
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)

**PROPOSED PROVISION OF GUARANTEES FOR
THE FINANCING PROVIDED BY THE FINANCIAL INSTITUTIONS
TO THE SUBSIDIARIES OF THE COMPANY
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND
NOTICE OF THE 2025 FOURTH EXTRAORDINARY
GENERAL MEETING**

A letter from the Board is set out on pages 3 to 6 of this circular. A notice of the EGM of the Company to be held at 10:30 a.m. on Friday, 4 July 2025 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, will be published on the websites of the 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 authorized 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 authorized 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 authorization, 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.

13 June 2025

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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 2025 fourth extraordinary general meeting to be convened and held on Friday, 4 July 2025
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign invested 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”	11 June 2025, 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” or “China”	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
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Suzhou Red Star”	Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘇州紅星美凱龍世博家居廣場有限公司), a limited liability company established in the PRC, which is a controlling subsidiary of the Company and is directly owned as to 60% by the Company and as to 40% by Suzhou Mudu Group Co., Ltd (蘇州市木瀆集團有限公司). Suzhou Mudu Group Co., Ltd. and its ultimate beneficial owner, People’s Government of Mudu Town, Wuzhong District, Suzhou City, are independent third parties of the Company
“Xiamen C&D”	Xiamen C&D Inc.* (廈門建發股份有限公司, a company listed on the Shanghai Stock Exchange (stock code: 600153), a substantial shareholder of the Company)
“Wuhan Red Star”	Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍環球家居廣場發展有限公司), a limited liability company established in the PRC, and a wholly-owned subsidiary of the Company
“%”	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. LI Yupeng (*Chairman*)
Mr. CHE Jianxing
Mr. SHI Yaofeng
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. ZOU Shaorong
Mr. LI Jianhong
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

13 June 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSED PROVISION OF GUARANTEES FOR
THE FINANCING PROVIDED BY THE FINANCIAL INSTITUTIONS
TO THE SUBSIDIARIES OF THE COMPANY
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR
AND
NOTICE OF THE 2025 FOURTH EXTRAORDINARY
GENERAL MEETING**

I. INTRODUCTION

References are made to the overseas regulatory announcements of the Company dated 28 May 2025 and 11 June 2025, respectively in relation to the proposed provision of guarantees for the financing provided by the financial institutions to the subsidiaries of the Company and the announcement of the Company dated 11 June 2025 in relation to the proposed appointment of non-executive Director. The Board has approved, among other things, the resolutions on (i) the proposed provision of guarantee for the financing provided by the financial institution to Suzhou Red Star, a subsidiary of the Company; (ii) the proposed provision of guarantee for the financing provided by the financial institution to Wuhan Red Star, a subsidiary of the Company; and (iii) the proposed appointment of non-executive Director. These resolutions are subject to the approval of the Shareholders at the EGM by way of ordinary resolutions.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, the notice of the EGM and the information on 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. PROPOSED PROVISION OF GUARANTEES FOR THE FINANCING PROVIDED BY THE FINANCIAL INSTITUTIONS TO THE SUBSIDIARIES OF THE COMPANY

The resolutions on the proposed provision of guarantees for the financing provided by the financial institutions to the subsidiaries of the Company has been considered and approved by the Board and are hereby proposed at the EGM for Shareholders' consideration and approval, details of the resolutions are set out in Appendix A and Appendix B to this circular.

III. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 11 June 2025 in relation to the proposed appointment of non-executive Director. As recommended by Xiamen C&D and considered and approved by the nomination committee of the Board, Ms. YE Yanliu (葉衍榴, "Ms. YE") was approved to be proposed as a non-executive Director by the Board and will serve as a member of each of the strategy and investment committee, nomination committee and remuneration and evaluation committee of the Board after Ms. YE was elected as a non-executive Director. The appointment of Ms. YE shall be subject to approval by the Shareholders at the EGM.

The biographical details of Ms. YE are set out below:

Ms. YE, born in 1972, holds a bachelor's degree and is a corporate lawyer in China. She currently serves as a director of Xiamen C&D and the deputy general manager of Xiamen C&D Group Co., Ltd. (廈門建發集團有限公司) and a non-executive director of C&D International Investment Group Limited (建發國際投資集團有限公司, a company listed on the Stock Exchange under the stock code 1908). She successively served as the deputy manager of the legal affairs department and general manager of the legal affairs department, the legal affairs director and general legal consultant of Xiamen C&D Group Co., Ltd, and the chairman of the board of supervisors of Xiamen C&D.

Ms. YE will enter into non-executive Director' service contract with the Company upon her appointment being approved by the Shareholders at the EGM. The term of her appointment will commence from the date of approval of her appointment at the EGM to the expiration of the term of the fifth session of the Board. According to the provisions of the Articles of Association, Ms. YE may seek re-election after the expiration of the term of her office. According to the non-executive Director's service contract, Ms. YE will not receive any remuneration during her tenure as a non-executive Director.

LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, Ms. YE did not hold any other positions in the Company or its subsidiaries, nor did her hold any directorships in any other public companies within three years prior to the date of her proposed appointment, of which the securities are listed on any securities market in Hong Kong or overseas, and nor did her have other major appointments and professional qualifications.

To the best knowledge of the Company, as at the Latest Practicable Date, Ms. YE does not have any relationship with any other Director, Supervisor, senior management, substantial shareholders or controlling shareholders of the Company, and do not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and has not been subject to any disciplinary action by the China Securities Regulatory Commission or any other relevant authorities or the Stock Exchange.

Save as disclosed above, there is no other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters relating to the proposed appointment of Ms. YE that need to be brought to the attention of the Shareholders.

The aforementioned resolution is hereby submitted to the Shareholders for consideration.

IV. THE 2025 FOURTH EXTRAORDINARY GENERAL MEETING

The notice of the EGM to be held at 10:30 a.m. on Friday, 4 July 2025 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, Lane 1466, Shenchang Road, Minhang District, Shanghai, the PRC, is set out on pages 15 to 16 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 Monday, 30 June 2025 to Friday, 4 July 2025 (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 Monday, 30 June 2025 are entitled to attend and vote at the EGM.

LETTER FROM THE BOARD

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 Friday, 27 June 2025.

For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury shares, shall abstain from voting at the EGM.

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.

V. 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

**APPENDIX A RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
SUZHOU RED STAR, A SUBSIDIARY OF THE COMPANY**

**RESOLUTION ON PROVISION OF A GUARANTEE FOR
THE FINANCING PROVIDED BY THE FINANCIAL
INSTITUTION TO SUZHOU RED STAR, A SUBSIDIARY OF THE COMPANY**

I. OVERVIEW OF THE GUARANTEE

In order to fulfill the daily operation requirements, Suzhou Red Star, a controlling subsidiary of the Company, has entered into the Fixed Asset Loan Contract (2016) (the “**Master Contract I**”) with Industrial and Commercial Bank of China Limited Suzhou Daoqian Sub-branch (中國工商銀行股份有限公司蘇州道前支行) (“**ICBC**”) in July 2018 with a loan amount of RMB500 million (the “**Financing I**”). Suzhou Red Star has provided the Suzhou Red Star Furnishing Shopping Mall Property (Real Estate Title Certificate No.: Su (2019) Su Zhou Shi Bu Dong Chan Quan No. 6049136 (不動產產權證編號:蘇(2019)蘇州市不動產權第6049136號) located at No. 18, Changjiang Road, Mudu Town, Wuzhong District, Suzhou City (蘇州市吳中區木瀆鎮長江路18號) as the mortgaged collateral for the Financing I.

Due to the adjustment of the financing plan, the Company intends to provide a joint and several liability guarantee (the “**Guarantee I**”) for 60% of the balance of the Financing I of RMB180 million in proportion to its shareholding in Suzhou Red Star. Other shareholders of Suzhou Red Star have provided a joint and several liability guarantee for 40% in proportion to their respective shareholding.

The Board hereby proposes to the EGM to authorize, within the scope of this resolution, the Board’s authorization to the management of the Company to handle specific matters relating to the adjustment of the Guarantee I based on market conditions, including but not limited to entering into relevant contracts, agreements and other legal documents, and adjusting the period, amount and other conditions of the Guarantee I.

II. BASIC INFORMATION ON THE GUARANTEED PARTY

1. Name of company: Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited (蘇州紅星美凱龍世博家居廣場有限公司)
2. Unified social credit code: 91320506MA1MLR4962
3. Legal representative: Zhao Long (趙龍)
4. Registered address: No. 18, Changjiang Road, Mudu Town, Wuzhong District, Suzhou City
5. Registered capital: RMB80 million

**APPENDIX A RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
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6. Scope of business: Sales of furniture, daily necessities, steel, stainless steel products, decorative materials, hardware and building materials; enterprise management services and consulting services, design and construction of decoration projects; parking lot management services; leasing of self-owned houses; leasing of electronic equipment and mechanical equipment. (For items subject to approval in accordance with the law, business activities can be carried out only after approval by the relevant department.)

The following sets forth the relevant financial information of Suzhou Red Star:

According to the audit report issued by Suzhou Branch of RSM China (容誠會計師事務所(特殊普通合夥)蘇州分所), as of 31 December 2024, Suzhou Red Star had total assets of RMB526,891,387.58, total liabilities of RMB605,113,261.20, net assets of RMB-78,221,873.62, and the gearing ratio of 114.85%. In 2024, Suzhou Red Star recorded revenue of RMB43,521,482.86 and net profit of RMB-23,302,496.72 (losses are presented with “-”).

According to the latest financial statements (unaudited) of Suzhou Red Star, as of 30 April 2025, Suzhou Red Star had total assets of RMB512,311,599.62, total liabilities of RMB601,236,919.76, net assets of RMB-88,925,320.14, and the gearing ratio of 117.36%. From January to April 2025, Suzhou Red Star recorded revenue of RMB11,810,819.75 and net profit of RMB-9,429,952.16 (losses are presented with “-”).

Suzhou Red Star is a controlling subsidiary of the Company and the Company directly holds 60% of the shares of Suzhou Red Star. Suzhou Red Star is neither a dishonest person subject to enforcement nor a related party of the listed company as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》).

III. PRINCIPAL TERMS OF THE GUARANTEE CONTRACT

Guarantor: Red Star Macalline Group Corporation Ltd.;

Creditor: Industrial and Commercial Bank of China Limited Suzhou Daoqian Sub-branch;

Debtor: Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited;

Guaranteed I Principal Amount: RMB108 million;

Type of the Guarantee I: Joint and several liability guarantee;

Scope of the Guarantee I: 60% of the debtor's principal claim under the Master Contract I, including the principal amount of the principal claim (including the principal amount of the precious metals lease claim and its equivalent amount dominated in RMB as converted pursuant to the terms of the precious metals lease agreement), interest, lease fees of precious metals and customized service fees, compound interest, default interest, penalty fees, damages, premium/shortfall charges for precious metals lease weight, exchange rate losses (losses arising from exchange rate fluctuations), losses arising from fluctuations in precious metals prices, transaction fees and other expenses incurred by the lessor under the precious metals lease agreement in exercising its rights in accordance with the Master Contract I, as well as expenses incurred in enforcing the claim (including but not limited to litigation costs, attorney fees, etc.).

Term of the Guarantee I: Three years commencing from the day following the expiration date of the loan term under the Master Contract I. If the creditor declares that the loan matures in advance pursuant to the terms of the Master Contract I, the guarantee period shall be three years commencing from the day following the date of such acceleration.

IV. NECESSITY AND RATIONALITY OF THE GUARANTEE I

The Guarantee I is required to meet daily operational needs and aligns with the actual production and operation requirements of the Company. Suzhou Red Star is a controlling subsidiary of the Company and is currently operating normally. Although its latest gearing ratio exceeds 70%, it maintains sound creditworthiness. The Company can effectively control its daily operational risks and decision-making processes and promptly monitor its credit status, the Company provides corresponding guarantee in proportion to its shareholding, and other shareholders of Suzhou Red Star also provide corresponding guarantee in proportion to their respective shareholding; the risk of the Guarantee I is controllable and the Guarantee I will not have an adverse impact on the production and operations of the Company. There are no circumstances that jeopardize the interests of the Company and all Shareholders, especially minority Shareholders.

V. IMPACT OF THE GUARANTEE I ON THE COMPANY

To support its own business development, Suzhou Red Star sought financing from ICBC. Due to adjustments in the financing plan, the Company will provide a joint and several liability guarantee for Suzhou Red Star's repayment obligations to ICBC in proportion to its shareholding, which is conducive to the sustainable development of the Company and its subsidiaries, further enhance their economic efficiency, and aligns with the interests of the Company and Shareholders as a whole.

**APPENDIX A RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
SUZHOU RED STAR, A SUBSIDIARY OF THE COMPANY**

VI. ACCUMULATED EXTERNAL GUARANTEES OF THE COMPANY

So far, the total accumulated guarantees approved of the Company and its controlling subsidiaries amount to RMB15,440.82 million (of which RMB15,440.82 million represents guarantees provided by the Company to its controlling subsidiaries and inter-guarantees among its controlling subsidiaries). The total guarantees provided by the Company to its controlling subsidiaries amount to RMB13,281.49 million, representing 33.21% and 28.57%, respectively, of the Company's audited net assets attributable to the parent company as of 31 December 2024. Neither the Company nor its controlling subsidiaries have any overdue guarantees.

As the gearing ratio of Suzhou Red Star has exceeded 70% as of 30 April 2025, the above resolution shall be further submitted to the EGM for consideration in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

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. The counterparties to the transaction as disclosed in the appendix A are not connected persons of the Company under the Listing Rules.

**APPENDIX B RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
WUHAN RED STAR, A SUBSIDIARY OF THE COMPANY**

**RESOLUTION ON PROVISION OF A GUARANTEE FOR
THE FINANCING PROVIDED BY THE FINANCIAL
INSTITUTION TO WUHAN RED STAR, A SUBSIDIARY OF THE COMPANY**

I. OVERVIEW OF THE GUARANTEE

In order to fulfill the daily operation requirements, Wuhan Red Star, a wholly-owned subsidiary of the Company, intends to enter into the Trust Loan Contract (Nos. bitc2025(lr)-2157-1, bitc2025(lr)-2157-2) (the “**Master Contract II**”) with Bohai International Trust Co., Ltd. with an aggregate loan amount of RMB550 million (the “**Financing II**”). Wuhan Red Star will provide the property ownership right and land use right of state-owned construction land of “Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited” located at No. 125, Longyang Avenue, Hanyang District, Wuhan City (武漢市漢陽區龍陽大道125號) as the mortgaged collateral for the Financing II. The Company intends to provide a shortfall guarantee (the “**Guarantee II**”) for the Financing II.

The Board hereby proposes to the EGM to authorize, within the scope of this resolution, the Board’s authorization to the management of the Company to handle specific matters relating to the adjustment of the Guarantee II based on market conditions, including but not limited to entering into relevant contracts, agreements and other legal documents, and adjusting the period, amount and other conditions of the Guarantee II.

II. BASIC INFORMATION ON THE GUARANTEED PARTY

1. Name of company: Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited (武漢紅星美凱龍環球家居廣場發展有限公司)
2. Unified social credit code: 91420105059186196K
3. Legal representative: Qi Zhiping (戚志平)
4. Registered address: No. 125, Longyang Avenue, Hanyang District, Wuhan City
5. Registered capital: RMB149.939332 million
6. Scope of business: Operation, construction, development and leasing of commercial premises; wholesale and retail of furniture, building materials, chemical raw materials (excluding hazardous chemicals), decorative materials, metal materials, hardware and electrical appliances, daily necessities, knitting and textiles, computers and software, office equipment; counter leasing; property management (For items subject to approval in accordance with the law, business activities can be carried out only after approval by the relevant department)

**APPENDIX B RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
WUHAN RED STAR, A SUBSIDIARY OF THE COMPANY**

The following sets forth the relevant financial information of Wuhan Red Star:

According to the audit report issued by Suzhou Branch of RSM China (容誠會計師事務所(特殊普通合夥)蘇州分所), as of 31 December 2024, Wuhan Red Star had total assets of RMB706,809,140.21, total liabilities of RMB776,485,600.13, net assets of RMB-69,676,459.92, and the gearing ratio of 109.86%. In 2024, Wuhan Red Star recorded revenue of RMB60,602,526.12 and net profit of RMB-67,147,938.32 (losses are presented with “-”).

According to the latest financial statements (unaudited) of Wuhan Red Star, as of 31 May 2025, Wuhan Red Star had total assets of RMB680,493,170.05, total liabilities of RMB781,988,168.13, net assets of RMB-101,494,998.08, and the gearing ratio of 114.91%. From January to May 2025, Wuhan Red Star recorded revenue of RMB22,116,041.96 and net profit of RMB-18,282,316.55 (losses are presented with “-”).

Wuhan Red Star is a wholly-owned subsidiary of the Company and the Company directly holds 100% of the shares of Wuhan Red Star. Wuhan Red Star is neither a dishonest person subject to enforcement nor a related party of the listed company as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》).

III. PRINCIPAL TERMS OF THE SHORTFALL GUARANTEE LETTER

Guarantor: Red Star Macalline Group Corporation Ltd.;

Creditor: Bohai International Trust Co., Ltd.;

Debtor: Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited;

Guaranteed II Principal Amount: RMB550 million;

Type of the Guarantee II: Shortfall guarantee;

Scope of the Guarantee II: The scope of Guarantee II obligation shall be all debtor’s rights under the Master Contract II, including but not limited to loan principal amount, loan interest (including compound interest and default interest), penalty fees, compensation damages and other payments payable by the debtor to the creditor of the Master Contract II (including but not limited to related handling fees, telecommunications fees, miscellaneous charges, etc.), expenses incurred by creditors in enforcing creditor’s rights and guarantee rights (including but not limited to litigation fees, arbitration fees, preservation insurance premiums, property preservation fees, travel expenses, enforcement fees, appraisal fees, assessment fees, auction fees, notarization fees, service fees, announcement fees, attorney fees, etc.). At the same time, the Company undertakes that during the existence of the trust plan, it shall provide

**APPENDIX B RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
WUHAN RED STAR, A SUBSIDIARY OF THE COMPANY**

unconditional obligation to cover the shortfall between all normal operating expenses, taxes and other expenses payable by Wuhan Red Star for the commercial property located at No. 125 Longyang Avenue, Hanyang District, Wuhan City and the amounts actually paid.

Term of the Guarantee II: The period of Guarantee II under this letter of commitment shall be three years from the expiration date of the performance period of the debts under the Master Contract II. The performance period for the debtors' obligations under the Master Contract II shall be subject to the provisions of the Master Contract II. However, if the debts under the Master Contract II due in advance pursuant to laws, regulations, rules, provisions of the Master Contract II, or mutual agreement between the parties to the Master Contract II, the early maturity date of the debts under the Master Contract II shall be the expiration date of the performance period of the debts. If the Master Contract II stipulates that the debtor shall repay the debts by installments, the due date of the final installment shall be the expiration date of the debt performance period of the Master Contract II. In the event of a debt extension approved by the Company, the shortfall guarantee period shall extend until three years after the expiration of the performance period as redefined in the extension agreement.

IV. NECESSITY AND RATIONALITY OF THE GUARANTEE II

The Guarantee II is required to meet daily operational needs and aligns with the actual production and operation requirements of the Company. Wuhan Red Star is a wholly-owned subsidiary of the Company and is currently operating normally. Although its latest gearing ratio exceeds 70%, it maintains sound creditworthiness. The Company can effectively control its daily operational risks and decision-making processes and promptly monitor its credit status, the risk of Guarantee II is controllable and the Guarantee II will not have an adverse impact on the production and operations of the Company. There are no circumstances that jeopardize the interests of the Company and all Shareholders, especially minority Shareholders.

V. IMPACT OF THE GUARANTEE II ON THE COMPANY

To support its own business development, Wuhan Red Star sought financing from Bohai International Trust Co., Ltd., the Company will provide a shortfall guarantee for Wuhan Red Star's repayment obligations to Bohai International Trust Co., Ltd., which is conducive to the sustainable development of the Company and its subsidiaries, further enhance their economic efficiency, and aligns with the interests of the Company and Shareholders as a whole.

**APPENDIX B RESOLUTION ON PROVISION OF A GUARANTEE FOR THE
FINANCING PROVIDED BY THE FINANCIAL INSTITUTION TO
WUHAN RED STAR, A SUBSIDIARY OF THE COMPANY**

VI. ACCUMULATED EXTERNAL GUARANTEES OF THE COMPANY

So far, the total accumulated guarantees approved of the Company and its controlling subsidiaries amount to RMB16,472.28 million (of which RMB16,472.28 million represents guarantees provided by the Company to its controlling subsidiaries and inter-guarantees among its controlling subsidiaries). The total guarantees provided by the Company to its controlling subsidiaries amount to RMB14,313.49 million, representing 35.43% and 30.79%, respectively, of the Company's audited net assets attributable to the parent company as of 31 December 2024. Neither the Company nor its controlling subsidiaries have any overdue guarantees.

As the gearing ratio of Wuhan Red Star has exceeded 70% as of 31 May 2025, the above resolution shall be further submitted to the EGM for consideration in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

The transaction as disclosed in appendix B 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. The counterparties to the transaction as disclosed in the appendix B are not connected persons of the Company under the Listing Rules.

NOTICE OF THE 2025 FOURTH 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 2025 FOURTH EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 fourth extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “**Company**”) will be held at 10:30 a.m. on Friday, 4 July 2025 at Conference Center, 3/F, South Building, Block B, Macalline Global Center, 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 provision of a guarantee for the financing provided by the financial institution to Suzhou Red Star Macalline Shibo Home Furnishing Plaza Company Limited, a subsidiary of the Company
2. To consider and approve the resolution on the provision of a guarantee for the financing provided by the financial institution to Wuhan Red Star Macalline Global Home Furnishing Plaza Development Company Limited, a subsidiary of the Company
3. To consider and approve the resolution on the appointment of Ms. YE Yanliu as a non-executive director of the Company

By order of the Board

Red Star Macalline Group Corporation Ltd.

QIU Zhe

Secretary of the Board and Joint Company Secretary

Shanghai, the PRC
13 June 2025

NOTICE OF THE 2025 FOURTH 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 13 June 2025 (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 Monday, 30 June 2025 to Friday, 4 July 2025 (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 Friday, 27 June 2025 for registration.

The shareholders whose names appear on the register of members of the Company on Monday, 30 June 2025 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.