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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)

**RESULTS ANNOUNCEMENT FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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

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 (losses are presented with parentheses):

		For the nine months ended	
		30 September	
		(Unaudited)	
		2025	2024
		(RMB)	(RMB)
I.	Revenue	4,968,661,421.17	6,105,328,940.02
	Less: Cost of sales	1,893,376,996.96	2,477,314,678.47
	Taxes and surcharges	307,765,325.86	290,262,907.56
	Distribution and selling expenses	618,128,691.69	754,283,033.84
	General and administrative expenses	599,914,319.39	749,136,353.94
	Research and development expenses	4,350,386.65	11,183,169.58
	Financial expenses	1,641,935,243.89	1,829,078,193.38
	Including: Interest expenses	1,639,704,703.23	1,899,050,909.17
	Interest income	29,259,812.05	89,598,214.03
	Add: Other income	44,570,748.25	38,874,745.63
	Investment income	195,697,764.99	6,752,742.06
	Including: Investment income from		
	associates and joint ventures		
	(losses are presented with parentheses)	111,372,226.95	(10,828,811.73)
	Gain from fair value changes		
	(losses are presented with parentheses)	(3,327,276,653.67)	(1,206,180,672.75)
	Impairment loss of credit		
	(losses are presented with parentheses)	(100,399,130.25)	(663,695,991.29)
	Impairment loss of assets		
	(losses are presented with parentheses)	(74,068,286.83)	(96,128,976.84)
	Gains from disposal of assets	18,304,887.34	74,284,923.43
II.	Operating profit (losses are presented		
	with parentheses)	(3,339,980,213.44)	(1,852,022,626.51)
	Add: Non-operating income	26,447,733.97	43,698,556.95
	Less: Non-operating expenses	38,939,838.14	246,672,610.02
III.	Total profit (losses are presented		
	with parentheses)	(3,352,472,317.61)	(2,054,996,679.58)
	Less: Income tax credit	(2,945,082.86)	(50,267,597.33)

For the nine months ended 30 September (Unaudited)		
	2025 (RMB)	2024 (RMB)
IV. Net profit (losses are presented with parentheses)	(3,349,527,234.75)	(2,004,729,082.25)
Classification by ownership		
Net profit attributable to owners of the Company (losses are presented with parentheses)	(3,142,594,500.31)	(1,886,834,620.45)
Non-controlling interests (losses are presented with parentheses)	(206,932,734.44)	(117,894,461.80)
V. Other comprehensive income (after tax) (losses are presented with parentheses)	(160,760,835.63)	(73,757,133.62)
Other comprehensive income (after tax) attributable to owners of the Company (losses are presented with parentheses)	(160,760,835.63)	(71,287,078.14)
Other comprehensive income that will not be reclassified to profit or loss (losses are presented with parentheses)	(160,234,243.74)	(70,808,762.47)
Changes in fair value of other equity instrument investments (losses are presented with parentheses)	(160,234,243.74)	(70,808,762.47)
Other comprehensive income that will be reclassified to profit or loss (losses are presented with parentheses)	(526,591.89)	(478,315.67)
Converted difference in foreign currency statements (losses are presented with parentheses)	(526,591.89)	(478,315.67)
Other comprehensive income (after tax) attributable to non-controlling interests (losses are presented with parentheses)	—	(2,470,055.48)
VI. Total comprehensive income (losses are presented with parentheses)	(3,510,288,070.38)	(2,078,486,215.87)
Total comprehensive income attributable to owners of the Company (losses are presented with parentheses)	(3,303,355,335.94)	(1,958,121,698.59)
Total comprehensive income attributable to non-controlling interests (losses are presented with parentheses)	(206,932,734.44)	(120,364,517.28)
VII. Earnings per share (losses are presented with parentheses):		
(I) Basic earnings per share	(0.72)	(0.43)
(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-958,809,348.93 (losses are presented with “-”), representing a decrease of 8.83% (narrowing losses) from RMB-1,051,660,422.14 (losses are presented with “-”), for the same period of 2024.

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

1. Operating Revenue

Due to fluctuations in the development of the relevant industry, the business conditions of tenants have been affected by weakening demand in the home furnishing retail market, leading to a periodic decline in the rental income of the shopping malls. Meanwhile, to support tenants, the Company increased incentives for tenant retention. Additionally, the number of the Managed Shopping Malls and projects in other business segments decreased, and their progress slowed down. These factors collectively led to a year-on-year decline in the Company's operating revenue.

2. Financial Expenses

This was primarily due to a decrease in the Company's financing costs during the current period, resulting in a reduction in interest expense.

3. Loss on Fair Value Change of Investment Properties

To support tenants, the Company increased incentives for tenant retention, and shopping mall rental income decreased periodically year-on-year. Correspondingly, the fair value of investment properties declined. The fair value loss for the current period was RMB3,327 million, representing a year-on-year increase in loss of RMB2,121 million.

The table below sets forth the key data of the Consolidated Statement of 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 nine months ended 30 September (Unaudited)	
	2025 (RMB)	2024 (RMB)
Net cash flow from operating activities	642,876,368.02	(531,418,219.69)
Net cash flow from investing activities	(604,044,875.13)	144,476,478.82
Net cash flow from financing activities	100,472,715.10	1,460,260,367.78
Impact of exchange rate changes on cash and cash equivalents	(115,741.90)	(822,519.92)
Net increase in cash and cash equivalents	139,188,466.09	1,072,496,106.99
Opening balance of cash and cash equivalents	3,111,832,972.03	2,506,800,211.29
Closing balance of cash and cash equivalents	3,251,021,438.12	3,579,296,318.28

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 30 September 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
Current assets		
Cash and bank balances	3,744,097,625.75	3,794,656,071.56
Financial assets held for trading	56,578.67	144,634,242.51
Notes receivable	3,114,255.42	2,361,775.00
Accounts receivable	460,012,078.89	585,203,534.40
Receivables financing	—	11,764,612.37
Prepayments	236,310,957.46	265,414,052.80
Other receivables	726,615,247.57	694,144,780.56
Inventories	46,449,246.60	53,065,471.64
Contract assets	815,309,599.88	1,008,633,901.21
Non-current assets due within one year	1,002,773,691.01	1,071,377,334.67
Other current assets	1,358,562,728.34	1,344,500,039.75
Total current assets	8,393,302,009.59	8,975,755,816.47

	As at 30 September 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
Non-current assets		
Long-term receivables	181,189,707.33	251,297,367.28
Long-term equity investments	3,377,696,082.67	3,329,208,109.59
Other equity instrument investments	662,249,201.26	1,230,891,718.94
Other non-current financial assets	111,312,500.00	160,878,765.36
Investment properties	90,720,200,000.00	91,042,200,000.00
Fixed assets	2,021,302,680.22	2,581,676,609.36
Construction in progress	26,314,355.37	17,419,777.78
Right-of-use assets	1,108,671,362.05	1,578,575,407.41
Intangible assets	47,922,236.22	64,170,938.75
Goodwill	97,597,047.85	97,597,047.85
Long-term prepaid expenses	140,685,925.32	184,308,677.47
Deferred tax assets	3,668,759,619.98	3,889,344,211.77
Other non-current assets	2,836,922,534.96	2,833,898,304.54
Total non-current assets	105,000,823,253.23	107,261,466,936.10
Total assets	113,394,125,262.82	116,237,222,752.57

	As at 30 September 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
Current liabilities		
Short-term loans	1,542,494,780.59	2,142,390,978.03
Notes payable	6,382,240.00	309,172,944.99
Accounts payable	1,230,286,648.58	1,402,974,329.82
Advance from customers	591,729,098.77	730,600,137.03
Contract liabilities	633,664,423.44	749,288,875.50
Payroll payable	329,210,652.35	471,197,504.92
Taxes payable	342,574,062.01	326,009,584.53
Other payables	18,074,164,755.94	16,162,609,818.34
Non-current liabilities due within one year	3,705,786,406.92	6,383,402,632.60
Other current liabilities	246,063,665.29	253,485,610.17
Total current liabilities	26,702,356,733.89	28,931,132,415.93
Non-current liabilities		
Long-term loans	19,042,229,392.99	17,703,683,711.83
Lease liabilities	1,263,999,237.68	1,624,283,012.31
Long-term payables	469,091,183.17	472,935,771.06
Deferred income	156,169,291.60	160,611,975.28
Deferred tax liabilities	12,714,755,780.64	13,160,126,505.64
Other non-current liabilities	7,040,414,695.55	4,663,654,110.60
Total non-current liabilities	40,686,659,581.63	37,785,295,086.72
Total liabilities	67,389,016,315.52	66,716,427,502.65

	As at 30 September 2025 (Unaudited) (RMB)	As at 31 December 2024 (Audited) (RMB)
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	96,506,177.96	361,430,032.80
Surplus reserve	2,293,732,034.41	2,293,732,034.41
Retained earnings	29,210,806,779.70	32,249,238,260.80
Total equity attributable to owners of the Company	43,186,341,522.95	46,489,696,858.89
Non-controlling interests	2,818,767,424.35	3,031,098,391.03
Total equity	46,005,108,947.30	49,520,795,249.92
Total liabilities and equity	113,394,125,262.82	116,237,222,752.57

As of the end of the Reporting Period, the balance of the total borrowings of the Group amounted to RMB30,752,127,878.79.

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 (the "PRC") 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.
LI Yupeng
Chairman

Shanghai, the PRC
30 October 2025

As at the date of this announcement, the executive Directors of the Company are LI Yupeng, SHI Yaofeng and YANG Yingwu; the non-executive Directors are YE Yanliu, ZOU Shaorong, CHE Jianxing and XU Guofeng; the independent non-executive Directors are XUE Wei, HUANG Jianzhong, CHEN Shanang, WONG Chi Wai and CAI Qinghui; and the employee Director is ZHENG Jianjie.