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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 PROGRESS OF THE VOLUNTARY PARTICIPATION OF SOME DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN THE SHAREHOLDING INCREASE PLAN OF THE COMPANY

This announcement is issued in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement dated 29 September 2019 of Red Star Macalline Group Corporation Ltd. (hereinafter referred to as the “**Company**”), regarding some Directors, some senior management and the chairman of the Supervisory Committee of the Company proposed to increase their respective shareholdings in the public A Shares of the Company (hereinafter referred to as the “**Shares**”) by way as permitted by the trading system of the Shanghai Stock Exchange from 30 September 2019 to 31 March 2020. The total amount to be used for this shareholding increase will not be less than RMB81.00 million but not exceeding RMB97.20 million. This shareholding increase does not have a low end, but has a high end for price of RMB22.9.

On 1 November 2019, the Company was informed by some Directors, some senior management and the chairman of the Supervisory Committee (hereinafter referred to as the “**above-mentioned persons**”) that the above-mentioned persons have acquired 100,000 Shares of the Company in total through the Shanghai Stock Exchange, representing 0.0028% of the total share capital of the Company. Before this shareholding increase, the above-mentioned persons held 640,364 Shares of the Company in total, representing 0.0180% of the total share capital of the Company. After this shareholding increase, the above-mentioned persons hold 740,364 Shares of the Company in total, representing 0.0209% of the total share capital of the Company. As of 1 November 2019, a total of RMB1,078,200 has been used to acquire 100,000 Shares of the Company by the above-mentioned persons on a voluntary basis.

There may be risks that this shareholding increase plan may not be fully implemented due to changes in the capital market and other factors.

There may be risks that this shareholding increase plan may not be fully implemented due to failure of obtaining sufficient funds by some Directors, some senior management and the chairman of the Supervisory Committee, as they may choose to finance the shareholding increase by self-raised funds.

I. Basic information of this shareholding increase plan

Some Directors, some senior management and the chairman of the Supervisory Committee of the Company voluntarily increased their respective shareholdings of the Company based on the confidence in the prospect of the Company's future development and the recognition of the Company's long-term investment value and proposed to increase their respective shareholdings of the Company by way as permitted by the trading system of the Shanghai Stock Exchange from 30 September 2019 to 31 March 2020. The total amount to be used for this shareholding increase will not be less than RMB81.00 million but not exceeding RMB97.20 million. This shareholding increase does not have a low end, but has a high end for price of RMB22.9.

For details, please refer to the Announcement on the Voluntary Participation of Some Directors, Supervisors and Senior Management in the Shareholding Increase Plan of the Company as disclosed on the website of the Hong Kong Stock Exchange on 29 September 2019 and the designated media regarding information disclosure on 30 September 2019, respectively.

II. The implementation progress of this shareholding increase plan

1. Before this shareholding increase, the above-mentioned persons held 640,364 Shares of the Company in total, representing 0.0180% of the total share capital of the Company. After this shareholding increase, the above-mentioned persons hold 740,364 Shares of the Company in total, representing 0.0209% of the total share capital of the Company. The details for the progress of the shareholding increase are as follows:

Subject of shareholding increase	Position	Number of Shares held before this shareholding increase (share)	Shareholding percentage before this shareholding increase (%)	Number of Shares in shareholding increase (share)	Amount of shareholding increase (RMB ten thousand)	Current number of Shares held (share)	Aggregated amount of voluntary shareholding increase (RMB ten thousand)
JIANG Xiaozhong	Director	135,900	0.0038	25,000	26.90	160,900	26.90
PAN Ning	Chairman of the Supervisory Committee	46,700	0.0013	20,000	21.52	66,700	21.52
LIU Yuanjin	senior management	96,400	0.0027	25,000	27.07	121,400	27.07
LI Jianhong	senior management	71,800	0.0020	10,000	10.79	81,800	10.79
ZHANG Peifeng	senior management	56,064	0.0016	4,500	4.84	60,564	4.84
CHEN Donghui	senior management	48,700	0.0014	10,000	10.75	58,700	10.75
ZHANG Xian	senior management	68,000	0.0019	5,500	5.95	73,500	5.95

As of 1 November 2019, a total of RMB1,078,200 has been used to acquire 100,000 Shares of the Company through centralized bidding by the above-mentioned persons on a voluntary basis.

2. Red Star Macalline Holding Group Company Limited, Changzhou Meikai Information Technology Co., Ltd. (常州美開信息科技有限公司), Mr. CHE Jianxing, Ms. CHE Jianfang, Ms. CHEN Shuhong, Mr. JIANG Xiaozhong and Mr. CHEN Donghui constitute the relationship of acting-in-concert in accordance with the relevant requirements of the Article 83 under the Measures for the Administration of the Takeover of Listed Companies (2014 Revision) (《上市公司收購管理辦法(2014年修訂)》) of the China Securities Regulatory Commission. As of 1 November 2019, the foregoing persons hold 2,499,160,569 Shares of the Company in total, representing 70.3989% of the total share capital of the Company.

III. Risks about implementation of this shareholding increase plan

1. There may be risks that this shareholding increase plan may not be fully implemented due to changes in the capital market and other factors.
2. There may be risks that this shareholding increase plan may not be fully implemented due to failure of obtaining sufficient funds by some Directors, some senior management and the chairman of the Supervisory Committee, as they may choose to finance the shareholding increase by self-raised funds.

IV. Other matters

1. The shareholding structure of the Company will remain in compliance with the listing requirements after this shareholding increase and there is no change in the controlling shareholder or the actual controller of the Company due to this shareholding increase.
2. The Company will continue to pay attention to the relevant situation of the shareholding increase, and fulfill the information disclosure obligations in a timely manner in accordance with the relevant provisions of the “Shanghai Stock Exchange Listing Rules”, “Administrative Measures for the Acquisition of Listed Companies”, “Guidelines for the Shareholding Increase of Shareholders and Parties Acting in Concert of Companies Listed on the Shanghai Stock Exchange” and other laws and regulations.

Notice hereby is given.

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

Shanghai, the PRC
1 November 2019

This announcement is prepared in both Chinese and English versions. In case of inconsistency, the Chinese version shall prevail.

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.