

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY

The board (the “**Board**”) of directors (the “**Directors**”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) is pleased to announce that, in order to support the operations of the managed shopping malls (the “**Managed Shopping Mall**”) of the Company, 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 matter is subject to consideration at the extraordinary general meeting of the Company (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 Rules Governing the Listing of the Shares on 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 this announcement 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). None of the counterparties to the transactions as disclosed in this announcement is a connected person of the Company under the Listing Rules.

A circular containing, among other things, details of the resolution on the estimated provisions of financial assistance by the Company and the notice convening the EGM, will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.chinaredstar.com) in due course.

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

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.