

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CANCELLATION OF PART OF THE SHARE OPTIONS

References are made to (i) the announcement dated 23 February 2020 of Red Star Macalline Group Corporation Ltd. (the “**Company**”); (ii) the circular dated 27 March 2020 of the Company (the “**Circular**”); (iii) the announcement dated 21 April 2020 of the Company; (iv) the announcement dated 14 May 2020 of the Company; and (v) the announcement dated 11 August 2021 of the Company, in relation to the A Share Option Incentive Scheme and adjustments to relevant number and exercise price. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

On 11 August 2021, the Board considered and approved the Resolution in Relation to the Cancellation of Part of the Share Options, pursuant to which the Company proposed to cancel a total of 14,947,900 Share Options.

REASONS FOR CANCELLATION AND NUMBER OF SHARE OPTIONS SUBJECT TO CANCELLATION

In view of the resignation or voluntary waiver of exercise of 108 original Participants under the A Share Option Incentive Scheme, a total of 2,136,200 Share Options (including the Shares obtained upon conversion of capital reserve into share capital for the profit distribution of the Company for 2019) that were granted to the Participants but have not yet been exercised shall be cancelled. In addition, in light of the fact that the performance assessment targets at the company level under the exercise conditions of the first tranche of the Share Options under the first grant of the Scheme have not been met, the Company shall cancel a total of 12,811,700 Share Options (including the Shares obtained upon conversion of capital reserve into share capital for the profit distribution of the Company for 2019) which were exercisable by all the Participants for the corresponding assessment year (except for the portion triggered due to the above reasons).

Based on the above reasons, a total of 14,947,900 Share Options (including the Shares obtained upon conversion of capital reserve into share capital for profit distribution of the Company for 2019) shall be cancelled.

IMPACT OF THE CANCELLATION ON THE COMPANY

The cancellation of the Share Options will not have any material impact on the financial position and operating results of the Company.

OPINION OF THE INDEPENDENT DIRECTORS

The independent directors of the Company are of the opinions that the cancellation is in compliance with the relevant requirements under the Administrative Measures on Share Incentives of Listed Companies (the “**Administrative Measures**”) and the relevant provisions under the A Share Option Incentive Scheme, and has been authorized by the general meeting and necessary procedures have been performed. The cancellation will not have any material impact on the financial position and operating results of the Company and will not prejudice the interests of the Company and all Shareholders, especially minority Shareholders. Therefore, we unanimously agreed with the Company on the Resolution in Relation to the Cancellation of Part of the Share Options.

OPINION OF THE SUPERVISORY COMMITTEE

The Supervisory Committee of the Company is of the opinion that the cancellation is in compliance with the relevant requirements under the Administrative Measures and the relevant provisions under the A Share Option Incentive Scheme, and legitimate decision-making process has been performed. The cancellation will not have any material impact on the financial position and operating results of the Company and will not prejudice the interests of the Company and all Shareholders, especially minority Shareholders.

LEGAL OPINION FROM THE COMPANY’S PRC LEGAL ADVISER

The PRC legal adviser of the Company, Beijing AnJie (Shanghai) Law Firm (北京安傑(上海)律師事務所), is of the opinion that, according to the authorization granted to the Board at the 2020 first extraordinary general meeting, the A shareholders’ class meeting and the H shareholders’ class meeting of the Company, as at the date of issuance of the legal opinion, necessary approvals and authorizations have been obtained for the cancellation and corresponding procedures have been performed. The reasons for cancellation and the number of Share Options subject to cancellation are in compliance with the relevant requirements under the Administrative Measures and other laws, regulations, regulatory documents and the provisions under the A Share Option Incentive Scheme. The cancellation will not have any material impact on the financial position and operating results of the Company, without any prejudice to the interests of the Company and all Shareholders.

By order of the Board
Red Star Macalline Group Corporation Ltd.
GUO Binghe
Vice Chairman

Shanghai, the PRC
11 August 2021

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, JING Jie, XU Hong and CHEN Zhaohui; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong