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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)**

### **CONTINUING CONNECTED TRANSACTIONS SUPPLEMENTAL CONTRACT MANAGEMENT AGREEMENT AND REVISION OF ANNUAL CAPS**

#### **INTRODUCTION**

References are made to the Prospectus and the announcements (the “**Announcements**”) of the Company dated 20 November 2017, 29 November 2018, 25 November 2019, 28 November 2019, 17 September 2021, 27 September 2024, 1 July 2025 and 9 September 2025 in relation to, inter alia, the continuing connected transactions between the Group and certain Associated Business Partners under the relevant Contract Management Agreements.

On 26 September 2025, the Board resolved to approve the Company to enter into a Supplemental Contract Management Agreement with Shaanxi Hongrui, pursuant to which, the Company will provide contract management service for Shaanxi Hongrui for a period commencing from 30 September 2025 to 29 September 2026.

#### **LISTING RULES IMPLICATION**

As Associates of Mr. Che and Mr. Xu, the Associated Business Partners are connected persons of the Company under the Listing Rules and the Contract Management Transactions contemplated under each of the Contract Management Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Contract Management Agreements are of the same nature and have been classified as aggregated and treated as if they were one under the Listing Rules. Accordingly, the proposed new annual caps in respect of the Contract Management Transactions are aggregated, and such aggregate amount is used when calculating the relevant percentage ratios under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the proposed new annual caps under the Contract Management Transactions, on an aggregated basis, is above 0.1%, but below 5%. Therefore, in accordance with Rule 14A.76 of the Listing Rules, the Contract Management Transactions are only subject to the annual review, reporting and announcement requirements as set out in Chapter 14A of the Listing Rules, but are exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirements.

Mr. Che and Mr. Xu have abstained from voting on the Board resolution approving the new annual caps for the Contract Management Agreements to be entered into with Shaanxi Hongrui, the Contract Management Transactions and the adjustments on the overall annual caps for the Contract Management Transactions, in view of their interests in the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the Contract Management Agreements.

## INTRODUCTION

References are made to the Prospectus and the announcements (the “**Announcements**”) of the Company dated 20 November 2017, 29 November 2018, 25 November 2019, 28 November 2019, 17 September 2021, 27 September 2024, 1 July 2025 and 9 September 2025 in relation to, inter alia, the continuing connected transactions between the Group and certain Associated Business Partners under the relevant Contract Management Agreements.

On 26 September 2025, the Board resolved to approve the Company to enter into a Supplemental Contract Management Agreement with Shaanxi Hongrui, pursuant to which, the Company will provide contract management service for Shaanxi Hongrui for a period commencing from 30 September 2025 to 29 September 2026.

## PRINCIPAL TERMS OF THE SUPPLEMENTAL CONTRACT MANAGEMENT AGREEMENT

<b>Parties:</b>	Shaanxi Hongrui; and  the Company
<b>Gross Floor Area:</b>	142,080.38 square meters
<b>Location:</b>	No. 688 Beichen Road, Weiyang District, Xi’an City, Shaanxi Province, PRC
<b>Term</b>	From 30 September 2025 to 29 September 2026
<b>Annual Management Fee:</b>	Fixed amount of RMB1.50 million per annum (the management fees to be accrued under the Supplemental Contract Management Agreement will be calculated on a pro-rata basis)
<b>Payment Terms:</b>	The management fees accrued under the Supplemental Contract Management Agreement shall be paid before 30 August 2026

As the annual caps under the Supplemental Contract Management Agreement are of the same nature as the rest of the other Contract Management Agreements, the Contract Management Agreements are treated as if they were one under the Listing Rules. Accordingly, there will be changes to the overall annual caps for the Contract Management Transactions for the years ending 31 December 2025 and 2026.

## Pricing Policy

The management fees for Shaanxi Hongrui are determined by the parties after arm's-length negotiation, taking into account (i) the business situation of Shaanxi Hongrui; and (ii) the prevailing market rate of management fees charged by the Group for similar shopping malls after taking into account the location and the scale of Shaanxi Hongrui. The Company considered that the annual management fees to be charged by the Group for the Shaanxi Hongrui are within the range of management fees charged by the Group for similar shopping malls owned by Independent Third Parties and was of the view that the aforesaid pricing policies are comparable to and no less favourable than the management fees charged by the Group from other Independent Third Parties.

## HISTORICAL ANNUAL CAPS AND TRANSACTION AMOUNTS

The total annual management fees accrued to the Group from Shaanxi Hongrui for the years ended 31 December 2024 and the six months ended 30 June 2025 are RMB1.89 million and RMB0.94 million, respectively.

## SUPPLEMENTAL ANNUAL CAPS AND BASIS OF DETERMINATION

As a result of the Supplemental Contract Management Agreement to be entered into between Shaanxi Hongrui and the Company, the Board resolved to set the following annual caps in respect of the transactions with Shaanxi Hongrui under the Supplemental Contract Management Agreement:

	<b>For the year ending 31 December 2025 (in millions of RMB)</b>	<b>For the period commencing from 1 January 2026 and ending on 29 September 2026 (in millions of RMB)</b>
Total management fees accrued to the Group from Shaanxi Hongrui	1.88	1.13

The above annual caps were determined by the Directors after having taken into account (i) the annual management fees under the Supplemental Contract Management Agreement; (ii) the historical management fees charged by the Group under the other Contract Management Agreements; and (iii) management fees charged by the Group for similar shopping malls owned by Independent Third Parties.

Having including annual caps of the Supplemental Contract Management Agreement for the year ending 31 December 2025 and for the period commencing from 1 January 2026 and ending on 29 September 2026, the total annual caps under the Contract Management Agreements (the “**Total Annual Caps**”) for the years ending 31 December 2025 and 2026 will be changed from RMB12.78 million and RMB2.18 million to RMB13.16 million and RMB3.31 million, respectively. Set forth below are the revised Total Annual Caps:

	<b>For the year ending 31 December 2025 (in millions of RMB)</b>	<b>For the year ending 31 December 2026 (in millions of RMB)</b>	<b>For the year ending 31 December 2027 (in millions of RMB)</b>	<b>For the three months ending 31 March 2028 (in millions of RMB)</b>
Total management fees accrued to the Group from Xuzhou RSHFC	1.1	–	–	–
Total management fees accrued to the Group from Xuzhou RSHFP	5.9	–	–	–
Total management fees accrued to the Group from Jining Hongrui	1.88	1.38 <sup>(a)</sup>	–	–
Total management fees accrued to the Group from Shaanxi Hongrui	1.88	1.13 <sup>(b)</sup>	–	–
Total management fees accrued to the Group from Yangzhou RSHFP	2.0	–	–	–
Total management fees accrued to the Group from Changzhou HFDM	0.4 <sup>(c)</sup>	0.8	0.8	0.2
	<u>13.16</u>	<u>3.31</u>	<u>0.8</u>	<u>0.2</u>
<b>Total</b>	<b><u>13.16</u></b>	<b><u>3.31</u></b>	<b><u>0.8</u></b>	<b><u>0.2</u></b>

*Notes:*

- (a) This figure represents the annual cap for the management fees to be accrued to the Group from Jining Hongrui for the period commencing on 1 January 2026 and ending on 31 August 2026.
- (b) This figure represents the annual cap for the management fees to be accrued to the Group from Shaanxi Hongrui for the period commencing on 1 January 2026 and ending on 29 September 2026.
- (c) This figure represents the annual cap for the management fees to be accrued to the Group from Changzhou HFDM for the period commencing on 1 July 2025 and ending on 31 December 2025.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL CONTRACT MANAGEMENT AGREEMENT AND REVISION OF THE ANNUAL CAPS**

In line with the Company's development strategy of "asset-light and operation-heavy", the Company plans to enter into the Supplemental Contract Management Agreement with Shaanxi Hongrui. After arm's-length negotiations between the Company and Shaanxi Hongrui, the Company decided to set the annual management fees for the Shaanxi Hongrui at the prevailing market rate. The Company believes that the annual management fees for the Shaanxi Hongrui are no less favorable than those charged for similar shopping malls owned by Independent Third Parties.

The Directors (including independent non-executive Directors) consider that the Supplemental Contract Management Agreement with Shaanxi Hongrui, is entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the transactions contemplated thereunder are fair and reasonable and in the interests of the Group and Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

In order to ensure that the terms of the Contract Management Agreements are fair and reasonable and that the Company complies with the pricing terms of the relevant Contract Management Agreements, the Company has adopted the following internal control procedures:

- (i) the Company has arranged the finance department to monitor the transaction amounts of the Contract Management Transactions;
- (ii) relevant information and materials in relation to the Contract Management Transactions will be reviewed and considered by the Company's finance department and securities department to ensure compliance with the requirements of the Listing Rules;
- (iii) the independent non-executive Directors have reviewed and will continue to review the Contract Management Transactions, to ensure that the terms of such transactions are fair and reasonable, and such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interest of the Group and the Shareholders as a whole; and
- (iv) the auditors of the Company will conduct annual reviews on the pricing policy and annual caps for the Contract Management Transactions.

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Mr. Che and Mr. Xu have abstained from voting on the Board resolution approving the new annual caps for the Contract Management Agreements to be entered into with Shaanxi Hongrui, the Contract Management Transactions and the adjustments on the overall annual caps for the Contract Management Transactions, in view of their interests in the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interests in the Contract Management Agreements.

## INFORMATION ON SHAANXI HONGRUI

Shaanxi Hongrui is a company incorporated in the PRC. Shaanxi Hongrui mainly engages in the business of furniture sales, sales of construction and decoration materials, and property management. Shaanxi Hongrui is owned as to 86%, 10% and 4% equity interest by Xi'an Yichenxing Commercial Management Co., Ltd. (西安熠辰星商業管理有限公司) (“**Xi'an Yichenxing**”), Mr. Yan Xiaojing (顏曉境) (an Independent Third Party), and Ms. Zhang Jianfang (張建芳) (a relative of Mr. Che and Mr. Xu), respectively. Xi'an Yichenxing primarily engages in the business of corporate management, property management, and leasing services. The ultimate beneficial owners of Xi'an Yichenxing are Ms. Che Yumei (車玉梅) and Ms. Che Yuqin (車玉琴) (They are the relatives of Mr. Che and Mr. Xu), who directly hold 70% and 30% equity interests in Xi'an Yichenxing, respectively.

## INFORMATION ABOUT THE COMPANY

As a leading home improvement and furnishings shopping mall operator as well as a service provider for pan-home furnishing business platforms in the PRC, the Company mainly engages in the business of offering comprehensive services to the merchants, consumers and partners through the operation and management of portfolio shopping malls, managed shopping malls, franchised malls and strategic cooperation malls. Meanwhile, the Company is also involved in pan-home furnishings consumption, including internet retail, decoration and design.

## DEFINITIONS

“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Associated Business Partners”	Xuzhou RSHFC, Xuzhou RSHFP, Yangzhou RSHFP, Jining Hongrui, Shaanxi Hongrui and Changzhou HFDM
“Board”	the board of directors of the Company
“Changzhou HFDM”	Changzhou Hongxing Furniture Decoration Mall* (常州市紅星裝飾城), a company established in the PRC with limited liability

“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, the H Shares of which are listed on the Main Board of the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Contract Management Agreement(s)”	the contract management agreement(s) entered into between the Group and each of the Associated Business Partners and the supplemental agreements
“Contract Management Transactions”	the continuing connected transactions contemplated under the Contract Management Agreements
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	persons who, to be knowledge of the Directors after having made all reasonable enquiries, are not connected persons of the Company
“Jining Hongrui”	Jining Hongrui Market Operation and Management Co., Ltd.* (濟寧鴻瑞市場經營管理有限公司), a limited liability company established in the PRC, which is a connected person of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Mr. Che”	Mr. CHE Jianxing, an executive Director
“Mr. Xu”	Mr. XU Guofeng, a non-executive Director and a spouse of Mr. Che’s sister
“PRC”	the People’s Republic of China
“Prospectus”	prospectus of the Company dated 16 June 2015
“RMB”	Renminbi, the lawful currency of the PRC

“Shaanxi Hongrui”	Shaanxi Hongrui Home Furnishings Plaza Co., Ltd.* (陝西鴻瑞家居生活廣場有限公司), a limited liability company incorporated in the PRC, which is a connected person of the Company
“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 thereto under the Listing Rules
“Supplemental Contract Management Agreement”	a supplemental contract management agreement to be entered into between Shaanxi Hongrui and the Company
“Xuzhou RSHFC”	Xuzhou Red Star Macalline International Home Furnishings City Co., Ltd.* (徐州紅星美凱龍國際傢俱裝飾城有限公司), a limited liability company established in the PRC, which is a connected person of the Company
“Xuzhou RSHFP”	Xuzhou Red Star Macalline Global Home Furnishings Plaza Co., Ltd.* (徐州紅星美凱龍全球家居生活廣場有限公司), a limited liability company established in the PRC, which is a connected person of the Company
“Yangzhou RSHFP”	Yangzhou Red Star Macalline Global Home Furnishings Plaza Property Co., Ltd.* (揚州紅星美凱龍全球家居生活廣場置業有限公司), a limited liability company established in the PRC, which is a connected person of the Company
“%”	per cent

By Order of the Board  
**Red Star Macalline Group Corporation Ltd.**  
**LI Yupeng**  
*Chairman*

Shanghai, the PRC  
26 September 2025

*As at the date of this announcement, the executive Directors of the Company are LI Yupeng, CHE Jianxing, SHI Yaofeng and YANG Yingwu; the non-executive Directors are YE Yanliu, ZOU Shaorong and XU Guofeng; the independent non-executive Directors are XUE Wei, HUANG Jianzhong, CHEN Shanang, WONG Chi Wai and CAI Qinghui; and the employee Director is ZHENG Jianjie.*

\* for identification purposes only