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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)

ANNOUNCEMENT ON PROPOSED ISSUE OF THE US DOLLAR DENOMINATED BONDS

On 30 March 2022, the board of directors of Red Star Macalline Group Corporation Ltd. (“**Company**”) resolved to propose the issue of the US denominated bonds with an aggregate principal amount not exceeding US\$300,000,000 or equivalent currency (“**Issue**”).

According to the laws of the PRC and the articles of association of the Company, the proposed issue of the US dollar denominated bonds (the “**Bonds**”) is subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of special resolutions and the approval(s) from the relevant PRC and/or overseas regulatory authorities. The Company will send a circular setting out, among others, the proposed issue of the Bonds to the Shareholders as soon as practicable. Issue of the Bonds will depend on the timing of the relevant regulatory approval(s), the capital needs of the Company and the prevailing conditions of the debt markets.

Issuer	the Company
Issue targets	qualified overseas institutional investors
Issue size	not exceeding US\$300,000,000 or equivalent currencies (issue in single or multiple tranches, specific issue size will be subject to the granting of authorisation by the Shareholders and the determination of the chairman of the Board, the Chief Financial Officer of the Company (the “ Chief Financial Officer ”) or such authorised person(s) based on the Company’s capital needs and the prevailing market conditions at the time of issue)
Maturity	not more than 5 years (including 5 years, specific maturity will be subject to the granting of authorisation by the Shareholders and the determination of the chairman of the Board, the Chief Financial Officer or such authorised person(s) based on the Company’s actual capital needs and the prevailing market conditions at the time of issue)
Type	senior unsecured US dollar denominated bonds in reliance on Regulation S under the Securities Act
Coupon rate	subject to the granting of authorisation by the Shareholders and determination of the chairman of the Board and the Chief Financial Officer or such authorised person(s) together with underwriters in accordance with the market conditions
Payment of interest	fixed interest rate payable semi-annually in arrears; one-off repayment of principal upon maturity
Guarantee/credit enhancement	the Company will seek guarantee or other credit enhancement methods for the payment obligations under relevant transaction documents of the Bonds in accordance with market conditions, specific methods will be subject to the granting of authorisation by the Shareholders and the determination of the chairman of the Board, the Chief Financial Officer or such authorised person(s) based on the prevailing market conditions at the time of issue
Use of proceeds	for repaying the interest-bearing liabilities of the Company and its subsidiaries, subject to the requirements of the relevant laws and regulations of the PRC (for the purpose of this announcement excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan), the listing rules of the exchanges where the Company’s shares are listed and the requirements of the articles of association of the Company

Listing arrangement	the Company proposes to file application for listing of, and permission to deal in the Bonds to The Stock Exchange of Hong Kong Limited, Singapore Exchange Securities Trading Limited or other suitable overseas exchanges, which will ultimately be determined in accordance with the market conditions before the issue
Term of validity of the resolution	the resolution regarding the proposed issue of the Bonds shall be valid for 24 months from the date of approval at the extraordinary general meeting of the Shareholders

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

Shanghai, the PRC
30 March 2022

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 of the Company are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.