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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)

VOLUNTARY ANNOUNCEMENT

ANNOUNCEMENT ON EXTENSION OF THE TERM OF THE THIRD PHASE OF THE EMPLOYEE STOCK OWNERSHIP PLAN OF THE COMPANY

The term of the third phase of the employee stock ownership plan (the “**ESOP**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will expire on 27 September 2024. Based on the confidence in the long-term stable operation of the Company, after consideration and approval by the fourth ESOP holders’ meeting and the seventeenth extraordinary meeting of the fifth session of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company, the term of the ESOP has been extended to 26 September 2025, and relevant information is announced as follows:

I. BASIC INFORMATION ON THE ESOP

The twenty-first extraordinary meeting of the fourth session of the Board and the first extraordinary general meeting of 2021 held by the Company on 6 February 2021 and 19 March 2021, respectively considered and approved relevant resolutions including the Resolution on the Third Phase of the Employee Stock Ownership Plan (Draft) of Red Star Macalline Group Corporation Ltd. and its Summary, and the Company published the Announcement on Completion of Purchase under the Third Phase of the Employee Stock Ownership Plan by Red Star Macalline Group Corporation Ltd. on 13 May 2021. For details, please refer to relevant announcements published by the Company on the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (www.hkexnews.hk) on 7 February 2021, 19 March 2021 and 13 May 2021.

As at 12 May 2021, the ESOP has completed the purchase of A shares of the Company through the “Shaanxi International Investment – Macalline Phase III Employee Shareholding Single Fund Trust” (the “**Trust Plan**”).

The term of the ESOP was 24 months commencing from the date on which the ESOP draft was considered and approved by the general meeting of the Company and the Company announced the transfer of the last underlying shares to the Trust Plan (13 May 2021). The second ESOP holders' meeting was convened both on-site and via tele-communications voting on 13 March 2023. With the consent and approval by more than two-thirds of the units held by the holders present at the second ESOP holders' meeting and the consideration and approval by the sixty-third extraordinary meeting of the fourth session of the Board on 17 March 2023, the term of the ESOP was extended to 28 January 2024 and the term of authorization for the ESOP Management Committee (the "**Management Committee**") was extended accordingly. The third ESOP holders' meeting was convened both on-site and via tele-communications voting on 20 October 2023. With the consent and approval by more than two-thirds of the units held by the holders present at the third ESOP holders' meeting and the consideration and approval by the seventh extraordinary meeting of the fifth session of the Board on 27 October 2023, the term of the ESOP was extended to 27 September 2024 and the term of authorization for the Management Committee was extended accordingly. For details, please refer to the Announcement on Extension of the Term of the Third Phase of the Employee Stock Ownership Plan of the Company disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 19 March 2023 and 30 October 2023, respectively.

The Management Committee entrusted Shaanxi International Trust Co., Ltd. to dispose a total of 6,162,100 A shares of the Company held through the Trust Plan during the period from 8 May 2023 to 29 December 2023, accounting for approximately 0.14% of the current total share capital of the Company; the units held under the ESOP decreased accordingly.

As at the date of this announcement, there are 92,405,000 existing units held under the ESOP, representing 9,617,900 A shares of the Company, accounting for approximately 0.22% of the current total share capital of the Company.

II. PROCEDURES FOR EXTENSION OF THE TERM OF THE ESOP

The fourth ESOP holders' meeting was convened both on-site and via tele-communications voting on 22 July 2024. According to the voting results of the holders, the extension of the term was consented and approved by more than two-thirds of the units held by the holders of the holders' meeting and was considered and approved by the seventeenth extraordinary meeting of the fifth session of the Board on 25 July 2024. The term of the ESOP was extended to 26 September 2025 and the term of authorization for the Management Committee was extended accordingly.

III. ARRANGEMENTS FOR EXTENSION OF THE TERM OF THE ESOP

With the consent and approval by more than two-thirds of the units held by the holders of the fourth ESOP holders' meeting and the consideration and approval by the seventeenth extraordinary meeting of the fifth session of the Board, the term of the ESOP was extended to 26 September 2025 and the term of authorization for the Management Committee was extended accordingly; the Management Committee will determine the appropriate timing of the disposal according to market conditions by 26 September 2025, and the proceeds from the disposal will be returned to all the holders based on the actual transactions realization and the liquidation of the trust in accordance with the relevant provisions of the ESOP.

IV. OTHER MATTERS

The ESOP may be terminated prematurely if all of the shares held under the ESOP are transferred and all of the monetary assets (if any) under the ESOP are liquidated and allocated during the term.

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

This announcement is published in both Chinese and English. If there is any discrepancy between Chinese and English versions, the Chinese version shall prevail.

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

Shanghai, the PRC
25 July 2024

As at the date of this announcement, the executive Directors of the Company are CHE Jianxing, SHI Yaofeng, LI Jianhong and YANG Yingwu; the non-executive Directors are ZHENG Yongda, WANG Wenhui, ZOU Shaorong, SONG Guangbin and XU Di; and the independent non-executive Directors are XUE Wei, HUANG Jianzhong, CHEN Shanang, WONG Chi Wai and CAI Qinghui.