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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)

INSIDE INFORMATION

AMENDMENT TO THE TERMS OF THE EXCHANGEABLE BONDS AND INTENTION TO EXERCISE THE EXCHANGE RIGHTS OF THE EXCHANGEABLE BONDS

This announcement is made by the Company pursuant to Rule 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

BACKGROUND

On May 14, 2019, Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) (“**RSM Holding**”), the controlling shareholder of Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司) (the “**Company**”), completed the non-public issuance of exchangeable corporate bonds (First Tranche) (the “**Exchangeable Bonds**”) for an amount of RMB4,359,400,000, which had been fully subscribed by Alibaba (China) Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司) (“**Alibaba Technology**”). The Exchangeable Bonds are exchangeable into fully-paid A shares of the Company listed on the Shanghai Stock Exchange (“**A Shares**”).

Since July 5, 2022, the outstanding principal amount of the Exchangeable Bonds is RMB4,109,400,000 (the “**Outstanding Exchangeable Bonds**”) and (b) the exchange price of the Outstanding Exchange Bonds is RMB10.59 per A Share.

THE AMENDMENT AND INTENTION TO EXERCISE THE EXCHANGE RIGHTS OF THE EXCHANGEABLE BONDS

The board of the Company has been informed by RSM Holding that pursuant to the terms of the Exchangeable Bonds, RSM Holding has convened its shareholders' meeting resolving to change the exchange price of the Outstanding Exchangeable Bonds from RMB10.59 per A Share to RMB8.44 per A Share (the "**Amendment**"), which will take effect from January 18, 2023 onwards. On January 13, 2023, RSM Holding issued the "Notice of the First Meeting of the Bondholders in relation to the Exchangeable Bonds of the Company", inviting the bondholder(s) of the Exchangeable Bonds to consider the "Proposal to amend the terms in relation to the number of exchangeable shares under the Exchangeable Bonds", among other things. Should the relevant proposal be passed, to the extent in compliance with the relevant laws and regulations and the undertakings provided by RSM Holding, the maximum number of A Shares exchangeable under the Outstanding Exchangeable Bonds will be 248,220,000 A Shares. Alibaba Technology has also provided a letter of intent that it intends to exercise the exchange rights under the Outstanding Exchangeable Bonds at the exchange price of RMB8.44 per A Share to obtain 248,220,000 A Shares of the Company, to the extent permitted under applicable laws and regulations and the terms of the Exchangeable Bonds.

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

Shanghai, the PRC
January 13, 2023

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.