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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)

**UPDATES IN RELATION TO THE ACCEPTANCE
OF THE REORGANIZATION
APPLICATION FROM THE SECOND LARGEST SHAREHOLDER
OF THE COMPANY
AND CLARIFICATION ON RELEVANT MATTERS
AND
CHANGE IN DIRECTOR'S INFORMATION**

This announcement is made by Red Star Macalline Group Corporation Ltd. (the “**Company**”) on a voluntary basis. This announcement is also made by the Company pursuant to Rules 13.51B(2) and 13.51(2)(1) 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 (the “**Announcement**”) of the Company dated 12 June 2024 in relation to the reorganization application (the “**Reorganization Application**”) filed by the second largest shareholder of the Company. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 3 July 2024, the Company was informed by RSM Holding that the Reorganization Application has been accepted by the Court.

IMPACT ON THE COMPANY AND CLARIFICATION ON RELEVANT MATTERS

The Company recently noticed that certain news reports named “Red Star Macalline Closed Down” and “Bankruptcy of Red Star Macalline with a Debt of 32.5 Billion” were released by relevant media. Those contents of the news reports were inaccurate as they confused the name of the Company and the name of RSM Holding. In order to avoid misleading investors and to protect their interests, the Company now clarifies as below:

1. Xiamen C&D Inc. (廈門建發股份有限公司, a company listed on the Shanghai Stock Exchange, stock code: 600153.SH, the “**Xiamen C&D**”) is the largest shareholder of the Company. The actual controller of the Company is State-owned Assets Supervision and Administration Commission of the Xiamen Municipal People's Government (廈門市人民政府國有資產監督管理委員會). Xiamen C&D and its persons acting in concert hold 29.95% of the Company's total share capital in aggregate. Please refer to the announcements of the Company dated 23 June 2023 and 15 August 2023, etc. for details. Xiamen C&D has taken over the Company from the perspective of shareholding structure, management team and operation. Moreover, the reorganization of RSM Holding, the second largest shareholder of the Company, only involves RSM Holding itself as a legal entity and has no direct influence on the Company.

2. The Company and RSM Holding remain independent in aspects of including but not limited to business, personnel, assets, institutions, finance, and the Company has a professional management team, which is experienced and stable. The acceptance of the Reorganization Application from RSM Holding will not result in change of actual controller of the Company and will not have any material effect on the Company's daily operations and its financial position.
3. Due to the strategic layout adjustments or contract expiration, certain shopping malls of the Company were closed down recently. These will not influence the overall operation and management of the Company. The Company's self-owned, leased, JV/associate and managed home furnishing shopping malls with different management impact are under normal operation. The Company will continue to fulfil the original public commitments to merchants and consumers. The Reorganization Application of RSM Holding will not result in any direct losses to the Company's existing or potential merchants and consumers.
4. RSM Holding has no operating or non-operating fund occupation over the Company.

The Company will continue to monitor the progress of this matter, and will timely fulfil its information disclosure obligations in accordance with the requirements of relevant laws, regulations and regulatory documents. Investors are advised to invest rationally and be cautious of risks.

CHANGE IN DIRECTOR'S INFORMATION

Mr. CHE Jianxing ("**Mr. CHE**"), an executive director of the Company, currently serves as a director of RSM Holding. RSM Holding is a company incorporated in the People's Republic of China, which is owned as to 92% by Mr. CHE and is principally engaged in investment business. The Court has designated Fangda Partners (上海市方達律師事務所) as the administrator of RSM Holding (the "**Administrator**"). According to the Court rulings, as of 31 December 2023, RSM Holding recorded liabilities of approximately RMB16.312 billion. The Administrator and RSM Holding shall formulate a draft reorganization plan and present the same to the relevant creditors' meeting for consideration and approval within the prescribed time limit according to the laws, and the creditors shall be repaid in accordance with the reorganization plan as approved by the Court. The progress and results of Reorganization Application of RSM Holding are still uncertain. Save as disclosed above, the Company has no other information regarding the acceptance of the Reorganization Application. There is no other information relating to Mr. CHE under Rules 13.51(2)(h) to (v) of the Listing Rules that is required to be updated and there is no other matter in relation to Mr. CHE's directorship in the Company that needs to be brought to the attention of shareholders of the Company.

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

Shanghai, the PRC
3 July 2024

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, SHI Yaofeng, LI Jianhong and YANG Yingwu; the non-executive Directors are ZHENG Yongda, WANG Wenhui, ZOU Shaorong, SONG Guangbin and XU Di; and the independent non-executive Directors are XUE Wei, HUANG Jianzhong, CHEN Shanang, WONG Chi Wai and CAI Qinghui.