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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 ISSUANCE OF 2022 FIRST TRANCHE OF MEDIUM-TERM NOTES

The board of directors (the “**Board**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) is pleased to announce that, on 25 September 2022, the fiftieth extraordinary meeting of the fourth session of the Board considered and approved the Resolution on the Issuance of 2022 First Tranche of Medium-term Notes of the Company, and agreed the Company to apply with the National Association of Financial Market Institutional Investors (the “**NAFMII**”) of the People’s Republic of China (the “**PRC**”) for registration to issue the medium-term notes (the “**Issuance**”). The total proceeds raised will not exceed RMB3 billion (inclusive) and will be used for repaying interest-bearing liabilities of the Company and its subsidiaries, replenishing working capital and other purposes permitted by laws and regulations. The meeting also considered and approved the Resolution on the Authorization to the Board to Handle Relevant Matters in relation to the Issuance of 2022 First Tranche of Medium-term Notes with Full Discretion. To ensure smooth implementation of the Issuance, it is agreed that the Board shall propose to the general meeting for the authorization to the Board and its authorized representatives to handle relevant matters in connection with the Issuance with full discretion.

I. THE SUMMARIZED PLAN OF THE ISSUANCE

1. Scale of the registration and issuance of the medium-term notes: the Company propose to apply with the NAFMII for registration to issue the medium-term notes, for a maximum amount not exceeding RMB3 billion (inclusive). The final issue Scale shall be subject to the amount specified in the notice of registration from the NAFMII and the actual issuance requirements of the Company.
2. Method of the issuance: the medium-term notes shall be issued in one or more tranches within the size of the registration during the validity period of the registration. The specific method of the issuance shall be determined according to the market conditions and the capital needs of the Company.
3. Term of the issuance: the maximum term shall not exceed 5 years (inclusive). The specific term shall be determined according to the capital needs of the Company and market conditions.

4. Interest rate of the issuance: the medium-term notes will be issued at nominal value, with the interest rate of the issuance to be ultimately determined by the authorized representatives of the Board and the lead underwriter of the Issuance on basis of the book-building results and market conditions.
5. Target subscribers of the issuance: institutional investors of the national inter-bank bond market (excluding those purchaser(s) prohibited by the applicable laws and regulations of the PRC).
6. Use of proceeds: the proceeds to be raised from the issuance of medium-term notes will be used for repaying interest-bearing liabilities of the Company and its controlling subsidiaries, replenishing working capital and other purposes permitted by laws and regulations.
7. Validity period of the resolution: the resolution will be valid for 24 months from the date when it was considered and approved at the general meeting. If the Company has obtained the registration documents within the aforesaid validity period, the Company may complete the relevant issuance during the validity period of such registration documents.

The issuance of the medium-term notes is subject to the approval of the NAFMII of the PRC, and will be conducted at an appropriate time during the validity period of the Notice for Acceptance of Registration delivered by the NAFMII of the PRC.

II. AUTHORIZATION MATTERS RELATED TO THE ISSUANCE

For the purpose of ensuring the success of the Issuance, it is proposed at the general meeting to authorize the Board and its authorized representatives to handle all matters in relation to the Issuance with full discretion, including but not limited to:

1. making specific issue plans, amending and adjusting terms related to the Issuance, including the timing, maturity, amount, interest rate, its mode of confirmation, issuance and underwriting, specific uses of proceeds, the term and mode of repayment of the principal and interest, whether to set up guarantees, the mode of guarantees and all other matters related to the Issuance, on the basis of market conditions and the needs of the Company and in accordance with laws and regulations;
2. engaging the lead underwriter and other intermediary parties of the Issuance;
3. within the above authority, being responsible for revising, executing and reporting all agreements and legal documents related to the Issuance, and complete all necessary procedures of the Issuance such as reporting and registration with regulatory authorities on behalf of the Company;
4. in the event of any changes in regulatory policies or market conditions, making corresponding adjustments to specific plans of the Issuance and other related matters according to the views of the regulatory authorities and market conditions or decide whether to continue with all or part of the Issuance according to actual situation (other than matters required by the relevant laws, regulations or the articles of association of the Company to be re-approved at the general meeting) within the authority granted by the general meeting of the shareholders and the board of directors;

5. upon completion of the Issuance, authorize the board of directors and its authorized representatives to deal with the repayment of the principal and interest, adjust coupon rate and maturity and all other matters in relation to the medium-term notes during the duration period of the medium-term notes; and
6. to deal with other matters related to the Issuance.

The Board proposes to appoint the chairman of the Board and chief financial officer of the Company as the authorized representatives for the Issuance, each of whom is entitled to deal with the above matters in relation to the Issuance on behalf of the Company in accordance with the scope of authorization as determined at the general meeting of the Company and the authorization of the Board.

The term of the authorization shall commence on the date of approving the Issuance at the general meeting and end on the date when the above matters under the authorization have been completed.

III. CONSIDERATION AND DECISION-MAKING PROCEDURES

The Issuance has been considered and approved at the fiftieth extraordinary meeting of the fourth session of the Board, and is subject to the approval of the shareholders of the Company at a general meeting and can be implemented after approval of the NAFMII of the PRC.

A circular containing, among other things, details of the above resolutions, together with the notice of the general meeting, will be dispatched to the shareholders of the Company in due course.

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

Shanghai, the PRC
25 September 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.