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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 SENIOR MANAGEMENT IN THE SHAREHOLDING INCREASE PLAN OF THE COMPANY

This announcement is made by Red Star Macalline Group Corporation Ltd. (the “**Company**”) 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 14 April 2022 of the Company, regarding some senior management of the Company proposed to increase their respective shareholdings in the public A Shares of the Company (the “**Shares**”) by way as permitted by the trading system of the Shanghai Stock Exchange within six months from 15 April 2022. The total amount to be used for this shareholding increase will not be less than RMB5 million but not exceeding RMB10 million. This shareholding increase does not have a lower limit but an upper limit for price of RMB12.00.

On 5 May 2022, the Company was informed by Mr. Jiang Xiaozhong, Ms. Qiu Zhe, Mr. Liu Yuanjin, Mr. Xi Shichang and Mr. Li Jianhong (the “**above-mentioned persons**”) that the above-mentioned persons have recently acquired 936,900 Shares in total through the Shanghai Stock Exchange, representing 0.0215% of the total share capital of the Company. Before this shareholding increase, the above-mentioned persons held 5,203,272 Shares in total, representing 0.1194% of the total share capital of the Company. After this shareholding increase, the above-mentioned persons hold 6,140,172 shares of the Company in total, representing 0.1410% of the total share capital of the Company. As of 5 May 2022, a total of RMB5.0233 million has been used to acquire 936,900 Shares by the above-mentioned persons on a voluntary basis and the aggregate amount used for this shareholding increase of above-mentioned persons has exceeded 50% of the amount to this shareholding increase plan.

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 in the case of failure of some the senior management to obtain enough funds for shareholding increase where they adopted the way of self-raised funds to finance it.

I. Basic information of this shareholding increase plan

Some senior management of the Company proposed to increase their respective shareholdings of the Company by way as permitted by the trading system of the Shanghai Stock Exchange within six months from 15 April 2022. The total amount to be used for this shareholding increase will not be less than RMB5 million but not exceeding RMB10 million. This shareholding increase does not have a lower limit but an upper limit for price of RMB12.00.

For details, please refer to the Announcement on the Voluntary Participation of Some Senior Management in the Shareholding Increase Plan of the Company as disclosed on the website of the Hong Kong Stock Exchange on 14 April 2022 and the designated media regarding information disclosure on 15 April 2022, respectively.

II. The implementation progress of this shareholding increase plan

1. Before this shareholding increase, the above-mentioned persons held 5,203,272 shares of the Company in total, representing 0.1194% of the total share capital of the Company. After this shareholding increase, the above-mentioned persons hold 6,140,172 shares of the Company in total, representing 0.1410% 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 increase (%)	Number of Shares in shareholding increase (share)	Amount of shareholding increase (RMB ten thousand)	Current number of Shares held (share)	Aggregate amount of voluntary shareholding increase (RMB ten thousand)
JIANG Xiaozhong	Senior management	1,607,880	0.0369	186,900	100.41	1,794,780	100.41
QIU Zhe	Senior management	0	0	187,200	100.46	187,200	100.46
LIU Yuanjin	Senior management	1,590,422	0.0365	188,000	100.58	1,778,422	100.58
XI Shichang	Senior management	1,058,640	0.0243	186,800	100.26	1,245,440	100.26
LI Jianhong	Senior management	946,330	0.0217	188,000	100.62	1,134,330	100.62

As of 5 May 2022, a total of RMB5.0233 million has been used to acquire 936,900 Shares of the Company through centralized bidding by the above-mentioned persons on a voluntary basis and the aggregate amount used for this shareholding increase of above-mentioned persons has exceeded 50% of the amount to this shareholding increase plan.

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 in the case of failure of some the senior management to obtain enough funds for shareholding increase where they adopted the way of self-raised funds to finance it.

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 this shareholding increase and fulfill the information disclosure obligations in a timely manner in accordance with the relevant provisions of the Listing Rules of Shanghai Stock Exchange, the Measures for the Administration of the Takeover of Listed Companies, the Guideline No.8 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Management of the Shareholding Changes (《上海證券交易所上市公司自律監管指引第8號－股份變動管理》) and other laws and regulations.

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

Shanghai, the PRC
5 May 2022

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, CHEN Zhaohui, JIANG Xiangyu, HU Xiao and YANG Guang; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.