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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)

(Listed Debt Securities Code: 5454)

PROFIT WARNING ANNOUNCEMENT

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

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 its preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025 (“**1H2025**”), the losses of the Group for 1H2025 is expected to range between approximately RMB1,770 million to RMB2,130 million, representing a continuation of losses, as compared to the loss of approximately RMB1,423.3 million recorded by the Group for the six months ended 30 June 2024 (“**1H2024**”). The net loss attributable to the owners of the Company for 1H2025 is expected to range between RMB1,650 million to RMB1,980 million, representing a continuation of losses, as compared to the net loss attributable to the owners of the Company of approximately RMB1,336.8 million recorded by the Group for 1H2024.

Affected by multiple reasons, the home furnishing and building materials industry has faced the dual challenges of supply fluctuations and declining demand, resulting in weakened demand in the home furnishings retail market. Therefore, the current operations of shopping malls have been impacted on a temporary basis. At the same time, as a leading enterprise in the home furnishings retail sector, the Company has provided certain rent and management fee reductions for some merchants in order to support the steady development of small and micro-enterprises. The Company has also proactively adjusted its strategy and the category layout of its malls, attracting high-quality brands such as designers, home decoration companies, and new energy vehicle companies with favourable commercial terms. The combined effect of the above has resulted in a certain decline in the current occupancy rate and rental level of shopping malls compared with the Company's historical average, affecting the value of the Company's investment properties. Accordingly, the semi-annual valuation of investment properties for 1H2025 has been adjusted downward by over RMB1.8 billion.

With the solid implementation of a series of stimulus policies introduced by multiple national ministries and commissions – such as lowering mortgage rates, further expanding the rollout of large-scale equipment upgrades, and promoting the consumer goods trade-in policy, the high-quality development of the industry in which the Company operates will receive renewed support, and relevant consumption demand is expected to rebound from the bottom. The Company will seize the opportunities arising from industry development, strive to improve operational efficiency, and enhance business performance.

The information for 1H2025 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 1H2025 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 1H2025, the Group’s actual results for 1H2025 may be subject to changes and may differ from the information disclosed in this announcement. The final interim results of the Company for 1H2025 and other operating details of the Group will be disclosed in the interim results announcement of the Company for 1H2025, which is expected to be released in mid-to-late August 2025.

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.
QIU Zhe
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
14 July 2025

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