98,632,642.53	89,598,453.26
Distribution and selling expenses		163,807,367.38	201,718,786.52
General and administrative expenses		179,817,340.36	240,915,654.32
Research and development expenses		1,863,905.08	3,658,192.56
Financial expenses		556,056,030.61	644,505,766.61
Including: Interest expenses		553,907,689.19	676,395,686.94
Interest income		6,804,840.80	45,024,871.86
Add: Other income		3,861,120.82	6,974,444.03
Investment income (losses are presented with parentheses)		42,090,470.89	(14,866,279.62)
Including: Investment income/(loss) from associates and joint ventures		34,585,128.60	(30,594,403.63)
Gain from fair value changes (losses are presented with parentheses)		(476,077,922.63)	(324,385,651.35)
Impairment loss of credit (losses are presented with parentheses)		(33,156,287.12)	(66,537,553.86)
Impairment loss of assets (losses are presented with parentheses)		(13,649,930.25)	(3,160,485.18)
Gains from disposal of assets (losses are presented with parentheses)		1,159,637.04	(21,310.51)

For the three months ended 31 March		
(Unaudited)		
	2025	2024
	(RMB)	(RMB)
II. Operating loss	(521,800,946.15)	(304,612,553.47)
Add: Non-operating income	6,412,712.62	5,013,545.68
Less: Non-operating expenses	3,519,179.55	59,416,023.44
III. Total loss	(518,907,413.08)	(359,015,031.23)
Less: Income tax expenses/(credit)	77,204,425.20	(1,564,911.34)
IV. Net loss	(596,111,838.28)	(357,450,119.89)
According to the classification of ownership		
Net loss attributable to owners of the Company	(513,410,914.99)	(371,506,929.54)
Non-controlling interests (losses are presented with parentheses)	(82,700,923.29)	14,056,809.65
V. Other comprehensive loss (after tax)	(53,816,701.99)	(55,212,776.60)
Other comprehensive loss (after tax) attributable to owners of the Company	(53,816,701.99)	(55,212,776.60)
Other comprehensive loss that will not be reclassified to profit or loss		
Changes in fair value of other equity instrument investments	(53,751,910.23)	(55,290,907.85)
Other comprehensive (loss)/income that will be reclassified to profit or loss		
Converted difference in Foreign Currency Statements	(64,791.76)	78,131.25
VI. Comprehensive loss	(649,928,540.27)	(412,662,896.49)
Comprehensive loss attributable to owners of the Company	(567,227,616.98)	(426,719,706.14)
Total comprehensive income attributable to non-controlling interests (losses are presented with parentheses)	(82,700,923.29)	14,056,809.65
VII. Earnings per share (losses are presented with parentheses):		
(I) Basic earnings per share	(0.12)	(0.09)
(II) Diluted earnings per share	N/A	N/A

During the Reporting Period, the net profit attributable to owners of the Company after deducting non-recurring profit or loss amounted to RMB-218,498,099.14 (losses are presented with “-”), representing a widened loss as compared to RMB-119,275,435.40 for the same period of 2024.

The main reasons for the change in results for the Reporting Period are as follows:

1. Operating Income

The change is mainly due to the fluctuation of the overall economic environment, leading to the Company’s continued provision of preferential treatments to retain the merchants, which resulted in a decrease in rental income per unit; at the same time, the number of shopping malls decreased as compared to the same period last year; and there has been a reduction in the number of and a slowdown in the progress of projects in other business segments of the Company. These factors collectively led to a year-on-year decline in the Company’s operating income.

2. Financial Expenses

The decrease in the Company’s finance expenses for this period is mainly due to the decrease in the Company’s related financing costs.

3. Loss on Fair Value Change of Investment Properties

The change is mainly due to the Company’s continued provision of preferential treatments to support the operation of the merchants, which resulted in a decrease in rental income per unit, and consequently, there has been a decrease in the fair value of the investment properties. The loss on the fair value change for this period is RMB476 million, an increase compared to RMB324 million in the same period last year, both of which are mainly due to the fluctuation in the fair value.

The table below sets forth the key data of the Statement of Consolidated Cash Flows of the Group during the Reporting Period (outflow of net cash flow or decrease in cash or cash equivalents are presented with parentheses):

	For the three months ended 31 March	
	Unaudited	
	2025	2024
	(RMB)	(RMB)
Net cash flow from operating activities	(112,448,762.92)	(181,674,312.38)
Net cash flow from investing activities	260,270.03	(470,841,213.48)
Net cash flow from financing activities	1,106,525,315.48	1,450,612,057.07
Impact of exchange rate changes on cash and cash equivalents	(8,175.82)	(292,923.34)
Net increase in cash and cash equivalents	994,328,646.77	797,803,607.87
Opening balance of cash and cash equivalents	3,111,832,972.03	2,506,800,211.29
Closing balance of cash and cash equivalents	4,106,161,618.80	3,304,603,819.16

The table below sets forth the data of the Consolidated Balance Sheet of the Group as at the end of the Reporting Period:

	As at 31 March 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
Current assets		
Cash and bank balances	4,890,213,928.48	3,794,656,071.56
Financial assets held for trading	118,367,391.71	144,634,242.51
Notes receivable	31,482,286.70	2,361,775.00
Accounts receivable	573,521,842.14	585,203,534.40
Receivables financing	—	11,764,612.37
Prepayments	271,788,814.75	265,414,052.80
Other receivables	672,661,671.77	694,144,780.56
Inventories	46,553,609.54	53,065,471.64
Contract assets	927,080,759.45	1,008,633,901.21
Non-current assets due within one year	1,086,394,896.67	1,071,377,334.67
Other current assets	1,361,218,734.91	1,344,500,039.75
Total current assets	9,979,283,936.12	8,975,755,816.47
Non-current assets		
Long-term receivables	216,241,730.93	251,297,367.28
Long-term equity investments	3,352,245,588.48	3,329,208,109.59
Other equity instrument investments	1,068,973,087.60	1,230,891,718.94
Other non-current financial assets	171,204,765.36	160,878,765.36
Investment properties	90,881,200,000.00	91,042,200,000.00
Fixed assets	2,259,257,742.12	2,581,676,609.36
Construction in progress	19,370,757.71	17,419,777.78
Right-of-use assets	1,480,524,422.08	1,578,575,407.41
Intangible assets	58,052,676.55	64,170,938.75
Goodwill	97,597,047.85	97,597,047.85
Long-term prepaid expenses	169,257,937.38	184,308,677.47
Deferred tax assets	3,968,078,200.26	3,889,344,211.77
Other non-current assets	2,811,605,396.45	2,833,898,304.54
Total non-current assets	106,553,609,352.77	107,261,466,936.10
Total assets	116,532,893,288.89	116,237,222,752.57

	As at 31 March 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
Current liabilities		
Short-term loans	1,907,293,345.68	2,142,390,978.03
Notes payable	298,404,235.20	309,172,944.99
Accounts payable	1,281,697,592.40	1,402,974,329.82
Advance from customers	508,823,119.89	730,600,137.03
Contract liabilities	645,639,402.99	749,288,875.50
Payroll payable	329,303,075.70	471,197,504.92
Taxes payable	334,553,641.54	326,009,584.53
Other payables	17,310,074,759.17	16,162,609,818.34
Non-current liabilities due within one year	6,168,979,807.68	6,383,402,632.60
Other current liabilities	291,302,465.84	253,485,610.17
Total current liabilities	29,076,071,446.09	28,931,132,415.93
Non-current liabilities		
Long-term loans	18,586,689,041.71	17,703,683,711.83
Lease liabilities	1,501,216,904.33	1,624,283,012.31
Long-term payables	465,628,069.94	472,935,771.06
Deferred income	159,131,080.72	160,611,975.28
Deferred tax liabilities	13,268,128,394.31	13,160,126,505.64
Other non-current liabilities	4,597,407,333.23	4,663,654,110.60
Total non-current liabilities	38,578,200,824.24	37,785,295,086.72
Total liabilities	67,654,272,270.33	66,716,427,502.65
Equity		
Share capital	4,354,732,673.00	4,354,732,673.00
Capital reserve	7,235,567,339.32	7,235,567,339.32
Less: Treasury shares	5,003,481.44	5,003,481.44
Other comprehensive income	270,306,707.98	361,430,032.80
Surplus reserve	2,293,732,034.41	2,293,732,034.41
Retained earnings	31,773,133,968.64	32,249,238,260.80
Total equity attributable to owners of the Company	45,922,469,241.91	46,489,696,858.89
Non-controlling interests	2,956,151,776.65	3,031,098,391.03
Total equity	48,878,621,018.56	49,520,795,249.92
Total liabilities and equity	116,532,893,288.89	116,237,222,752.57

As of the end of the Reporting Period, the balance of the total borrowings of the Group amounted to RMB30,156,158,991.34.

The aforesaid unaudited key financial information of the Group during the Reporting Period was prepared in accordance with the relevant management accounts and the Generally Accepted Accounting Principles in the People's Republic of China and has not been reviewed or audited by the auditors of the Company.

Shareholders of the Company and potential investors are advised by the Board that, the data above is based on the internal records and the relevant management accounts of the Group as of the end of the Reporting Period. Therefore, the data above is for reference only. When dealing in the shares of the Company, shareholders of the Company and potential investors are advised to exercise caution.

By Order of the Board
Red Star Macalline Group Corporation Ltd.
QIU Zhe
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
29 April 2025

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