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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**

### **FORMAL AGREEMENT**

### **TRANSFER OF SHARES BY CONTROLLING SHAREHOLDER**

Reference is made to the announcements of the Company dated January 6, 2023, January 8, 2023, January 10, 2023, January 13, 2023, and January 17, 2023.

This announcement is made by the Company pursuant to Rule 13.09 and 13.10B of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

#### **Formal Agreement**

The Board has been informed by RSM Holding that the Formal Agreement was entered into on January 17, 2023 (after trading hours) among Xiamen C&D, RSM Holding and Mr. Che, pursuant to which RSM Holding has agreed to sell, and Xiamen C&D has agreed to buy, the Sale Shares at a consideration of RMB6,286,448,542 (based on the per share price of RMB4.82 per Sale Share), subject to (i) adjustment due to events such as declaration of dividends, bonus issue and capitalisation of reserves, and (ii) adjustment based on the opinion of the state-owned assets supervision and administrative authority.

Upon completion of the Proposed Acquisition, Xiamen C&D will be interested in 1,304,242,436 Shares, representing approximately 29.95% of the total issued share capital of the Company as of the date of this announcement.

**The Proposed Acquisition is subject to the fulfilment (or waiver, where applicable) of a number of conditions precedent, including obtaining the relevant regulatory approvals, and may or may not proceed.**

**Shareholders should also note that RSM Holding has previously issued exchangeable corporate bonds which are exchangeable into A Shares. Accordingly, should the exchange rights under such exchangeable bonds be exercised by the relevant bondholder(s), Mr. Che and RSM Holding may cease to be a controlling shareholder of the Company. Please refer to the announcement of the Company dated January 13, 2023, in relation to the Amendment to the Terms of the Exchangeable Bonds and Intention to Exercise the Exchange Rights of the Exchangeable Bonds.**

**Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

Reference is made to the announcements of the Company dated January 6, 2023, January 8, 2023, January 10, 2023, January 13, 2023, and January 17, 2023.

This announcement is made by the Company pursuant to Rule 13.09 and 13.10B of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

### **The Proposed Acquisition**

In connection with the Proposed Acquisition, Xiamen C&D, RSM Holding and Mr. Che entered into the Framework Agreement dated January 13, 2023, pursuant to which RSM Holding agreed to sell, and Xiamen C&D has agreed to buy, the Sale Shares. To formalize the arrangements under the Proposed Acquisition, Xiamen C&D, RSM Holding and Mr. Che subsequently entered into the Formal Agreement, details of which are set out in the section “Formal Agreement” below.

Upon completion of the Proposed Acquisition, Xiamen C&D will be interested in 1,304,242,436 A Shares, representing approximately 29.95% of the total issued share capital of the Company as of the date of this announcement.

## **FORMAL AGREEMENT**

Date: January 17, 2023

### **Parties to the Formal Agreement**

- (1) Xiamen C&D
- (2) RSM Holding
- (3) Mr. Che

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, (i) Xiamen C&D is independent of the Company and its connected persons, (ii) RSM Holding is the controlling shareholder of the Company which is held as to 92% by Mr. Che, the chairman and the executive Director of the Company.

### **Proposed Acquisition and Consideration**

Pursuant to the Formal Agreement, RSM Holding has agreed to sell, and Xiamen C&D has agreed to buy, the Sale Shares at a consideration of RMB6,286,448,542 (based on the per share price of RMB4.82 per Sale Share) (the “**Consideration**”), subject to (i) adjustment due to events such as declaration of dividends, bonus issue and capitalisation of reserves, and (ii) adjustment based on the opinion of the state-owned assets supervision and administrative authority.

The Sale Shares represent approximately 29.95% of the total issued share capital of the Company as of the date of this announcement.

As of the date of this announcement, the shareholding structure of the Company is as follows:

	<b>No. of shares in the Company</b>	<b>Approximate percentage of the issued share capital of the Company</b>
Mr. Che and his associates	2,636,688,647	60.55%
<i>Controlled corporations of Mr. Che     (including RSM Holding)</i>	<i>2,636,081,007</i>	<i>60.53%</i>
<i>Mr. Che (as beneficial owner)</i>	<i>435,600</i>	<i>0.01%</i>
<i>Associates of Mr. Che<sup>(Note)</sup></i>	<i>172,040</i>	<i>0.004%</i>
Other shareholders	<u>1,718,044,026</u>	<u>39.45%</u>
	<u><u>4,354,732,673</u></u>	<u><u>100.00%</u></u>

*Note:* Includes shares directly held by Ms. Chen Shuhong, the wife of Mr. Che and a non-executive director of the Company, and Ms. Che Jianfang, the sister of Mr. Che and an executive director of the Company.

Upon completion of the Proposed Acquisition, assuming no other changes to the shareholding of the Company, the shareholding structure of the Company would be as follows:

	<b>No. of shares in the Company</b>	<b>Approximate percentage of the issued share capital of the Company</b>
Mr. Che and his associates <sup>(Note 1)</sup>	1,332,446,211	30.60%
<i>Controlled corporations of Mr. Che     (including RSM Holding)</i>	<i>1,331,838,571</i>	<i>30.58%</i>
<i>Mr. Che (as beneficial owner)</i>	<i>435,600</i>	<i>0.01%</i>
<i>Associates of Mr. Che<sup>(Note 2)</sup></i>	<i>172,040</i>	<i>0.004%</i>
Xiamen C&D	1,304,242,436	29.95%
Other shareholders	<u>1,718,044,026</u>	<u>39.45%</u>
	<u><u>4,354,732,673</u></u>	<u><u>100.00%</u></u>

*Note 1:* The sole bondholder of the Exchangeable Bonds has provided a letter of intent to exercise the exchange rights under the Exchangeable Bonds issued by RSM Holding to obtain 248,220,000 A Shares of the Company. Assuming such exchange rights are exercised, Mr. Che and his associates will be interested in 1,084,226,211 Shares of the Company (approximately 24.90% of the issued share capital of the Company). For further information, please refer to the announcements of the Company dated January 13, 2023, and January 17, 2023 in relation to the Exchangeable Bonds.

*Note 2:* Includes shares directly held by Ms. Chen Shuhong, the wife of Mr. Che and a non-executive director of the Company, and Ms. Che Jianfang, the sister of Mr. Che and an executive director of the Company.

## **Payment of earnest money**

Under the terms of the Proposed Acquisition, Xiamen C&D is required to pay earnest money into the Joint Account upon RSM Holding and Mr. Che providing relevant security over A Shares of the Company held by them in favour of Xiamen C&D. The earnest money shall count towards the Consideration payable under the first instalment as set out below.

## **Payment of Consideration**

Under the Formal Agreement, Xiamen C&D has agreed to pay RSM Holding the Consideration of RMB6,286,448,542 in two instalments as follows:

- (i) Xiamen C&D shall pay the first instalment of RMB5,786,448,542 within five (5) business days into an account designated by RSM Holding following the satisfaction or waiver (as further agreed between the parties) of the following conditions:
  - a. The Company entering into the relevant employment agreements/service agreements (including non-compete and confidentiality provisions) with core personnel of the Company as specified by Xiamen C&D;
  - b. The Sale Shares having been transferred to and registered under the name of Xiamen C&D with the China Securities Depository and Clearing Corporation Limited (Shanghai Branch) (中國證券登記結算有限責任公司上海分公司), and the rights of the Sale Shares not being subject to any restrictions;
  - c. The Proposed Acquisition not triggering a mandatory general offer obligation for the entire issued share capital of the Company to be made by Xiamen C&D, in accordance with the laws, regulations and rules of the jurisdiction in which the Company is listed;
  - d. The preconditions (if any) to be set out in the Supplemental Agreement having been met;
  - e. RSM Holding and Mr. Che having performed and complied with all their respective undertakings, agreements, obligations and conditions under the Formal Agreement and the other Transaction Agreements on or prior to the Completion Date;
  - f. RSM Holding and Mr. Che not having breached the representations and warranties under the Transaction Agreements in any material respect as if such representations and warranties were repeated on the Completion Date, and that there being no material adverse change to the business, technical, legal, asset, financial position of the Group after the signing of the Formal Agreement and prior to the completion of the Proposed Acquisition; and
  - g. RSM Holding and Mr. Che having signed and issued certificates to Xiamen C&D, confirming that the conditions (a) to (f) above have been met.

The earnest money paid by Xiamen C&D to RSM Holding into the Joint Account (as referred to in the sub-section headed "Payment of earnest money") shall count towards the Consideration payable under the first instalment; and

- (ii) Xiamen C&D shall pay the second instalment of RMB500,000,000 within five (5) business days into an account designated by RSM Holding following the satisfaction or waiver (as further agreed between the parties) of the following conditions:
- a. the preconditions for payment of the Consideration (being those set out under the Formal Agreement and to be set out under the Supplemental Agreement) having been met;
  - b. six months elapsing from the Completion Date; and
  - c. the representations and warranties of RSM Holding and Mr. Che remaining true, complete and effective, and RSM Holding and Mr. Che having performed all post-completion obligations under the Transaction Agreements in a timely manner without any material breach of the provisions under the Transaction Agreements.

RSM Holding and Mr. Che have undertaken that they will fulfill the aforementioned conditions in connection with Xiamen C&D's payment of the Consideration (1) in relation to the payment of the first instalment under (i) above, within twelve (12) months from the date of the Formal Agreement, and (2) in relation to the payment of the second instalment under (ii) above, within eighteen (18) months from the date of the Formal Agreement, or such other period as may be agreed between the parties.

### **Compliance confirmation letter and anti-monopoly authority approval**

Pursuant to the Formal Agreement, RSM Holding shall obtain a compliance confirmation letter from the Shanghai Stock Exchange in relation to the Proposed Acquisition within ten (10) business days from the date of the Formal Agreement, and upon receiving such compliance confirmation letter and obtaining approval from the relevant anti-monopoly authority, RSM Holding shall have the Sale Shares transferred to and registered under the name of Xiamen C&D with the China Securities Depository and Clearing Corporation Limited (Shanghai Branch).

### **Consideration adjustment**

#### ***Due diligence***

Pursuant to the Formal Agreement, Xiamen C&D has the right to appoint relevant intermediaries to conduct due diligence activities on the legal, financial and business aspects of the Group and to carry out auditing and evaluation work, subject to confidentiality obligations, and RSM Holding and Mr. Che have undertaken to cooperate in providing all information required by Xiamen C&D and its intermediaries in connection with the due diligence activities. The parties have agreed to enter into the supplemental agreement (the "**Supplemental Agreement**") to supplement the terms of the Proposed Acquisition (including payment conditions, post-completion matters and representations and warranties), based on the due diligence results.

As set out under the Formal Agreement, the parties shall negotiate and adjust the Consideration accordingly, in the event of any material difference between the results of due diligence conducted by Xiamen C&D and the public disclosure of the Company, being (i) the consolidated net assets of the Company as reflected by the due diligence conducted by Xiamen C&D deviating by more than 2% from the public disclosure of the Company as of December 31, 2022, or (ii) the net profits of the Company as reflected by the due diligence conducted by Xiamen C&D deviating by more than 5% from the public disclosure of the Company up to December 31, 2022.

### ***Operating loss of the Company during the Transition Period***

Pursuant to the Formal Agreement, within two (2) months after the Completion Date, Xiamen C&D has the right to appoint an accounting firm to audit the consolidated income statements of the Company for the transition period between the date of the Formal Agreement and the Completion Date (the “**Transition Period**”). In the event of any operating loss incurred by the Company during the Transition Period, RSM Holding and Mr. Che shall compensate the Company in full by way of cash within ten (10) working days following the issuance of such audited results.

In the event of any disagreement with the initial audit results obtained by Xiamen C&D, the parties shall jointly engage a third-party accounting firm to conduct a separate audit over the consolidated income statements of the Company, such re-audited results being final for the purposes of determining the compensation payable for any operating losses incurred by the Company during the Transition Period (if any).

### **Right to nominate directors of the Company**

RSM Holding and Mr. Che have undertaken that, to the extent permitted under the relevant legal and regulatory requirements, during the Transition Period, Xiamen C&D may nominate up to three (3) non-independent directors of the Company, and the persons nominated by Xiamen C&D shall be elected as non-independent directors of the Company in accordance with the statutory election procedures within thirty (30) days of the Formal Agreement. RSM Holding and Mr. Che further undertake that, should the term of office of the current Board expire during the Transition Period, subject to the relevant laws, regulations and the listing requirements of the Company, such re-election of the Board shall take place after the Completion Date conducted in accordance with the corporate governance arrangements of the Company after the Completion Date, as specified under the Transaction Agreements. Should the Formal Agreement be terminated for any reason, these directors nominated by Xiamen C&D shall resign from the Board.

### **Corporate governance of the Company post-completion of the Proposed Acquisition**

Pursuant to the Formal Agreement, the parties have agreed that, within one (1) month from the Completion Date, the relevant meetings of the Company shall be convened with regards to the re-election of the Board, board of supervisors and senior management of the Company, among other things, in accordance with the relevant statutory procedures, as further detailed below:

#### ***The Board***

After the Completion Date, the non-independent directors shall be nominated by shareholders of the Company individually or collectively holding over 3% of the issued share capital of the Company, and the articles of association of the Company shall be amended accordingly to reflect this. After the Completion Date, there shall be at least five (5) non-independent directors of Company nominated by Xiamen C&D, and the chairman of the Company shall be a director nominated by Xiamen C&D, each appointed in accordance with the relevant statutory procedures. Unless otherwise agreed between the parties, RSM Holding shall not take any action that would increase the maximum number of directors of the Company.



### ***The board of supervisors***

After the Completion Date, the total number of supervisors of the Company shall remain unchanged, with two (2) non-employee supervisors and employee supervisors, respectively. Each of Xiamen C&D and RSM Holding shall have the right to nominate one (1) non-employee supervisor and recommend one (1) employee supervisor, and the chairman of the board of supervisors shall be a non-employee supervisor nominated by Xiamen C&D.

### ***Senior management***

After the Completion Date, Xiamen C&D and/or RSM Holding (as the case may be in accordance with the Formal Agreement) shall have the right to recommend to the Board and appoint senior management members of the Company, in accordance with the relevant statutory procedures. The core management team of the Company shall remain stable for the three (3) years following the date of the Formal Agreement, unless such core management team member is unable or unsuitable to perform their expected duties.

### ***Mr. Che***

Mr. Che undertakes to remain as an employee of the Company within a year after the Completion Date. If Mr. Che remains as the general manager of the Company, Mr. Che should be responsible for the operation and management of the Group, the stability of the core personnel of the Group, compliance with laws, customer services, relationship with the governmental authorities and business development.

### **Effectiveness of certain provisions**

The terms of the Formal Agreement described under the sub-sections “Proposed Acquisition and Consideration”, “Payment of Consideration”, “Compliance confirmation letter and anti-monopoly authority approval” and “Corporate Governance of the Company post-completion of the Proposed Acquisition” shall be effective upon fulfilment of the following conditions:

- (i) the competent authorities confirming that the Proposed Acquisition will not trigger a mandatory general offer obligation for the entire issued share capital of the Company to be made by Xiamen C&D, in accordance with the laws, regulations and rules of the jurisdiction in which the Company is listed, including obtaining the relevant waiver and/or confirmation to be granted by the SFC pursuant to the Takeovers Code;
- (ii) the Proposed Acquisition having been considered and approved by the board and shareholders of Xiamen C&D;
- (iii) the Proposed Acquisition (including the Consideration) having been approved by the competent state-owned assets authority having jurisdiction over Xiamen C&D; and
- (iv) upon the aforementioned conditions (i) to (iii) above having been met, that there is no objection to the Proposed Acquisition from the creditors of RSM Holding, Mr. Che or the Company,

provided that Xiamen C&D shall have the unilateral right to waive the condition as set out under (i) above.

## Termination

### *Termination rights of Xiamen C&D*

Pursuant to the Formal Agreement, Xiamen C&D shall have the right to terminate the Proposed Acquisition or any of the Transaction Documents upon:

- (i) the consolidated net assets or operating revenue of the Company as reflected by the due diligence conducted by Xiamen C&D deviating by more than 5% from the public disclosure of the Company as of or up to December 31, 2022, or the net profits of the Company as reflected by the due diligence conducted by Xiamen C&D deviating by more than 8% from the public disclosure of the Company up to December 31, 2022;
- (ii) any material breach of law by RSM Holding, Mr. Che or its respective affiliates and/or the Company that would lead to the suspension or termination of the Company's status as a listed company;
- (iii) the existence of any facts discovered by Xiamen C&D which may have a material effect on the Proposed Acquisition;
- (iv) any one of the conditions set out under the sub-section "Effectiveness of certain provisions" above having been determined to be unachievable, or eight (8) months (or such other period as the parties may otherwise agree) having lapsed since the date of the Formal Agreement and such conditions not having been completely fulfilled;
- (v) any one of the conditions in relation to the payment of first instalment of the Consideration (as set out under the sub-section "Payment of Consideration" above) having been determined to be unachievable, or twelve (12) months (or such other period as the parties may otherwise agree) having lapsed since the date of the Formal Agreement and such conditions not having been completely fulfilled;
- (vi) the Proposed Acquisition not being approved by the relevant anti-monopoly authority; or
- (vii) any material breach or anticipated breach of the Framework Agreement by RSM Holding or Mr. Che.

In addition, if there is any material adverse change in the business, intellectual property, legal, asset, financial position of the Group after the signing of the Formal Agreement and prior to the Completion Date, Xiamen C&D shall have the right to notify RSM Holding and Mr. Che in writing and negotiate potential solutions. Should the parties fail to reach a consensus within one (1) month of such notice, Xiamen C&D shall have the right to terminate the Proposed Acquisition and the Transaction Agreements.



### ***Termination rights of RSM Holding and Mr. Che***

Pursuant to the Formal Agreement, RSM Holding and Mr. Che shall have the right to terminate the Proposed Acquisition or any of the Transaction Documents upon, not as a result of the fault of RSM Holding and Mr. Che:

- (i) Xiamen C&D requiring an adjustment to the Consideration based on (a) the appraisal of a professional valuer and such appraisal being approved by a competent state-owned assets supervision and administrative authority, (b) the opinion of the state-owned assets supervision and administrative authority of Xiamen C&D or (c) the results of due diligence conducted by Xiamen C&D, the overall valuation of the Company corresponding to the Consideration being less than RMB21,000,000,000; or
- (ii) any one of the conditions set out under the sub-section “Effectiveness of certain provisions” above having been determined to be unachievable (other than condition (i) therein) or eight (8) months (or such other period as the parties may otherwise agree) having lapsed since the date of the Formal Agreement and such conditions not having been completely fulfilled.

Should Xiamen C&D fail to pay the Consideration in full within ten (10) business days in accordance with the provisions set out under the sub-section “Payment of Consideration” above, RSM Holding and Mr. Che may terminate the Proposed Acquisition and Transaction Agreements, and require Xiamen C&D to pay RSM Holding an amount equivalent to 20% of the unpaid amount of Consideration in damages.

### **GENERAL INFORMATION**

Xiamen C&D is a company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 600153.SH). Based on publicly available information, Xiamen C&D is a modern service-type enterprise with supply chain operations and real-estate development as its two main business segments.

Mr. Che is the chairman and executive Director of the Company, and as of the date of this announcement, is deemed to be interested in 60.55% of the total issued share capital of the Company. RSM Holding is a limited liability company incorporated in the PRC and is held as to 92% by Mr. Che.

**The Proposed Acquisition is subject to the fulfilment (or waiver, where applicable) of a number of conditions precedent, including obtaining the relevant regulatory approvals, and may or may not proceed.**

**Shareholders should also note that RSM Holding has previously issued exchangeable corporate bonds which are exchangeable into A Shares. Accordingly, should the exchange rights under such exchangeable bonds be exercised by the relevant bondholder(s), Mr. Che and RSM Holding may cease to be a controlling shareholder of the Company. Please refer to the announcement of the Company dated January 13, 2023, in relation to the Amendment to the Terms of the Exchangeable Bonds and Intention to Exercise the Exchange Rights of the Exchangeable Bonds.**

**Shareholders and other investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“A Share(s)”	the ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, listed on the Shanghai Stock Exchange and traded in RMB
“A Share Shareholder(s)”	the holder(s) of the A Share(s)
“Board”	the board of Directors of the Company
“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, whose H Shares are listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 1528)
“Completion Date”	the date on which the Sale Shares are transferred under the name of Xiamen C&D
“Consideration”	the consideration payable for the Sale Shares, as defined in the subsection headed “Proposed Acquisition and Consideration”
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exchangeable Bonds”	the non-public exchangeable corporate bonds (First Tranche) issued on May 14, 2019
“Formal Agreement”	the formal share transfer agreement dated January 17, 2023 entered into between Xiamen C&D, RSM Holding and Mr. Che setting out further terms and conditions of the Proposed Acquisition
“Framework Agreement”	the share transfer framework agreement dated January 13, 2023, entered into between Xiamen C&D, RSM Holding and Mr. Che in respect of the Proposed Acquisition
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which is/are listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	the holder(s) of H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Joint Account”	a bank account jointly established with RSM Holding under the name of Xiamen C&D
“Last Trading Date”	the date of publication of the first announcement in relation to the potential transfer of shares by RSM Holding, being January 6, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Che”	Mr. Che Jianxing, the chairman and executive Director of the Company
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by Xiamen C&D from RSM Holding pursuant to the terms and conditions of the Transaction Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“RSM Holding”	Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司), the controlling shareholder of the Company holding approximately 60.12% of the total issued share capital of the Company, which is held as to 92% by Mr. Che
“Sale Shares”	1,304,242,436 A Shares of the Company held by RSM Holding (representing approximately 29.95% of the total issued share capital of the Company as of the date of this announcement)
“SFC”	Securities and Futures Commission of Hong Kong
“Shareholders”	the A Share Shareholder(s) and the H Share Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement (if any) to be entered into between Xiamen C&D, RSM Holding and Mr. Che as further defined in the sub-section “Consideration adjustment”
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the SFC
“Transaction Agreements”	the Formal Agreement, the Framework Agreement, the Supplemental Agreement and any other agreement, undertaking or statement in relation to the Proposed Acquisition
“Transition Period”	the period between the date of the Formal Agreement and the Completion Date

“Xiamen C&D”

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)

“%”

per cent

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 17, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*