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)

POSITIVE PROFIT ALERT

This announcement is made by Red Star Macalline Group Corporation Ltd. (the "**Company**", together with its subsidiaries, collectively, the "**Group**") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

The board of directors (the "**Board**") of the Company wishes to inform the shareholders (the "**Shareholders**") of the Company and potential investors that, based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 (the "**First Half of 2026**"), the Group is expected to record a net profit of approximately RMB18 million to RMB27 million for the First Half of 2026, as compared to the loss of RMB2,108.206 million recorded by the Group for the six months ended 30 June 2025 (the "**First Half of 2025**"). For the First Half of 2026, the Group is expected to achieve a net profit attributable to Shareholders of between RMB13 million and RMB20 million, representing a turnaround from a net loss attributable to Shareholders of approximately RMB1,954.786 million for the First Half of 2025.

In the First Half of 2026, the Company focused on its core business, and the occupancy rate of its Portfolio Shopping Malls gradually stabilized. With the continuous promotion of cost reduction and efficiency enhancement, period expenses were significantly reduced during the First Half of 2026. The operating quality of individual shopping malls improved significantly, leading to improvements in both profitability and cash flow. Meanwhile, according to data from the National Bureau of Statistics, housing price indicators continued to show marginal improvement in May 2026, with the market valuation of investment properties stabilizing. During the First Half of 2026, the loss from changes in the fair value of investment properties and the impairment loss on related assets narrowed significantly year-on-year. For the reasons above, the net profit attributable to Shareholders for the First Half of 2026 recorded a turnaround from loss to profit.

The information for the First Half of 2026 contained in this announcement is only a preliminary assessment by the Board in accordance with International Financial Reporting Standards ("**IFRSs**") and with reference to the unaudited consolidated management accounts of the Group for the First Half of 2026 and other information currently available to the Company. Such information has not been audited or reviewed by the auditors or the audit committee of the Company. As the Company is still in the process of finalizing its interim results for the First Half of 2026, the Group's actual results for the First Half of 2026 may be subject to changes and may differ from the information disclosed in this announcement. The final interim results of the Company for the First Half of 2026 and other operating details of the Group will be disclosed in the interim results announcement of the Company for the First Half of 2026, which is expected to be released in mid-to-late August 2026.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Shanghai, the PRC, 14 July 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.