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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)**

**ANNOUNCEMENT ON THE OPERATING  
STATISTICS FOR THE FIRST HALF OF 2020**

This announcement is made by Red Star Macalline Group Corporation Ltd. (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

**The board of directors and all directors of the Company confirm that there are no false representations, misleading statements, or material omissions in this announcement, and they shall individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of contents herein.**

In accordance with the relevant requirements under the Guidelines No. 5 on Industry Information Disclosure of Listed Companies – Retail (《上市公司行業信息披露指引第五號 – 零售》) and the Notice in relation to the Endeavour on Disclosure of the 2020 Half Yearly Report by the Listed Companies (《關於做好上市公司2020年半年度報告披露工作的通知》) issued by the Shanghai Stock Exchange, the Company hereby discloses its principal operating statistics for the first half of 2020 (the “**Reporting Period**”) as follows:

As of 30 June 2020, the Company operated 87 Portfolio Shopping Malls, 247 Managed Shopping Malls, and 12 home furnishing malls through strategic cooperation. In addition, the Company opened 50 franchised home improvement material projects by way of franchising, which includes a total of 430 home improvement material stores/industry streets.

**I. CHANGES IN MALLS FOR THE FIRST HALF OF 2020**

During the Reporting Period, there were one new Portfolio Shopping Mall of the Company, situated in Kunshan, Jiangsu Province, one closed Portfolio Shopping Mall, situated in Shenyang, Liaoning Province; one new Managed Shopping Mall, situated in Changde, Hunan Province, and four closed Managed Shopping Malls, situated in Hegang, Heilongjiang Province, Shouguang, Shandong Province, Dalian, Liaoning Province and Changsha, Hunan Province.

## (I) Changes in Malls During the Reporting Period

**Table 1–1 Changes in Owned Portfolio Shopping Malls during the Reporting Period**

*Unit: m<sup>2</sup>*

Mode of Operation	Location	Malls as at the Beginning of the Period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls Transferred into Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Owned	Beijing	3	226,567									3	226,587
Owned	Shanghai	7	903,540									7	904,582
Owned	Tianjin	4	455,563									4	456,490
Owned	Chongqing	3	249,735									3	250,477
Owned	Northeast China	10	1,044,303									10	1,028,967
Owned	North China (excluding Beijing and Tianjin)	2	168,615									2	168,830
Owned	East China (excluding Shanghai)	12	1,471,404	1	33,154							13	1,499,618
Owned	Central China	4	501,415									4	501,289
Owned	South China	2	116,201									2	116,201
Owned	West China (excluding Chongqing)	6	558,637									6	557,398
<b>Total:</b>		<b>53</b>	<b>5,695,981</b>	<b>1</b>	<b>33,154</b>							<b>54</b>	<b>5,710,438</b>

*Note 1:* The discrepancies between total and sums of amounts in the table above are due to rounding.

*Note 2:* Portfolio Shopping Malls stated in this announcement include Owned Portfolio Shopping Malls, JV/ Associate Portfolio Shopping Malls and Leased Portfolio Shopping Malls.

**Table 1–2 Changes in JV/Associate  
Portfolio Shopping Malls during the Reporting Period**

*Unit: m<sup>2</sup>*

Mode of Operation	Location	Malls as at the Beginning of the Period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls Transferred into Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
JV/Associate	Beijing												
JV/Associate	Shanghai												
JV/Associate	Tianjin												
JV/Associate	Chongqing												
JV/Associate	Northeast China												
JV/Associate	North China (excluding Beijing and Tianjin)												
JV/Associate	East China (excluding Shanghai)	3	247,700									3	247,844
JV/Associate	Central China												
JV/Associate	South China	1	15,817									1	15,800
JV/Associate	West China (excluding Chongqing)	1	89,215									1	89,215
<b>Total:</b>		<b>5</b>	<b>352,732</b>									<b>5</b>	<b>352,859</b>

*Note 1:* The discrepancies between total and sums of amounts in the table above are due to rounding.

**Table 1–3 Changes in Leased  
Portfolio Shopping Malls during the Reporting Period**

*Unit: m<sup>2</sup>*

Mode of Operation	Location	Malls as at the Beginning of the Period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls Transferred into Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Leased	Beijing	1	115,285									1	117,369
Leased	Shanghai												
Leased	Tianjin												
Leased	Chongqing	2	133,586									2	133,241
Leased	Northeast China	1	102,785					1	102,785				
Leased	North China (excluding Beijing and Tianjin)	8	396,305									8	441,023
Leased	East China (excluding Shanghai)	10	492,236									10	494,659
Leased	Central China	4	307,468									4	307,468
Leased	South China	2	103,264									2	103,322
Leased	West China (excluding Chongqing)	1	37,201									1	37,623
<b>Total:</b>		<b>29</b>	<b>1,688,131</b>					<b>1</b>	<b>102,785</b>			<b>28</b>	<b>1,634,705</b>

*Note 1:* The discrepancies between total and sums of amounts in the table above are due to rounding.

**Table 1–4 Changes in Managed Shopping Malls during the Reporting Period**

*Unit: m<sup>2</sup>*

Mode of Operation	Location	Malls as at the Beginning of the Period		New Malls		Malls Transferred from Other Business Mode		Closed Malls		Malls Transferred into Other Business Mode		Malls as at the End of the Period	
		No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area	No. of Malls	Operating Area
Managed	Beijing	1	112,757									1	112,736
Managed	Shanghai												
Managed	Tianjin	3	175,490									3	178,155
Managed	Chongqing	6	205,859									6	206,163
Managed	Northeast China	16	772,922					2	56,173			14	702,328
Managed	North China (excluding Beijing and Tianjin)	29	1,604,884							1	28,184	28	1,597,808
Managed	East China (excluding Shanghai)	105	6,030,080					1	37,278			104	6,007,746
Managed	Central China	35	1,681,350	1	38,402			1	9,498			35	1,720,545
Managed	South China	12	616,266									12	622,101
Managed	West China (excluding Chongqing)	43	2,050,498			1	29,889					44	2,108,226
<b>Total:</b>		<b>250</b>	<b>13,250,106</b>	<b>1</b>	<b>38,402</b>	<b>1</b>	<b>29,889</b>	<b>4</b>	<b>102,949</b>	<b>1</b>	<b>28,184</b>	<b>247</b>	<b>13,255,808</b>

*Note 1:* The discrepancies between total and sums of amounts in the table above are due to rounding.

*Note 2:* Malls Transferred into Other Business Mode: one mall was changed from a Managed Shopping Mall to a Leased Portfolio Shopping Mall.

Malls Transferred from Other Business Mode: one mall was changed from a franchised home improvement material project to a Managed Shopping Mall.

## (II) Details of Changes in Malls during the Reporting Period

**Table 1–5 Newly-added Malls during the Reporting Period**

						<i>Unit: m<sup>2</sup></i>
Name	Address	Operating Area	Opening Date	Way of Contracting	Construction Cost (RMB)	
Kunshan Qianjin Road (昆山前進路)	No.505 Qianjin West Road, Kunshan City, Suzhou City (蘇州市昆山市前進西路505號)	33,154	20 June 2020	Acquisition	313,457,252.62	
						<b>Contract Period (Applicable to Leased and Managed Business Mode)</b>
Name	Address	Operating Area	Opening Date	Way of Contracting		
Changde Dongxing (常德東星)	No.3980 Changde Avenue, Zhugentan Community, Nanping Street, Wuling District, Changde City (常德市武陵區南坪街道 竹根潭社區常德大道3980號)	38,402	15 June 2020	Contracted management	10 years since the opening	

**Table 1–6 Mall Closures during the Reporting Period***Unit: m<sup>2</sup>*

Name	Address	Operating Area	Opening Date	Way of Contracting	Contract Period (Applicable to Leased and Managed Business Mode)	Reason for Closure	Time of Closure
Hegang Gongnong (鶴崗工農)	Red Star Macalline, Xijiefang Road, Gongnong District, Hegang City, Heilongjiang Province (黑龍江省鶴崗市工農區西解放路紅星美凱龍)	25,400	25 October 2010	Contracted management	15 years since the opening	Closure by mutual agreement between both parties	March 2020
Shenyang Dadong (瀋陽大東)	No.22, Pangjiang Street, Dadong District, Shenyang City, Liaoning Province (遼寧省瀋陽市大東區滂江街22號)	102,785	30 September 2010	Leased	Due to expire on 31 May 2022	Due to strategy adjustment, the Company chose to close the mall after careful consideration	May 2020
Shouguang Caidu (壽光菜都)	Opposite New Bus Station, Wensheng Street, Shouguang City, Shandong Province (山東省壽光市文聖街新汽車站對面)	37,278	6 June 2014	Contracted management	10 years since the opening	The partner was bankrupt and was unable to continue to have the legal ownership and the right of management of the mall properties	June 2020
Dalian Jinzhou (大連金州)	No.42 Yongle Jinting, Guangming Street, Jinzhou District, Dalian City, Liaoning Province (遼寧省大連市金州區光明街道永樂金庭42號)	30,773	31 August 2017	Contracted management	10 years since the opening	The partner defaulted, and we terminated the contract by sending a letter and withdrew from the mall	June 2020
Changsha Yong'an (長沙永安)	3F, Building A6, Boda Central Plaza, Yongming Road, Liuyang High-tech Development Zone, Changsha City, Hunan Province (湖南省長沙市瀏陽高新技術開發區永明路博大中央廣場A6棟三樓)	9,498	29 December 2017	Contracted management	10 years since the opening	Closure by mutual agreement between both parties	June 2020

## II. MALLS THAT ARE IN OPENING PREPARATION AS OF THE END OF THE FIRST HALF OF 2020

As of 30 June 2020, the Company has 33 pipeline Portfolio Shopping Malls (of which 25 are Owned Portfolio Shopping Malls and 8 are Leased Portfolio Shopping Malls), and the planned construction area amounted to approximately 4.31 million sq.m. (subject to the final construction areas as approved in the government permit documents). Among the pipeline Managed Shopping Malls, we have obtained land use rights/land parcels for 355 managed contractual projects.

### III. REVENUE AND GROSS PROFIT MARGIN OF PORTFOLIO SHOPPING MALLS FOR THE FIRST HALF OF 2020

During the Reporting Period, the Portfolio Shopping Malls opened by the Company recorded revenue of RMB3,150,607,883.08, representing a decrease of 25.0% as compared with the same period of last year; the gross profit margin was 76.5%, representing a decrease of 2.6 percentage points as compared with the same period of 2019.

**Table 3–1 Revenue and Gross Profit Margin of Portfolio Shopping Malls Classified by Operating Mode**

*Unit: RMB*

Mode of Operation	Revenue	Change as Compared to the Same Period (%)	Gross Profit Margin (%)	Gross Profit Margin Change as Compared to the Same Period of Last Year (Percentage Point)
Owned Portfolio Shopping Malls	2,563,312,953.75	-23.0%	84.9%	a decrease of 1.4 percentage points
Leased Portfolio Shopping Malls	455,975,989.05	-26.8%	33.9%	a decrease of 11.1 percentage points <sup>Note 2</sup>
JV/Associate Portfolio Shopping Malls	131,318,940.28	-47.2%	60.9%	a decrease of 7.0 percentage points
<b>Total:</b>	<b><u>3,150,607,883.08</u></b>	<b><u>-25.0%</u></b>	<b><u>76.5%</u></b>	<b><u>a decrease of 2.6 percentage points</u></b>

*Note 1:* Malls listed above are Portfolio Shopping Malls opened as at the end of each period (including JV/Associate Portfolio Shopping Malls).

*Note 2:* During the epidemic, the shopping malls have implemented rent-free policy for their tenants, resulting in a period-on-period decrease in the gross profit margin of Leased Portfolio Shopping Malls.

**Table 3–2 Revenue and Gross Profit Margin of Portfolio Shopping Malls Classified by Location**

*Unit: RMB*

<b>Location</b>	<b>Revenue</b>	<b>Change as Compared to the Same Period (%)</b>	<b>Gross Profit Margin (%)</b>	<b>Gross Profit Margin Change as Compared to the Same Period of Last Year (Percentage Point)</b>
Beijing	308,263,002.61	-34.4%	72.9%	a decrease of 3.1 percentage points
Shanghai	704,450,352.88	-19.8%	89.6%	a decrease of 1.6 percentage points
Tianjin	75,135,654.96	-34.9%	72.2%	a decrease of 7.0 percentage points
Chongqing	208,297,099.88	-28.7%	79.0%	a decrease of 2.1 percentage points
Northeast China	296,684,312.56	-31.5%	83.3%	an increase of 2.0 percentage points
East China (excluding Shanghai)	855,482,948.93	-16.1%	73.6%	a decrease of 0.9 percentage points
North China (excluding Beijing and Tianjin)	127,879,574.26	-13.2%	43.4%	a decrease of 12.7 percentage points <sup>Note 2</sup>
South China	76,638,787.36	-53.6%	51.2%	a decrease of 13.8 percentage points <sup>Note 3</sup>
Central China	246,300,651.02	-36.6%	68.3%	a decrease of 8.9 percentage points
West China (excluding Chongqing)	251,475,498.62	-13.1%	77.4%	a decrease of 3.1 percentage points
<b>Total:</b>	<b><u>3,150,607,883.08</u></b>	<b><u>-25.0%</u></b>	<b><u>76.5%</u></b>	<b><u>a decrease of 2.6 percentage points</u></b>

*Note 1:* Malls listed above are Portfolio Shopping Malls opened as at the end of each period (including JV/ Associate Portfolio Shopping Malls).

*Note 2:* The shopping malls in North China are mainly Leased Portfolio Shopping Malls, and the gross profit margin in North China declined period-on-period due to the impact of the rent-free policy.

*Note 3:* The gross profit margin in South China declined period-on-period due to the closure of the Xiangmihu Shopping Mall.

The operating information of this announcement is unaudited and provided to investors to understand the operation of the Company only. The Company advises investors to exercise caution when using such information.

**This announcement is published simultaneously in Chinese and English. In the event of any inconsistency between 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  
27 August 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, XU Hong and JING Jie; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao and ZHAO Chongyi.*