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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)

INDICATIVE ANNOUNCEMENT ON NUMBER OF SHOPPING MALLS AS OF 31 DECEMBER 2019

As of 31 December 2019, Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the “**Company**”) operated 87 Portfolio Shopping Malls* and 250 Managed Shopping Malls* and operated 12 home furnishing shopping malls through strategic cooperation^{Note 1}. In addition, the Company opened 44 franchised home improvement material projects by way of franchising^{Note 2}, including a total of 428 home improvement material stores/industry streets^{Note 3}.

* See definitions in the 2018 annual report of the Company

Note 1: During the reporting period, the Company acquired 46.5% of equity interests in Shandong Inzone Green Home Co., Ltd. (山東銀座家居有限公司), and became one of its largest shareholders ranked *pari passu* with Shandong Commercial Group Co., Ltd. (山東省商業集團有限公司). As of 31 December 2019, Shandong Inzone Green Home Co., Ltd. and its controlling subsidiaries operated 12 home furnishing shopping malls in total in the PRC. Strategic cooperative operation shopping malls mean the home furnishing shopping malls which, based on strategic objectives considered by the Company, to be held through joint investment with the partners, to jointly hold the properties and co-operate.

Note 2: Franchised home improvement material projects represent the home improvement material stores and home improvement material industry streets operated by the Group by way of franchising. For such franchised home improvement material stores/industry streets, the Group will not participate in the daily operation and management after their commencement of operations.

Note 3: For home improvement material stores/industry streets, the Group regards those with independent market logos as home improvement material stores/industry streets for the purpose of operation and management convenience after taking into full account the physical form of the managed property and the types of products sold.

The operating information of this announcement is unaudited and is provided to investors solely for the purpose of understanding the operation of the Company. Investors are advised to exercise caution when using such information.

This announcement is published simultaneously in Chinese and English. In the event of any inconsistencies between the Chinese and English versions, the Chinese version shall prevail.

Notice is hereby given.

By Order of the Board
Red Star Macalline Group Corporation Ltd.
GUO Binghe
Vice Chairman

Shanghai, the PRC
2 January 2020

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, GUO Binghe, CHE Jianfang and JIANG Xiaozhong; the non-executive Directors are CHEN Shuhong, XU Guofeng, JING Jie and XU Hong; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao and ZHAO Chongyi.