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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)

**SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the 2021 Annual Report (the “**2021 Annual Report**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) dated 28 April 2022 in relation to the section headed “Non-Public Issuance of A Shares and Use of Proceeds”. Capitalised terms used herein shall have the same meanings as defined in the 2021 Annual Report.

This announcement is made to provide supplemental information on the use of proceeds from the non-public issuance of A shares in the 2021 Annual Report.

NON-PUBLIC ISSUANCE OF A SHARES AND USE OF PROCEEDS

In order to further expand the business deployment of the Company, optimize the financial structure and provide capital support for sustainable development of the Company, in September 2021, the Company issued 449,732,673 shares to specific investors in the non-public issuance, at an issue price of RMB8.23 per share, with the total proceeds of RMB3,701,299,898.79. After deducting issuance expenses (exclusive of tax) of RMB22,936,099.50, the actual net proceeds were RMB3,678,363,799.29.

Save as disclosed in the section headed “Non-Public Issuance of A Shares and Use of Proceeds” in the 2021 Annual Report, the board of directors of the Company (the “**Board**”) would like to provide further information on the use of net proceeds pursuant to paragraph 11(8) of Appendix 16 to the Listing Rules. The details are as follows:

Proposed Investment Project		Total Planned Investment Amount (RMB'000)	Total Investment Amount utilized as of December 31, 2021 (RMB'000)	Balance of the investment amount as of December 31, 2021 (RMB'000)	Explanation
Tmall "Home Decoration Tongcheng Station" Project		220,000.0	–	220,000.0	Expected to be invested by December 2024
3D Shejiyun Platform Construction Project		283,944.7	4,303.9	279,640.8	Expected to be invested by December 2024
Construction Project for New Generation Home Improvement Platform System		350,000.0	1,529.6	348,470.4	Expected to be invested by December 2024
Home Furnishing Mall Construction Project	Foshan Lecong Shopping Mall Project	1,000,000.0	200,000.0	800,000.0	Expected to be invested by December 2023
	Nanning Dingqiu Shopping Mall Project	560,000.0	360,348.6	199,651.4	Expected to be invested by December 2022
	Nanchang Chaoyang Xincheng Shopping Mall Project	160,910.0	160,910.0	–	Fully invested
	Sub-total	1,720,910.0	721,258.6	999,651.4	–
Repayment of Interest-bearing Debts of the Company		1,103,509.1	1,103,509.1	–	Fully invested
Total		3,678,363.8	1,830,601.2	1,847,762.6	–

The expected timeline for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board and might be subject to changes based on the market conditions. Change in the timeline, if any, will be disclosed publicly by the Company in accordance with the requirements of the relevant rules as and when appropriate to update its shareholders and potential investors.

The Company confirmed that save as supplemented above, all other information disclosed in the 2021 Annual Report remain accurate and unchanged, and the supplemental information provided in this announcement does not affect any other information contained in the 2021 Annual Report. This announcement is supplemental to the 2021 Annual Report and should be read in conjunction with other contents of the 2021 Annual Report.

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

Shanghai, the PRC, 30 August 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 are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.