
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Red Star Macalline Group Corporation Ltd., you should at once hand this circular together with the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**ESTIMATED PROVISIONS OF
FINANCIAL ASSISTANCE BY THE COMPANY
ADJUSTMENT OF THE AMOUNT OF
RELATED PARTY TRANSACTION WITH FINANCIAL INSTITUTION
AND THE LOANS PROVIDED BY
THE FINANCIAL INSTITUTION TO
THE COMPANY
ESTIMATED AMOUNT OF RELATED PARTY TRANSACTION WITH
FINANCIAL INSTITUTION IN THE YEAR OF 2025
AND
NOTICE OF THE 2024 THIRD EXTRAORDINARY
GENERAL MEETING**

A letter from the Board is set out on pages 3 to 5 of this circular. A notice of the EGM of the Company to be held at 2:00 p.m. on Friday, 27 December 2024 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarter, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.chinaredstar.com) together with this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarized.

In the case of joint holders of Shares, only the holder whose name stands first in the register of members of the Company shall alone be entitled to vote at the EGM, either in person or by proxy in respect of such Shares.

For H Share Shareholders, please return the proxy form together with any documents of authority to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

5 December 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“A Share(s)”	the ordinary share(s) issued by the Company, with a nominal value of RMB1.0 each, listed on the Shanghai Stock Exchange and traded in RMB
“A Share Shareholder(s)”	the holder(s) of the A Share(s)
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of directors of the Company
“Company”	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 PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 1528)
“Director(s)”	the director(s) of the Company
“EGM”	the 2024 third extraordinary general meeting to be convened and held on Friday, 27 December 2024
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign ordinary share(s) with a nominal value of RMB1.0 each in the share capital of the Company, listed on the Stock Exchange and traded in Hong Kong dollars
“H Share Shareholder(s)”	the holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	3 December 2024, being the latest practicable date for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“PRC”	the People’s Republic of China, but for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	the A Share Shareholder(s) and the H Share Shareholder(s) of the Company
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“%”	percent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. CHE Jianxing
Mr. SHI Yaofeng
Mr. LI Jianhong
Mr. YANG Yingwu

Registered office in the PRC:

Suite F801, 6/F
No. 518, Linyu Road
Pudong New District
Shanghai
PRC

Non-executive Directors:

Mr. ZHENG Yongda (*Chairman*)
Mr. WANG Wenhui
Mr. ZOU Shaorong
Mr. SONG Guangbin
Ms. XU Di

Principal place of business in Hong Kong:

31/F, Tower 2
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Independent non-executive Directors:

Mr. XUE Wei
Mr. HUANG Jianzhong
Mr. CHEN Shanang
Mr. WONG Chi Wai
Mr. CAI Qinghui

5 December 2024

To the Shareholders

Dear Sir or Madam,

**ESTIMATED PROVISIONS OF
FINANCIAL ASSISTANCE BY THE COMPANY
ADJUSTMENT OF THE AMOUNT OF
RELATED PARTY TRANSACTION WITH FINANCIAL INSTITUTION
AND THE LOANS PROVIDED BY
THE FINANCIAL INSTITUTION TO
THE COMPANY
ESTIMATED AMOUNT OF RELATED PARTY TRANSACTION WITH
FINANCIAL INSTITUTION IN THE YEAR OF 2025
AND
NOTICE OF THE 2024 THIRD EXTRAORDINARY
GENERAL MEETING**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 5 December 2024 in relation to the estimated provisions of financial assistance by the Company; and the overseas regulatory announcement dated 5 December 2024 in relation to (1) the adjustment of the amount of related party transaction with financial institution and the loans provided by the

LETTER FROM THE BOARD

financial institution to the Company; and (2) the estimated amount of related party transaction with financial institution in the year of 2025. The Board has approved, among other things, the resolutions on (1) estimated provisions of financial assistance by the Company; (2) adjustment of the amount of related party transaction with financial institutions and the loans provided by the financial institution to the Company; and (3) estimated amount of related party transaction with financial institution in the year of 2025. Such resolutions are subject to the approval of the Shareholders at the EGM by way of ordinary resolutions. Please refer to Appendix A, Appendix B and Appendix C for details of such resolutions.

The purpose of this circular is to provide you with, among other things, the notice of the EGM and the information of the certain resolutions to be proposed for consideration at the EGM, in order to enable you to make informed decisions on whether to vote for or against such resolutions at the EGM.

II. THE 2024 THIRD EXTRAORDINARY GENERAL MEETING

The notice of the EGM to be held at 2:00 p.m. on Friday, 27 December 2024 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarter, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is set out on pages 17 to 18 of this circular.

The proxy form for the EGM is also enclosed herein and published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.chinaredstar.com). The Shareholders who intend to appoint (a) proxy/proxies to attend the EGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

For H Share Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the EGM in order for such documents to be valid.

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Friday, 20 December 2024 to Friday, 27 December 2024 (both days inclusive), during this period no transfer of H Shares will be registered. H Share Shareholders whose names appear on the register of members of the Company on Friday, 20 December 2024 are entitled to attend and vote at the EGM.

In order to ascertain the entitlements to attend and vote at the EGM, H Share Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 19 December 2024.

LETTER FROM THE BOARD

In relation to the Resolution on Adjustment of the Amount of Related Party Transaction with Financial Institution and the Loans Provided by the Financial Institution to the Company, as well as the Estimated Amount of Related Party Transaction with Financial Institution in the Year of 2025, pursuant to the Listing Rules of the Shanghai Stock Exchange and the Rules Governing the Management of Related Party Transactions of the Company, based on the principle of prudence, Xiamen C&D Corporation and its subsidiaries were required to abstain from this resolution at the EGM. As at the Latest Practicable Date, Xiamen C&D Corporation together with its subsidiaries owned 1,304,242,436 Shares, representing approximately 29.95% of the issued share capital of the Company.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions proposed at the EGM will be voted by poll.

III. RECOMMENDATION

The Directors consider that all resolutions as set out in the notice of the EGM for the Shareholders to consider and approve are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the EGM.

By order of the Board

Red Star Macalline Group Corporation Ltd.

QIU Zhe

Secretary of the Board and Joint Company Secretary

RESOLUTION ON ESTIMATED PROVISIONS OF FINANCIAL
ASSISTANCE BY THE COMPANY

In order to support the operations of the managed shopping malls of the Company (the “**Managed Shopping Mall**”), the Company and its controlling subsidiaries (branches) intend to provide financial assistance to the partners of Managed Shopping Malls. Without affecting the normal production and operation activities of the Company, the planned provision of the new financial assistance cap in the year of 2025 by the Company and its controlling subsidiaries (branches) will not exceed RMB100.00 million in total.

According to the Guidelines No. 1 for the Self-regulation of Companies Listed on the Shanghai Stock Exchange – Standardized Operation, considering that the estimated targets of the financial assistance are the partners of Managed Shopping Malls, it is not possible to predict the specific targets at the moment, among which the gearing ratio in the latest financial statements may exceed 70%. Out of prudence, this resolution is subject to consideration at the EGM. The details are announced as follows:

I. Estimated Provisions of New Financial Assistance**(I) Targets and amount of the financial assistance**

Provider	Type of Assistance	Targets of Assistance	Planned Assistance Cap (RMB0'000)	Fund Usage Fee	Period of Assistance
The Company and its controlling subsidiaries (branches)	Partners of Managed Shopping Malls	Partners of Managed Shopping Malls	10,000.00	Interest rate not exceeding four times of the interest rate quoted in the market for the one-year loan at the time of the formation of the contract	Subject to relevant contracts signed
	Total		10,000.00		

1. Provision of loans to partners of Managed Shopping Malls

The debtors of the type of loans are partners of Managed Shopping Malls of the Company. For the Managed Shopping Malls, the rents, deposits and other payments paid by the tenants are generally collected by management companies of the Managed Shopping Malls and accumulated in a short period. Some partners of Managed Shopping Malls may need to prepay the rent/deposit of tenants due to their capital requirements.

The targets of the financial assistance are partners of Managed Shopping Malls, all of which have no related party relationship with the Company under the Listing Rules of the Shanghai Stock Exchange. The targets of the financial assistance of the Company shall be subject to strict qualification review, have good standing as internally assessed by the Company, and shall not be dishonest persons subject to enforcement, and shall be solvent and of a certain scale. The financial assistance cap will be determined with reference to factors such as the scale of the cooperation project, the overall operation and capital status of the shopping malls, the credit status of the targets of the financial assistance, and the cooperative relationship with the Company.

(II) The validity period of the financial assistance and authorization

The validity period of the cap for the estimated new financial assistance is one year ending 31 December 2025 upon the consideration and approval at the EGM.

Upon consideration and approval of the resolution, the EGM will grant authorization to the Board, which will authorize the management of the Company to handle specific matters according to the actual needs of financial assistance.

II. Basic Information on the Targets of Assistance (partners of Managed Shopping Malls)

There are a large number of partners of Managed Shopping Malls, and it is not possible to predict the specific targets and amounts. The Company expects to provide a total financial assistance of RMB100.0 million. As of 31 October 2024, the balance of the financial assistance provided by the Company to all partners of Managed Shopping Malls was RMB200.1861 million, and the Company will not provide additional financial assistance for partners of Managed Shopping Malls who fail to repay the financial assistance due on time.

III. Risk and Control Measures

The repayment ability of the targets of this financial assistance will mainly depend on the operating income of the Managed Shopping Malls, etc. The Company will pay close attention to the operation of the Managed Shopping Malls and evaluate the risk changes.

Meanwhile, the Company has formulated the Management System for Financial Assistance Provided by Red Star Macalline Group Corporation Ltd., improved the internal control of provision of financial assistance, and defined the approval authority, approval procedures, responsible departments and their duties, and other matters of provision of financial assistance.

The Company will make a prudent judgment on the performance ability of the targets of assistance on the basis of comprehensive analysis of the asset quality, operation, industry prospect, solvency and credit status of the targets of assistance.

In terms of fund safety, the Company will take effective measures to ensure the safety of the funds. Risk prevention measures include, but are not limited to provision of guarantee by legal representatives of the targets or other third parties for the financial assistance.

If the financial assistance is not recovered on time, the Company shall not provide additional financial assistance to the corresponding targets.

For the overdue amount, the Company will take the following measures:

1. In accordance with relevant loan agreements, the Company will assign special personnel to follow up the matters in a timely manner, strengthen the supervision of the targets and make greater efforts to urge them to repay the loans, take legitimate collection measures as the case may be, and complete the collection plan to the maximum extent so as to safeguard the Company's interests.
2. If necessary, the Company will solve the issue through judicial means if the Company fails to recover the loans on time after repeated reminders.

IV. Impact on the Company

The above financial assistance is mainly targeted at partners of Managed Shopping Malls, and will meet the capital requirements of the Company and/or corresponding shopping mall projects, deepen the business cooperation relationship between the Company and relevant parties, and is conducive to business operation and expansion of the Company, and in line with the Company's main business and strategic development direction. The relevant financial assistance will be implemented subject to meeting the Company's demand for daily floating capital, and without affecting the normal daily capital turnover of the Company or harming the interests of the Company or shareholders, especially minority shareholders.

Considering that the estimated targets of the financial assistance are the partners of Managed Shopping Malls, it is not possible to predict the specific targets at the moment, among which the gearing ratio in the latest financial statements may exceed 70%. Out of prudence, the matter shall be submitted to the EGM for consideration.

The transaction as disclosed in appendix A is disclosed and submitted to the EGM for consideration due to relevant A share rules only and does not constitute an advance to an entity, a discloseable transaction or a connected transaction which is subject to announcement or shareholders' approval requirement under Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules. None of the counterparties to the transactions as disclosed in this Appendix A is a connected person of the Company under the Listing Rules.

**APPENDIX B RESOLUTION ON ADJUSTMENT OF THE AMOUNT OF RELATED
PARTY TRANSACTION WITH FINANCIAL INSTITUTION AND THE
LOANS PROVIDED BY THE FINANCIAL INSTITUTION TO THE COMPANY**

**RESOLUTION ON ADJUSTMENT OF THE RELATED PARTY TRANSACTION
WITH THE FINANCIAL INSTITUTION AND THE LOANS PROVIDED BY
THE FINANCIAL INSTITUTION TO THE COMPANY**

In order to meet the Company’s liquidity demand and improve the efficiency of the Company’s capital use, the Company and its subsidiaries intend to carry out comprehensive businesses including depositing and loaning with Xiamen International Bank Co., Limited (“**Xiamen International Bank**”).

Xiamen International Bank is an investee company of Xiamen C&D Corporation Limited* (“**C&D Corporation**”), an indirect substantial shareholder of the Company. There is the situation where a related natural person of the Company acts as director so that Xiamen International Bank is a related party of the Company, and this transaction constitutes a related party transaction. The related party transaction does not constitute a material asset restructuring as stipulated in the “Measures for the Administration of Material Asset Restructuring of Listed Companies”.

I. Consideration Details and Amount of the Previous Related Party Transaction

As considered and approved at the tenth extraordinary meeting of the fifth session of the Board, it is estimated that the maximum balance of loan business between the Company and its subsidiaries and Xiamen International Bank in 2024 will not exceed RMB2,200 million at any point in time, with the subject matter covering loans, discounted bills, guarantee, import letter of credit and documentary bills/payment thereunder, import documentary bills/payment, forfeiting, export documentary bills, domestic letter of credit and other trade financing, etc. Based on the Company’s actual business conditions and capital demand and as of 30 November, 2024, the Company has applied to Shanghai Branch of Xiamen International Bank for a liquidity loan with a credit amount of RMB2,000 million for a term not exceeding 36 months. Shanghai Ozing Digital Technology Company Limited and Red Star Macalline Home Furnishing Mall Management Company Limited, wholly-owned subsidiaries of the Company, provided a joint liability guarantee for the loan.

**APPENDIX B RESOLUTION ON ADJUSTMENT OF THE AMOUNT OF RELATED
PARTY TRANSACTION WITH FINANCIAL INSTITUTION AND THE
LOANS PROVIDED BY THE FINANCIAL INSTITUTION TO THE COMPANY**

II. Adjustment of the Estimated Amount of Related Party Transaction

Based on the liquidity loan between the Company and Xiamen International Bank Shanghai Branch above, the Company and its subsidiaries expect to continue the loan business with Xiamen International Bank in 2024, and propose for authorization to adjust the maximum balance at any point in time during the year of 2024 as follows:

Type of Related Party Transaction	Details of Related Party Transaction	Maximum balance
Loan service	Loans, discounted bills, guarantee, import letter of credit and documentary bills/payment thereunder, import documentary bills/payment, forfeiting, export documentary bills, domestic letter of credit and other trade financing, etc.	RMB4,200 million

The service term of the above related party transaction in 2024 ends on 31 December 2024. The Company hereby proposes to the Board to authorize, within the scope of the above term and amount, the chairman or his authorised persons to handle and adjust relevant specific matters based on market conditions, including but not limited to entering into relevant contracts, agreements and other legal documents, and adjusting the period, amount, interest rate and other conditions of financing and guarantee. The financial management center of the Company is responsible for the specific implementation.

The amount of the expected loan business with Xiamen International Bank in 2024 is subject to this resolution, and the corresponding amount previously considered and approved at the tenth extraordinary meeting of the fifth session of the Board shall be invalidated.

**APPENDIX B RESOLUTION ON ADJUSTMENT OF THE AMOUNT OF RELATED
PARTY TRANSACTION WITH FINANCIAL INSTITUTION AND THE
LOANS PROVIDED BY THE FINANCIAL INSTITUTION TO THE COMPANY**

III. Introduction of Related Parties

(I) Basic information of related parties

As Xiamen International Bank Shanghai Branch is a branch of Xiamen International Bank, the following is the relevant basic information of Xiamen International Bank.

Company name: Xiamen International Bank Co., Limited

Registered address: 1-6/F, International Bank Building, No. 8-10 Lujiang Road,
Siming District, Xiamen

Legal representative: Wang Xiaojian (王曉健)

Registered capital: RMB15,496.645024 million

Business scope: taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and foreign settlements; handling bill acceptance and discounting; issuing financial bonds; acting as an agent for issuance, redemption and underwriting of government bonds; trading of government bonds and financial bonds; engaging in interbank lending; buying and selling and acting as an agent to buy and sell foreign currencies; providing letter of credit services and guarantees; acting as an agent for collection and payment of funds and insurance services; providing safe deposit box services; fund sales; and other businesses approved by the banking regulatory authorities of the State Council.

Xiamen International Bank is an investee company of C&D Corporation, and C&D Corporation holds 3.83% of its shares.

As of 31 December 2023, Xiamen International Bank's total assets were RMB1,120,420 million and the net assets were RMB86,285 million. In 2023, it recorded an operating income of RMB12,513 million and the net profit was RMB972 million (the above data have been audited).

As of 30 September 2024, Xiamen International Bank's total assets were RMB1,136,719 million and the net assets were RMB87,770 million. From January to September 2024, it recorded an operating income of RMB9,588 million and the net profit was RMB1,233 million (the above data have been unaudited).

**APPENDIX B RESOLUTION ON ADJUSTMENT OF THE AMOUNT OF RELATED
PARTY TRANSACTION WITH FINANCIAL INSTITUTION AND THE
LOANS PROVIDED BY THE FINANCIAL INSTITUTION TO THE COMPANY**

The transactions as disclosed in Appendix B are disclosed and submitted to the EGM based solely on the relevant A share rules, and do not constitute an advance to entity, discloseable transaction or connected transaction which is subject to announcement or Shareholders' approval requirements under Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules. The counterparty to the transactions as disclosed in this Appendix B is not a connected person of the Company under the Listing Rules.

**RESOLUTION ON ESTIMATED AMOUNT OF
RELATED PARTY TRANSACTION WITH FINANCIAL INSTITUTION
IN THE YEAR OF 2025**

In order to meet the Company's liquidity demand and improve the efficiency of the Company's capital use, the Company and its subsidiaries intend to carry out comprehensive businesses including depositing and loaning with Xiamen International Bank.

Xiamen International Bank is an investee company of C&D Corporation, an indirect substantial shareholder of the Company. There is the situation where a related natural person of the Company acts as director so that Xiamen International Bank is a related party of the Company, and this transaction constitutes a related party transaction. The related party transaction does not constitute a material asset restructuring as stipulated in the "Measures for the Administration of Material Asset Restructuring of Listed Companies".

I. Details of Related Party Transaction and Estimated Amount

The Company and its subsidiaries expect to carry out deposit and loan business with Xiamen International Bank in the year of 2025, and the maximum balances at any point in time for authorization proposed are as follows:

Type of Related Party Transaction	Details of Related Party Transaction	Maximum Balance
Deposit service	Current deposit, time deposit, call deposit, structured deposit, wealth management and other deposit-based services	RMB400 million
Loan service	Loans, discounted bills, guarantee, import letter of credit and documentary bills/payment thereunder, import documentary bills/payment, forfeiting, export documentary bills, domestic letter of credit and other trade financing, etc.	RMB4,200 million

The service term of the above related party transaction is from 1 January 2025 to 31 December 2025. The Company hereby proposes to the Board to authorize, within the scope of the above term and amount, the chairman or his authorised persons to make specific decisions and sign relevant documents, and the financial management center of the Company is responsible for the specific implementation.

II. Introduction of Related Parties

(I) Basic information of related parties

Company name: Xiamen International Bank Co., Limited

Registered address: 1-6/F, International Bank Building, No. 8-10 Lujiang Road, Siming District, Xiamen

Legal representative: Wang Xiaojian (王曉健)

Registered capital: RMB15,496.645024 million

Business scope: taking deposits from the public; granting short-term, medium-term and long-term loans; handling domestic and foreign settlements; handling bill acceptance and discounting; issuing financial bonds; acting as an agent for issuance, redemption and underwriting of government bonds; trading of government bonds and financial bonds; engaging in interbank lending; buying and selling and acting as an agent to buy and sell foreign currencies; providing letter of credit services and guarantees; acting as an agent for collection and payment of funds and insurance services; providing safe deposit box services; fund sales; and other businesses approved by the banking regulatory authorities of the State Council.

Xiamen International Bank is an investee company of C&D Corporation, and C&D Corporation holds 3.83% of the shares of Xiamen International Bank.

As of 31 December 2023, Xiamen International Bank's total assets were RMB1,120,420 million and the net assets were RMB86,285 million. In 2023, it recorded an operating income of RMB12,513 million and the net profit was RMB972 million (the above data have been audited).

As of 30 September 2024, Xiamen International Bank's total assets were RMB1,136,719 million and the net assets were RMB87,770 million. From January to September 2024, it recorded an operating revenue of RMB9,588 million and the net profit was RMB1,233 million (the above data have been unaudited).

(II) Relationship with Related Party

Mr. HUANG Wenzhou, chairman of C&D Corporation, an indirect substantial shareholder of the Company, serves as a director of Xiamen International Bank. Pursuant to the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, Xiamen International Bank is a related party of the Company.

III. Pricing Policy and Pricing Basis for Related Party Transaction

The related party transaction that the Company and its subsidiaries intend to enter with Xiamen International Bank will be based on the principle of market-based pricing. The relevant deposit interest rates shall not be lower than the benchmark deposit interest rates for the same period, and the relevant loan interest rates shall not be higher than the market-based interest rate level under the same conditions.

IV. Purpose of Related Party Transaction and Effects on the Company

The aforesaid related party transactions are required for the normal business activities of the Company. The transactions between the Company and its related parties follow the laws of market economy and the principles of market fairness. Both parties to the transactions are equal, voluntary, and mutually beneficial, which safeguards the interests of both parties and will not harm the interests of the Company. These transactions are conducive to improving the Company's efficiency of capital use, supplementing its working capital, and expanding its financing channels.

The above resolution has been considered and approved by the Special Committee of Independent Directors and the Board. Pursuant to the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange and the Rules Governing the Management of Related Party Transactions (《關聯交易管理制度》) of the Company, based on the principle of prudence, the Directors Mr. ZHENG Yongda, Mr. WANG Wenhui and Mr. ZOU Shaorong have abstained from voting on the related party transaction.

According to the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, as the amount of the Transaction is more than RMB30 million and accounts for more than 5% of the absolute value of the latest audited net assets of the listed company, the resolution shall be submitted to the EGM.

The transactions as disclosed in Appendix C are disclosed and submitted to the EGM for consideration due to relevant A share rules only, and do not constitute an advance to entity, discloseable transaction or connected transaction which is subject to announcement or Shareholders' approval requirements under Chapter 13, Chapter 14 and Chapter 14A of the Listing Rules. The counterparty to the transactions as disclosed in this Appendix C is not a connected person of the Company under the Listing Rules.

NOTICE OF THE 2024 THIRD EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF THE 2024 THIRD EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 third extraordinary general meeting (the “**EGM**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will be held at 2:00 p.m. on Friday, 27 December 2024 at Conference Center, 3/F, South Building, Block B, Red Star Macalline Headquarter, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC for the purpose of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the estimated provisions of financial assistance by the Company
2. To consider and approve the resolution on the adjustment of the amount of related party transaction with financial institution and the loans provided by the financial institution to the Company
3. To consider and approve the resolution on the estimated amount of related party transaction with financial institution in the year of 2025

By order of the Board

Red Star Macalline Group Corporation Ltd.

QIU Zhe

Secretary of the Board and Joint Company Secretary

Shanghai, the PRC

5 December 2024

NOTICE OF THE 2024 THIRD EXTRAORDINARY GENERAL MEETING

Notes:

1. Unless the context otherwise stated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 5 December 2024 (the “**Circular**”). Details of the resolutions are set forth in the Circular.
2. For the purpose of holding the EGM, the register of members of H shares of the Company will be closed from Friday, 20 December 2024 to Friday, 27 December 2024 (both days inclusive), during which period no transfer of H shares will be registered. In order for H share shareholders to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 19 December 2024 for registration.

The shareholders whose names appear on the register of members of the Company on Friday, 20 December 2024 are entitled to attend and vote at the EGM.
3. The shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not to be a shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorized to sign the same on its behalf.
5. In order to be valid, the proxy form must be deposited, for H share shareholders of the Company, to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the EGM. If the proxy form is signed by a person under the power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders of the Company from attending the voting in person at the EGM or any adjourned meetings should they so wish.
6. Shareholders shall produce their identification documents and supporting documents in respect of the shares of the Company held when attending the EGM. If corporate shareholders appoint authorized representative to attend the EGM, the authorized representative shall produce his/her identity documents and a notarized copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate shareholders or other notarized documents allowed by the Company. Proxies shall produce their identification documents and the proxy form signed by the shareholders or their attorney when attending the EGM.
7. The EGM is expected to take for less than half a day. Shareholders attending the EGM shall be responsible for their own travel and accommodation expenses.
8. All voting at the EGM will be conducted by poll.