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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 THREE MONTHS ENDED 31 MARCH 2026
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 2026 (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:

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)	
	2026	2025
	(RMB)	(RMB)
I. Revenue	1,548,462,867.82	1,615,436,680.31
Less: Cost of sales	521,641,142.69	661,287,429.25
Taxes and surcharges	99,740,066.84	98,632,642.53
Distribution and selling expenses	120,782,461.65	163,807,367.38
General and administrative expenses	160,929,470.92	179,817,340.36
Research and development expenses	493,644.00	1,863,905.08
Financial expenses	503,689,523.91	556,056,030.61
Including: Interest expenses	507,156,677.70	553,907,689.19
Interest income	8,794,112.46	6,804,840.80
Add: Other income	3,024,205.43	3,861,120.82
Investment income	79,144,346.63	42,090,470.89
Including: Investment income from associates and joint ventures	1,426,188.67	34,585,128.60
Gain from fair value changes (losses are presented with parentheses)	(50,639,990.55)	(476,077,922.63)
Impairment loss of credit (losses are presented with parentheses)	(11,779,836.80)	(33,156,287.12)
Impairment loss of assets (losses are presented with parentheses)	(9,873,214.54)	(13,649,930.25)
Gains from disposal of assets	6,222,908.41	1,159,637.04
II. Operating profit (losses are presented with parentheses)	157,284,976.39	(521,800,946.15)
Add: Non-operating income	15,766,440.53	6,412,712.62
Less: Non-operating expenses	4,633,843.62	3,519,179.55
III. Total profit (losses are presented with parentheses)	168,417,573.30	(518,907,413.08)
Less: Income tax expenses	113,661,545.06	77,204,425.20

	For the three months ended	
	31 March	
	(Unaudited)	
	2026	2025
	(RMB)	(RMB)
IV. Net profit (losses are presented with parentheses)	54,756,028.24	(596,111,838.28)
According to the classification of ownership		
Net profit attributable to owners of the Company		
(losses are presented with parentheses)	47,677,601.73	(513,410,914.99)
Non-controlling interests (losses are presented with parentheses)	7,078,426.51	(82,700,923.29)
V. Other comprehensive income (after tax) (losses are presented with parentheses)	(24,690,410.05)	(53,816,701.99)
Other comprehensive income (after tax) attributable to owners of the Company (losses are presented with parentheses)	(24,690,410.05)	(53,816,701.99)
Other comprehensive income that will not be reclassified to profit or loss (losses are presented with parentheses)	(23,995,486.62)	(53,751,910.23)
Changes in fair value of other equity instrument investments (losses are presented with parentheses)	(23,995,486.62)	(53,751,910.23)
Other comprehensive income that will be reclassified to profit or loss (losses are presented with parentheses)	(694,923.43)	(64,791.76)
Converted difference in Foreign Currency Statements (losses are presented with parentheses)	(694,923.43)	(64,791.76)
VI. Total comprehensive income (losses are presented with parentheses)	30,065,618.19	(649,928,540.27)
Total comprehensive income attributable to owners of the Company (losses are presented with parentheses)	22,987,191.68	(567,227,616.98)
Total comprehensive income attributable to non-controlling interests (losses are presented with parentheses)	7,078,426.51	(82,700,923.29)
VII. Earnings per share (losses are presented with parentheses):		
(I) Basic earnings per share	0.01	(0.12)
(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 RMB993,512.43, representing a turnaround from a loss of RMB-218,498,099.14 (losses are presented with “-”) for the same period of 2025.

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

1. Operating Income

This was mainly attributable to the decrease in the number of shopping malls as compared to the same period last year, in addition, the progress of projects in the Company's other business segments slowed down, which in aggregate affected the operating revenue for the Reporting Period. However, as the unit rental price of the shopping mall leasing and operation business stopped declining and stabilized and the occupancy rate continued to improve, the Company's main business operations improved and the operating quality of individual shopping malls was significantly enhanced. Affected by the above factors, the overall change in operating revenue for the same period of last year was minor.

2. Loss on Fair Value Change of Investment Properties

The change was mainly attributable to the relatively stable profit achieved by the shopping mall leasing and operation business during the Reporting Period, the stabilizing expectation for future unit rental prices, and the significant decrease in the loss on fair value of investment properties as compared to the same period last year. The loss on the fair value change during the Reporting Period is RMB51 million, representing a significant decrease from RMB476 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	
	2026	2025
	(RMB)	(RMB)
Net cash flow from operating activities	412,963,363.47	(112,448,762.92)
Net cash flow from investing activities	86,972,446.94	260,270.03
Net cash flow from financing activities	(151,244,422.03)	1,106,525,315.48
Impact of exchange rate changes on cash and cash equivalents	(170,994.10)	(8,175.82)
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Net increase in cash and cash equivalents	348,520,394.28	994,328,646.77
Opening balance of cash and cash equivalents	2,788,566,398.95	3,111,832,972.03
Closing balance of cash and cash equivalents	<u>3,137,086,793.23</u>	<u>4,106,161,618.80</u>

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 2026 (Unaudited) (RMB)	As at 31 December 2025 (Audited) (RMB)
Current assets		
Cash and bank balances	3,548,682,564.68	3,221,390,029.36
Financial assets held for trading	215,906.14	111,621.60
Notes receivable	193,891.48	276,182.95
Accounts receivable	472,511,999.86	449,346,990.59
Receivables financing	53,550.29	1,899.50
Prepayments	90,469,501.98	109,986,894.38
Other receivables	516,143,347.37	509,427,506.30
Inventories	27,675,252.87	25,927,209.09
Contract assets	343,473,618.33	411,207,178.04
Non-current assets due within one year	711,806,560.36	707,113,993.36
Other current assets	1,010,119,485.94	1,002,016,849.27
Total current assets	6,721,345,679.30	6,436,806,354.44
Non-current assets		
Long-term receivables	74,120,973.94	74,120,973.94
Long-term equity investments	2,357,542,854.26	2,366,116,665.58
Other equity instrument investments	453,637,084.98	508,783,686.11
Other non-current financial assets	93,375,000.00	93,400,000.00
Investment properties	70,595,800,000.00	70,649,800,000.00
Fixed assets	1,907,751,123.00	1,920,626,493.99
Construction in progress	5,111,909.92	27,942,002.33
Right-of-use assets	1,472,384,435.99	1,536,160,145.36
Intangible assets	39,210,080.20	42,716,460.33
Long-term prepaid expenses	125,569,344.15	116,045,566.28
Deferred tax assets	2,619,173,789.34	2,607,866,884.75
Other non-current assets	967,956,568.68	975,280,758.45
Total non-current assets	80,711,633,164.46	80,918,859,637.12
Total assets	87,432,978,843.76	87,355,665,991.56

	As at 31 March 2026 (Unaudited) (RMB)	As at 31 December 2025 (Audited) (RMB)
Current liabilities		
Short-term loans	881,435,937.51	2,037,382,916.68
Accounts payable	886,683,140.89	962,349,863.20
Advance from customers	427,708,636.23	624,055,009.61
Contract liabilities	473,204,000.43	575,123,281.89
Payroll payable	347,119,531.80	351,382,027.74
Taxes payable	409,977,523.77	368,321,407.12
Other payables	18,128,979,038.49	16,554,097,261.63
Non-current liabilities due within one year	8,552,020,553.01	7,840,350,568.44
Other current liabilities	189,464,712.07	184,767,533.52
Total current liabilities	<u>30,296,593,074.20</u>	<u>29,497,829,869.83</u>
Non-current liabilities		
Long-term loans	16,793,063,463.38	17,657,762,756.75
Lease liabilities	1,576,300,472.76	1,614,676,552.49
Long-term payables	439,642,286.62	440,966,282.02
Deferred income	153,207,502.48	154,688,397.04
Deferred tax liabilities	9,121,083,255.90	9,040,184,429.20
Other non-current liabilities	5,116,868,455.76	5,032,951,857.55
Total non-current liabilities	<u>33,200,165,436.90</u>	<u>33,941,230,275.05</u>
Total liabilities	<u>63,496,758,511.10</u>	<u>63,439,060,144.88</u>
Equity		
Share capital	4,354,732,673.00	4,354,732,673.00
Capital reserve	7,235,020,494.28	7,235,020,494.28
Less: Treasury shares	5,003,481.44	5,003,481.44
Other comprehensive income	(30,797,283.58)	9,655,446.13
Surplus reserve	2,293,732,034.41	2,293,732,034.41
Retained earnings	8,700,540,599.10	8,637,100,677.71
Total equity attributable to owners of the Company	<u>22,548,225,035.77</u>	<u>22,525,237,844.09</u>
Non-controlling interests	1,387,995,296.89	1,391,368,002.59
Total equity	<u>23,936,220,332.66</u>	<u>23,916,605,846.68</u>
Total liabilities and equity	<u>87,432,978,843.76</u>	<u>87,355,665,991.56</u>

As of the end of the Reporting Period, the balance of the total borrowings of the Group amounted to RMB30,727,507,715.68. 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.
CAO Shu
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
27 April 2026

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.