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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)**

### **INDICATIVE ANNOUNCEMENT ON THE A SHARE REPURCHASE RESULTS AND PROPOSED SPECIAL DIVIDENDS TO ALL SHAREHOLDERS**

#### **Important Notice:**

- Due to the combined influence of various factors including the regular reporting period, and major issues planned by the controlling shareholder as well as the requirements in relation to the prohibition against share repurchase during specific periods, the Company is unable to complete the A Share Repurchase Plan within the A share repurchase period. In order to protect the interests of all shareholders, the Company intends to pay special dividends to all shareholders. The specific plan will be disclosed and submitted to the general meeting for consideration after the consideration and approval by the Board.

#### **I. A SHARE REPURCHASE APPROVAL STATUS AND CONTENT OF THE A SHARE REPURCHASE PLAN**

On 24 April 2022, Red Star Macalline Group Corporation Ltd. (the “**Company**”) held the forty-third extraordinary meeting of the fourth session of the board (the “**Board**”) of Directors (the “**Directors**”), which considered and approved, among others, the resolution on A Share Repurchase Plan, authorizing the Company to use self-owned or self-raised funds of not less than RMB150 million and not more than RMB300 million (both inclusive) to repurchase A shares of the Company at a repurchase price of not more than RMB11.04 per share (the “**Repurchase**”). The shares repurchased will be fully used for the employee stock ownership plan or share incentive plan of the Company. The repurchase period is not more than 12 months from the date on which the repurchase plan is considered and approved by the Board of the Company. For details, please refer to the A Share Repurchase Plan and the Repurchase Report of Red Star Macalline Group Corporation Ltd. on Repurchase of A Shares of the Company by means of centralized bidding disclosed by the Company on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) ([www.hkexnews.hk](http://www.hkexnews.hk)) on 24 April 2022 and 20 May 2022, respectively.

On 28 June 2022, the Company disclosed the Announcement of Red Star Macalline Group Corporation Ltd. on Annual Equity Distribution in 2021, which indicated that the Company’s annual equity distribution in 2021 was based on the total share capital of 4,354,732,673 shares of the Company before the implementation of the plan, with a cash dividend of RMB0.1 per share (tax included). As of the date of disclosure of this announcement, the equity distribution is completed.

According to the A Share Repurchase Plan of the Company, in case of dividend payment, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend events of the Company during the repurchase period, the Company will adjust the price range for the Repurchase accordingly in accordance with relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange (the “SSE”).

In view of the completion of the Company’s annual equity distribution in 2021, the cap on the share price for the Repurchase of the Company was adjusted from RMB11.04 per share to RMB10.94 per share according to the A Share Repurchase Plan.

## II. REPURCHASE IMPLEMENTATION

1. On 29 July 2022, the Company carried the initial repurchase of its A shares by centralized bidding. On 31 July 2022, the Company disclosed the Announcement on Initial Repurchase of the Company’s Shares by Centralized Bidding and Progress in Share Repurchase. The Company disclosed the Announcement on Progress in Share Repurchase by Centralized Bidding on 1 September 2022, 10 October 2022, 2 November 2022, 2 December 2022, 4 January 2023, 1 February 2023, 3 March 2023 and 4 April 2023, respectively and disclosed the Indicative Announcement on Imminent Expiry of the A Share Repurchase Plan and Proposed Special Dividends to All Shareholders on 18 April 2023.
2. As of the date of disclosure of this announcement, by means of centralized bidding, the Company repurchased a total of 1,044,800 A shares, accounting for 0.0240% of the Company’s total share capital, with the highest price of RMB5.21 per share and the lowest price of RMB4.42 per share, and the total amount paid is RMB5,003,480.17 (excluding transaction costs).
3. The actual implementation of the repurchase plan is not in line with the originally disclosed repurchase plan, because the number of trading days for the Company to repurchase its shares is small, with basically no actual trading days available in the last six months, during the repurchase period in accordance with the requirements of the SSE and the Stock Exchange in relation to the prohibition against repurchase of A shares and H shares during specific periods respectively, due to various factors including the regular reporting period, and major issues planned by the controlling shareholder.

In view of the above reasons, the Company is unable to complete the A Share Repurchase Plan within the A share repurchase period. In order to protect the interests of all shareholders, the Company intends to pay special dividends to all shareholders. The specific plan will be disclosed and submitted to the general meeting for consideration after the consideration and approval by the Board.

4. Impact of the implementation of the A Share Repurchase Plan on the Company: The share repurchase will not have a significant adverse effect on the normal operating activities and financial position of the Company or cause any change in the Company’s control, or lead to the Company’s equity distribution failing to meet the listing conditions.

### III. TRADING IN SHARES BY RELEVANT ENTITIES DURING THE REPURCHASE PERIOD

On 24 April 2022, the Company initially disclosed the share repurchase, as detailed in the A Share Repurchase Plan. The trading in the Company's shares by the Company's Directors, supervisors, senior management, the controlling shareholders and actual controllers from the date of the initial disclosure by the Company of the share repurchase to the date of disclosure of this announcement is as follows:

1. During the period from April 2022 to October 2022, five senior management members of the Company voluntarily increased their shareholdings by 936,900 A shares of the Company at a total price of RMB5,023,300, accounting for 0.0215% of the total share capital of the Company.

Subscriber	Position	Total Voluntary Increase in Shareholding (Share)	Total Voluntary Increase in Shareholding (RMB'0,000)	Current Shareholding (Share)	Current Shareholding Percentage
JIANG Xiaozhong	Senior management member	186,900	100.41	1,794,780	0.0412%
QIU Zhe	Senior management member	187,200	100.46	187,200	0.0043%
LIU Yuanjin	Senior management member	188,000	100.58	1,778,422	0.0408%
XI Shichang	Senior management member	186,800	100.26	1,245,440	0.0286%
LI Jianhong	Senior management member	188,000	100.62	1,134,330	0.0260%

For details, please refer to the Announcement on Completion of the Implementation of the Plan for Certain Senior Management Members to Voluntary Increase Their Shareholdings in the Company disclosed by the Company on the HKEXnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 14 October 2022.

2. From 27 February 2023 to 3 March 2023, Red Star Macalline Holding Group Company Limited (“**Red Star Holding**”) has transferred its 68,023,000 tradable shares of the Company without sales restrictions to its concerted action person Changzhou Meikai Information Technology Co., Ltd. (“**Changzhou Meikai**”) through block trading, accounting for 1.56% of the Company's total share capital, with an average transfer price of RMB5.17 per share. The above share transfer registration procedures have been completed. Changzhou Meikai is a wholly-owned subsidiary of Red Star Holdings, and will be locked up for six months after receiving this part of the shares, from 3 March 2023 to 2 September 2023. For details, see the Announcement on Completion of Share Transfer Between the Controlling Shareholder and the Party Acting in Concert with It and Early Termination of the Shareholding Reduction Plan disclosed by the Company on the HKEXnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 3 March 2023.

#### IV. TABLE OF CHANGES IN SHARES

Class of Shares	Before the Repurchase		Upon the Repurchase	
	Number of A Shares (Shares)	Percentage (%)	Number of A Shares (Shares)	Percentage (%)
Shares Subject to Restrictions on Sale	0	0	0	0
Shares not Subject to Restrictions on Sale	4,354,732,673	100	4,354,732,673	100
of which: Special securities account for repurchase	0	0	1,044,800	0.024
Total number of shares	4,354,732,673	100	4,354,732,673	100

#### V. DISPOSAL ARRANGEMENT FOR SHARES REPURCHASED

A total of 1,044,800 A shares repurchased by the Company will be temporarily deposited in the special securities account for repurchase opened by the Company. If the Company fails to implement the employee stock ownership plan or share incentive within three years after the date of disclosure of the announcement, the Company will then perform the relevant procedures to reduce the registered capital of the Company in accordance with the Company Law and other relevant regulations.

Subsequently, the Company will use the repurchased shares for the purposes disclosed and will perform the decision-making procedures and information disclosure obligations in accordance with regulations.

#### VI. RELEVANT RISK HINTS

The Company intends to pay special dividends to all shareholders to protect the interests of all shareholders. The specific plan for special dividends remains subject to consideration by the Board and the general meeting. There remain uncertainties. Investors are advised to pay attention to investment risks.

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

Shanghai, the PRC  
21 April 2023

*As at the date of this announcement, the executive Directors of the Company are CHE Jianxing and LI Jianhong; the non-executive Directors are CHEN Zhaohui, JIANG Xiangyu, HU Xiao, ZHENG Yongda, WANG Wenhui and ZOU Shaorong; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.*