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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)

PROPOSED ISSUE OF US DOLLAR DENOMINATED BONDS

The Board is pleased to announce that the Company proposes to conduct an international offering of the Bonds to professional investors as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Professional Investors**”) only. As at the date of this announcement, the terms and conditions of the Bonds, including their principal amount, interest and maturity, have yet to be determined.

The Bonds are expected to have the benefit of an irrevocable standby letter of credit to be issued by Bank of Shanghai Co., Ltd. Beijing Branch. The completion of the Proposed Bonds Issue is subject to market conditions and investors’ interest.

Application will be made to the Hong Kong Stock Exchange for listing of, and permission to deal in, the Bonds by way of debt issue to Professional Investors only. A confirmation of eligibility for listing of the Bonds has been received from the Hong Kong Stock Exchange.

As no binding agreement in relation to the Proposed Bonds Issue has been entered into as at the date of this announcement, the Proposed Bonds Issue may or may not materialize. The completion of the Proposed Bonds Issue is subject to market conditions and investors’ interest. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the Proposed Bonds Issue will be made by the Company as and when appropriate.

THE PROPOSED BONDS ISSUE

Introduction

The Board is pleased to announce that the Company, proposes to conduct an international offering of the Bonds to Professional Investors only. As at the date of this announcement, the terms and conditions of the Bonds, including their principal amount, interest and maturity, have yet to be determined.

The Bonds are expected to have the benefit of an irrevocable standby letter of credit to be issued by Bank of Shanghai Co., Ltd. Beijing Branch. The completion of the Proposed Bonds Issue is subject to market conditions and investors' interest. BOSC International, China International Capital Corporation and Sigma Capital (in alphabetical order) act as the joint global coordinators, joint bookrunners and joint lead managers and Haitong International act as a joint bookrunner and a joint lead manager in relation to the Proposed Bonds Issue. Upon finalization of the terms and conditions of the Proposed Bonds Issue, the Company, BOSC International, China International Capital Corporation, Sigma Capital and Haitong International are expected to enter into a subscription agreement in relation to the Proposed Bonds Issue.

Neither the Bonds nor the Standby Letter of Credit have been or will be registered under the Securities Act, or the securities laws of any other jurisdiction, and the Bonds may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold outside the United States in compliance with Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong or to any connected person of the Company.

Reason for the Proposed Bonds Issue

The Board believes that the Proposed Bonds Issue will be beneficial to the Group since it will allow the Group to strengthen its access to international capital market and to improve its capital structure.

The Company currently intends to use the net proceeds from the Proposed Bonds Issue for repayment of the Group's existing interest-bearing indebtedness.

Listing

Application will be made to the Hong Kong Stock Exchange for listing of, and permission to deal in, the Bonds by way of debt issue to Professional Investors only under Chapter 37 of the Listing Rules. A confirmation of eligibility for listing of the Bonds has been received from the Hong Kong Stock Exchange. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

GENERAL

The Group is principally engaged in operating and managing home improvement and furnishings shopping malls as well as pan-home furnishings platform service in China.

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Further announcement(s) in respect of the Proposed Bonds Issue will be made by the Company as and when appropriate.

DEFINITIONS

“Board”	The board of directors of the Company
“Bonds”	The US dollar denominated credit enhanced bonds to be issued by the Company
“BOSC International”	BOSC International Company Limited
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited
“Company”	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 PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“connected person”	Has the meaning ascribed to it under the Listing Rules
“Group”	The Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China
“Proposed Bonds Issue”	The proposed international offering of the Bonds by the Company
“Securities Act”	The United States Securities Act of 1933, as amended
“Sigma Capital”	Sigma Capital Management Limited

“Standby Letter of Credit” An irrevocable standby letter of credit to be issued by Bank of Shanghai Co., Ltd. Beijing Branch for the benefit of the Bonds

“U.S.” or “United States” The United States of America, its territories and possessions and all areas subject to its jurisdiction

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

Shanghai, the PRC
23 August 2022

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.