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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 EXTENSION OF THE TERM OF THE PLAN (PHASE II) FOR PURCHASE OF THE SHARES OF THE COMPANY BY CERTAIN EMPLOYEES OF CONTROLLING SHAREHOLDER OF THE COMPANY AND ITS SUBSIDIARIES

The term of the plan (Phase II) for purchase of the shares of the Company by certain employees of controlling shareholder of Red Star Macalline Group Corporation Ltd. (the “**Company**”) and its subsidiaries (the “**Employee Purchase Plan**”) will expire on 17 May 2023. After consideration and approval by the second meeting of holders of the Employee Purchase Plan, the term of the Employee Purchase Plan was extended to 28 January 2024, and relevant information is announced as follows:

I. Basic information on the Employee Purchase Plan

As at 17 May 2021, a total of 10.63 million shares of the Company accounting for approximately 0.27% of the total share capital of the Company were purchased under the Employee Purchase Plan through the “Shaanxi International Investment – Macalline Controlling Shareholder and Subsidiary Employee Shareholding Phase II Single Fund Trust Plan” (the “**Trust Plan**”) at an average transaction price of approximately RMB9.40 per share, totaling approximately RMB99.944 million, and the remaining amount was set aside as a reserve. For details, please see the Announcement on Completion of Purchase under the Plan (Phase II) for Purchase of the Shares of the Company by Certain Employees of Controlling Shareholder of the Company and Its Subsidiaries disclosed by the Company on the website of The Stock Exchange of Hong Kong Limited (<https://www.hkexnews.hk/>) and designated media for information disclosure on 18 May 2021. In October 2021, the Company issued A Shares (RMB ordinary shares) to specific participants, and the total share capital was changed to 4,354,732,673 shares. As at the date of disclosure of this announcement, there are 10.63 million shares of the Company held under the Employee Purchase Plan, representing 0.24% of the total share capital of the Company.

The term of the Employee Purchase Plan is 24 months commencing on the date on which the Company announced the transfer of the last underlying shares to the Trust Plan (18 May 2021).

II. Procedures for Extension of the Term of the Employee Purchase Plan

The second meeting of holders of the Employee Purchase Plan was held as an in-person meeting with voting by correspondence on 13 March 2023. The number of holders expected to attend the meeting was 119, holding a total of 100.063 million units of the Employee Purchase Plan; there were 104 holders present at the meeting, representing 81.697 million units of the Employee Purchase Plan. The details on the voting at the meeting are as follows:

- I. The Resolution on the Extension of the Term of the Plan (Phase II) for Purchase of the Shares of the Company by Employees of Red Star Macalline Holding Group Company Limited and Its Subsidiaries was approved by voting

Voting results: 57.577 million voted in favor, 24.12 million voted against, and 0 abstained from voting.

- II. The Resolution on Authorization for the Management Committee to Determine the Extension of the Term and Disposal of Equities under Specific Circumstances was approved by voting

Voting results: 60.777 million voted in favor, 20.92 million voted against, and 0 abstained from voting.

The above resolutions were approved by more than two-thirds of the units held by the holders present at the meeting.

III. Arrangements for Extension of the Term of the Employee Purchase Plan

With the approval by more than two-thirds of the units held by the holders present at the second meeting of holders of the Employee Purchase Plan, the term of the Employee Purchase Plan was extended to 28 January 2024 and the term of authorization for the Management Committee for the Employee Purchase Plan was extended accordingly; the Management Committee was authorized to determine, at its discretion, matters in relation to the temporary extension of the term of the Employee Purchase Plan and the disposal of equities, if not all the shares held under the Employee Purchase Plan can be sold before the expiry of the term due to objective reasons or special circumstances, provided that the Management Committee shall continue to promote the sale and disposal of shares held under the Employee Purchase Plan as soon as the above impact disappears.

IV. Other Matters

As at the date of disclosure of this announcement, no shares of the Company held under the Employee Purchase Plan are disposed of. The Employee Purchase Plan may be terminated prematurely if all of the shares held under the Employee Purchase Plan are transferred and all of the monetary assets (if any) under the Employee Purchase Plan are liquidated and allocated during the term.

This announcement is made by the Company on a voluntary basis.

This announcement is published in Chinese and English respectively. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Shanghai, the PRC
19 March 2023

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing and LI Jianhong; the non-executive Directors are CHEN Zhaohui, JIANG Xiangyu, HU Xiao, ZHENG Yongda, WANG Wenhui and ZOU Shaorong; and the independent non-executive Directors are QIAN Shizheng, LEE Kwan Hung, Eddie, WANG Xiao, ZHAO Chongyi and QIN Hong.