
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)

**THE ESTIMATED PROVISIONS OF
FINANCIAL ASSISTANCE BY THE COMPANY,
CANCELLATION OF REPURCHASED A SHARES AND
REDUCTION OF REGISTERED CAPITAL,
PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION,
THE ESTIMATED AMOUNT OF
RELATED PARTY TRANSACTION WITH
FINANCIAL INSTITUTION IN THE YEAR OF 2026
AND
NOTICE OF THE 2026 FIRST 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, 16 January 2026 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 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 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.

24 December 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 Red Star Macalline Group Corporation Ltd. 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 Hong Kong Stock Exchange (stock code: 1528)
“Company Law”	the Company Law of the People’s Republic of China
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 2026 first extraordinary general meeting to be convened and held on Friday, 16 January 2026
“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 Hong Kong 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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	19 December 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
“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
“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
“treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“%”	percent



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. SHI Yaofeng
Mr. YANG Yingwu

Non-executive Directors:

Ms. YE Yanliu
Mr. ZOU Shaorong
Mr. CHE Jianxing
Mr. XU Guofeng

Independent non-executive Directors:

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

Employee Director

Mr. ZHENG Jianjie

Registered office in the PRC:

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

Principal place of business in Hong Kong:

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

24 December 2025

To the Shareholders

Dear Sir or Madam,

**THE ESTIMATED PROVISIONS OF
FINANCIAL ASSISTANCE BY THE COMPANY,
CANCELLATION OF REPURCHASED A SHARES AND
REDUCTION OF REGISTERED CAPITAL,
PROPOSED AMENDMENTS TO THE
ARTICLES OF ASSOCIATION,
THE ESTIMATED AMOUNT OF
RELATED PARTY TRANSACTION WITH
FINANCIAL INSTITUTION IN THE YEAR OF 2026
AND
NOTICE OF THE 2026 FIRST EXTRAORDINARY
GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

Reference is made to the announcement of the Company dated 19 December 2025 in relation to (1) the estimated provisions of financial assistance by the Company; (2) the cancellation of repurchased A Shares and reduction of registered capital; and (3) the proposed amendments to the Articles of Association; and the overseas regulatory announcement of the Company dated 19 December 2025 in relation to the estimated amount of related party transaction with financial institution in the year of 2026. The Board has approved the resolutions on, among other things, (1) the estimated provisions of financial assistance by the Company; (2) the cancellation of repurchased A Shares and reduction of registered capital; (3) the proposed amendments to the Articles of Association; and (4) the estimated amount of related party transaction with financial institution in the year of 2026.

Ordinary resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (1) the estimated provisions of financial assistance by the Company; and (2) the estimated amount of related party transaction with financial institution in the year of 2026. Special resolutions to be proposed at the EGM for the Shareholders to consider and approve include: (3) the cancellation of repurchased A Shares and reduction of registered capital; and (4) the proposed amendments to the Articles of Association. For details of such resolutions, please refer to Appendix I, Appendix II, Appendix III and Appendix IV.

The purpose of this circular is to provide you with, among other things, the notice of the EGM and the information of the above-mentioned 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 the resolutions at the EGM.

II. THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

The notice of the EGM to be held at 2:00 p.m. on Friday, 16 January 2026 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 21 to 22 of this circular.

The proxy form for the EGM is also enclosed herein and published on the websites of the Hong Kong 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.

LETTER FROM THE BOARD

Pursuant to the Articles of Association, for the purpose of holding the EGM, the register of members of H Shares will be closed from Tuesday, 13 January 2026 to Friday, 16 January 2026 (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 Tuesday, 13 January 2026 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 Monday, 12 January 2026.

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

In respect of the estimated amount of related party transaction with financial institution in the year of 2026, pursuant to the Rules Governing the Listing the Shares on 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 Inc. (廈門建發股份有限公司) (“**C&D Inc.**”), the controlling shareholder of the Company, and its subsidiaries were required to abstain from this resolution at the EGM. As at the Latest Practicable Date, C&D Inc. together with its subsidiaries directly or indirectly held 1,304,242,436 Shares in aggregate, representing approximately 29.95% of the issued share capital of the Company. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholders other than C&D Inc. and its subsidiaries were required to abstain from voting on the relevant resolution 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.

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.
LI Yupeng
Chairman

**APPENDIX I RESOLUTION ON THE ESTIMATED PROVISIONS OF
FINANCIAL ASSISTANCE BY THE COMPANY**

**RESOLUTION ON THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY
THE COMPANY**

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 cap of new financial assistance to be provided in the year of 2026 by the Company and its controlling subsidiaries (branches) will not exceed RMB10.00 million in total.

According to the Guidelines No. 1 for the Self-regulation of Companies Listed on the Shanghai Stock Exchange – Standardized Operation, and considering that the estimated targets of the financial assistance are the partners of Managed Shopping Malls whose specific identities cannot be determined at present, there may be cases where the gearing ratio in the latest financial statements exceeds 70%. Out of prudence, this matter 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 or its controlling subsidiaries (branches)	Partners of Managed Shopping Malls	Partners of Managed Shopping Malls	1,000.00	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		<u>1,000.00</u>		

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 rents/deposits of tenants due to their capital requirements.

APPENDIX I RESOLUTION ON THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY

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 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 shall be within the year 2026 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 further 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 that the cap of new financial assistance to be provided will not exceed RMB10.00 million in total. As of 30 November 2025, the balance of the financial assistance provided by the Company and its controlling subsidiaries (branches) to all partners of Managed Shopping Malls was RMB92.4394 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.

APPENDIX I RESOLUTION ON THE ESTIMATED PROVISIONS OF FINANCIAL ASSISTANCE BY THE COMPANY

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

For the overdue and unrecovered 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

This estimated provisions of new financial assistance are mainly targeted at partners of Managed Shopping Malls. Such assistance 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, support the business operation and expansion of the Company, and is in line with the Company's main business and strategic development direction. The relevant financial assistance will be implemented subject to the satisfaction of the Company's demand for daily floating capital. It will not affect the normal daily capital turnover of the Company or jeopardize the interests of the Company or its Shareholders, especially minority Shareholders.

Considering that the estimated targets of the financial assistance are the partners of Managed Shopping Malls whose specific identities cannot be determined at present, there may be cases where the gearing ratio in the latest financial statements exceeds 70%. Out of prudence, the matter shall be submitted to the EGM for consideration.

The transaction as disclosed in Appendix I is disclosed and submitted to the EGM for consideration solely in accordance with the relevant A share rules. It does not constitute a loan to an entity, a notifiable 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 transaction as disclosed in Appendix I are connected persons of the Company under the Listing Rules.

**APPENDIX II RESOLUTION ON THE ESTIMATED AMOUNT OF
RELATED PARTY TRANSACTION WITH
FINANCIAL INSTITUTION IN THE YEAR OF 2026**

**RESOLUTION ON THE ESTIMATED AMOUNT OF RELATED PARTY TRANSACTION
WITH FINANCIAL INSTITUTION IN THE YEAR OF 2026**

I. Overview of the Related Party Transaction

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 (廈門國際銀行股份有限公司) ("**Xiamen International Bank**"). The Company also intends to engage in businesses such as direct leasing and sale and leaseback with Xiamen C&D Finance Leasing Co., Ltd (廈門建發融資租賃有限公司) ("**C&D Leasing**") and its subsidiaries.

Xiamen International Bank is an enterprise in which a related natural person of the Company acts as director. 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, and the transaction contemplated by the Company and its subsidiaries with Xiamen International Bank constitutes a related party transaction. Such estimated related party transaction does not constitute a material asset reorganization as stipulated in the Measures for the Administration of Material Asset Restructuring of Listed Companies.

C&D Leasing is a wholly-owned subsidiary of C&D Inc.. Pursuant to the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, C&D Leasing is a related party of the Company, and the transaction contemplated by the Company and its subsidiaries with C&D Leasing constitutes a related party transaction. Such estimated related party transaction does not constitute a material asset reorganization as stipulated in the Measures for the Administration of Material Asset Restructuring of Listed Companies.

The resolution on Estimated Amount of Related Party Transaction with Financial Institution in the Year of 2026 has been considered and approved at the Independent Directors special meeting and the fiftieth extraordinary meeting of the fifth session of the Board of the Company. Pursuant to the relevant provisions of the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, Ms. YE Yanliu, Mr. ZOU Shaorong and Mr. LI Yupeng, being the related Directors, have abstained from voting as required during the voting on the related party transaction. The estimated related party transaction is still subject to consideration at the EGM, and the related Shareholders shall abstain from voting.

II. Details of Related Party Transaction and Estimated Amount**(I) Related Party Transaction with Xiamen International Bank**

The Company and its subsidiaries are expected to carry out deposit and loan business with Xiamen International Bank in the year of 2026, and the proposed authorization for the maximum balances at any point in time 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	RMB200 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.	RMB2,000 million

The service term of the above related party transaction is from 1 January 2026 to 31 December 2026. The general meeting 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.

(II) Related Party Transaction with C&D Leasing

The Company and its subsidiaries are expected to carry out direct leasing, sale and leaseback and other businesses with C&D Leasing in the year of 2026. The proposed authorization for the maximum balance at any point in time is as follows:

Type of Related Party Transaction	Details of Related Party Transaction	Maximum Balance
Financial leasing business	Direct leasing business and sale and leaseback business	RMB500 million

The service term of the above estimated related party transaction is from 1 January 2026 to 31 December 2026. The general meeting 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.

If the proposed related party transaction constitutes a “transaction” as defined under Chapter 14 and Chapter 14A of the Listing Rules, the Company shall comply with the relevant deliberation and disclosure requirements stipulated by the Listing Rules.

III. Introduction of Related Parties**(I) Xiamen International Bank****1. Basic information of related party**

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 Fei (王非)

Registered capital: RMB17,046.309526 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 Xiamen C&D Corporation Limited (廈門建發集團有限公司), and Xiamen C&D Corporation Limited holds 3.83% of its shares.

As of 31 December 2024, Xiamen International Bank's total assets were RMB1,141,073 million and the net assets were RMB87,336 million. In 2024, it recorded an operating income of RMB15,579 million and net profit of RMB1,504 million (the above data have been audited).

As of 30 September 2025, Xiamen International Bank's total assets were RMB1,186,928 million and the net assets were RMB87,744 million. From January to September 2025, it recorded an operating income of RMB9,688 million and net profit of RMB1,278 million (the above data have been unaudited).

2. Related Party Relationship with the Company

Xiamen International Bank is an enterprise of which Mr. ZOU Shaorong, a Director of the Company, serves as a director. In accordance with the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, Xiamen International Bank is a related party of the Company.

(II) C&D Leasing**1. Basic information of related party**

Company Name: Xiamen C&D Finance Leasing Co., Ltd

Registered address: Unit 03, 8/F, Building D, Xiamen International Shipping Center, No. 97 Xiangyu Road, Xiamen Area (Bonded Area) of China (Fujian) Pilot Free Trade Zone

Legal representative: Jiang Guizhi (江桂芝)

Registered capital: RMB1,300 million

Business scope: financial leasing business, leasing business, purchasing leased property from domestic and foreign sources, residual value disposal and maintenance of leased property, leasing transaction consultancy and guarantee, other financial leasing business approved by the relevant authority; concurrent engagement in commercial factoring business related to the main business; wholesale of Class III medical devices; retail of Class III medical devices; engaging in insurance part-time agency business (property insurance); wholesale of other machinery, equipment and electronic products; wholesale of Class II medical devices; retail of Class II medical devices; engaging in the import and export of various commodities and technologies (without attaching a separate catalogue of import and export commodities), except for commodities and technologies that are restricted by the State for company operation or prohibited from import and export. (The above business items do not include items within the scope of Special Administrative Measures for Access of Foreign Investment)

C&D Leasing is a wholly-owned subsidiary of C&D Inc., and C&D Inc. directly holds 98.5051% of its shares.

As of 31 December 2024, C&D Leasing's total assets were RMB2,634 million and the net assets were RMB1,598 million. In 2024, it recorded an operating income of RMB908 million and net profit of RMB76 million (the above data have been audited).

As of 30 September 2025, C&D Leasing's total assets were RMB3,037 million and the net assets were RMB1,677 million. From January to September 2025, it recorded an operating income of RMB594 million and net profit of RMB78 million (the above data have been unaudited).

2. Related Party Relationship with the Company

C&D Leasing is a wholly-owned subsidiary of C&D Inc., the controlling shareholder of the Company. Pursuant to the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, C&D Leasing is a related party of the Company.

IV. 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. The related party transaction intended to be entered into with C&D Leasing will be based on the principle of market-based pricing, and the relevant direct leasing and sale and leaseback financing interest rates shall not be higher than the market-based interest rate level under the same conditions.

V. 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 subsidiaries and the 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 to the transactions and will not jeopardize the interests of the Company, and does not jeopardize the interests of the Shareholders, especially the minority Shareholders. They will not affect the independence of the Company, nor will they lead to significant reliance on the related parties. These transactions are conducive to improving the Company's efficiency of capital use, supplementing its working capital, and expanding its financing channels.

VI. Consideration Procedure for the Related Party Transaction**(I) Consideration of the Independent Directors special meeting**

The Company convened the Independent Directors special meeting of the fifth session of the Board on 19 December 2025, at which all Independent Directors unanimously considered and approved the resolution on Estimated Amount of Related Party Transaction with Financial Institution in the Year of 2026 and agreed to submit the resolution to the Board for consideration.

(II) Consideration of the Board

The Company convened the fiftieth extraordinary meeting of the fifth session of the Board on 19 December 2025, at which the resolution on Estimated Amount of Related Party Transaction with Financial Institution in the Year of 2026 has been considered and approved, and Ms. YE Yanliu, Mr. ZOU Shaorong and Mr. LI Yupeng, being the related Directors, have abstained from voting as required. Pursuant to the relevant provisions of the Rules Governing the Listing of the Shares on the Shanghai Stock Exchange, Guidelines No. 1 for the Self-regulation of Companies Listed on the Shanghai Stock Exchange – Standardized Operation and the Articles of Association, the estimated related party transaction is still subject to consideration at the EGM, and the related Shareholders shall abstain from voting.

The transaction as disclosed in Appendix II is disclosed and submitted to the EGM for consideration solely in accordance with the relevant A share rules. It does not constitute a loan to an entity, a notifiable 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 transaction as disclosed in Appendix II are connected persons of the Company under the Listing Rules.

**RESOLUTION ON THE CANCELLATION OF REPURCHASED A SHARES AND
REDUCTION OF REGISTERED CAPITAL**

The Company held the fiftieth extraordinary meeting of the fifth session of the Board on 19 December 2025, at which the Proposal on Cancellation of Repurchased A Shares and Reduction of Registered Capital was considered and approved. The Company plans to cancel 1,044,800 A Shares held in the special securities account for repurchasing shares and accordingly reduces the registered capital of the Company.

I. Overview of the A Shares Repurchase

On 24 April 2022, the forty-third extraordinary meeting of the fourth session of the Board considered and approved the Proposal on Review of Repurchase of the Company's Shares, agreeing that the Company should use self-owned or self-raised funds of not less than RMB150 million and not more than RMB300 million (both inclusive) to repurchase A Shares at a repurchase price of not more than RMB11.04 per share (the "**Repurchase**"). According to the repurchase plan, the repurchased A Shares were intended to be fully used for the employee stock ownership plan or share incentive plan of the Company. The repurchase period was not more than 12 months from the date on which the repurchase plan was considered and approved by the Board. For details, please refer to the A Share Repurchase Plan and the Repurchase Report of Red Star Macalline Group Corporation Ltd. on Repurchase of A Shares of the Company by Means of Centralized Bidding disclosed by the Company on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 24 April 2022 and 20 May 2022, respectively.

As of 22 April 2023, by means of centralized bidding, the Company repurchased a total of 1,044,800 A Shares, and the repurchased A Shares account for 0.0240% of the Company's total share capital, and the total amount paid is RMB5,003,480.17 (excluding transaction costs). For details, please refer to the Announcement on Initial Repurchase of the Company's Shares by Means of Centralized Bidding and Progress in Share Repurchase disclosed by the Company on 31 July 2022, the Announcements on Progress in Share Repurchase by Means of Centralized Bidding disclosed by the Company on 1 September 2022, 10 October 2022, 1 November 2022, 2 December 2022, 4 January 2023, 1 February 2023, 3 March 2023 and 4 April 2023, respectively, the Indicative Announcement on Imminent Expiry of the A Share Repurchase Plan and Proposed Special Dividends to All Shareholders disclosed by the Company on 18 April 2023, and the Indicative Announcement on the A Share Repurchase Results and Proposed Special Dividends to All Shareholders disclosed by the Company on 21 April 2023.

II. Reasons for the Cancellation of Repurchased A Shares

In accordance with relevant laws and regulations, including the Company Law, the Rules on Share Repurchases by Listed Companies, and the Self-Regulatory Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases, the treasury Shares held in a special securities account for repurchased shares shall be transferred for purposes as disclosed in accordance with the law within three years. If the treasury Shares are not transferred for the disclosed purposes, they shall be cancelled before the expiry of such period.

**APPENDIX III RESOLUTION ON THE CANCELLATION OF REPURCHASED
A SHARES AND REDUCTION OF REGISTERED CAPITAL**

The aforementioned repurchased A Shares have not been utilised for any employee stock ownership plan or share incentive plan during their validity period and the three-year period is approaching expiry. In order to actively reward investors and enhance investor confidence, the Company intends to cancel the 1,044,800 A Shares held in the special securities account for repurchased shares (the “**Cancellation**”) and accordingly reduces the registered capital of the Company.

III. Change in the Share Capital of the Company after the Cancellation of Repurchased A Shares

After completion of the Cancellation, the total share capital of the Company will be reduced from 4,354,732,673 Shares to 4,353,687,873 Shares, and the registered capital of the Company will be reduced from RMB4,354,732,673 to RMB4,353,687,873. The expected changes of the share capital structure of the Company are as follows:

Type of Shares	Before Cancellation of Repurchased Shares		Number of Shares Proposed to be Cancelled (Shares)	After Cancellation of Repurchased Shares	
	Number of Shares (Shares)	Percentage		Number of Shares (Shares)	Percentage
Shares subject to selling restrictions	0	0%	0	0	0%
Shares not subject to selling restrictions	4,354,732,673	100%	1,044,800	4,353,687,873	100%
of which: A Shares	3,613,447,039	82.98%	1,044,800	3,612,402,239	82.97%
H Shares	741,285,634	17.02%	0	741,285,634	17.03%
Total number of shares	4,354,732,673	100%	1,044,800	4,353,687,873	100%

Note: The above share capital structure reflects the share capital of the Company as of the Latest Practicable Date. The actual change in the share capital structure shall be subject to the share capital structure statement issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited after completion of the Cancellation.

IV. Impact of the Cancellation of Repurchased A Shares on the Company

The cancellation of repurchased A Shares and reduction of registered capital is a decision made in consideration of the actual circumstances of the Company. It will not lead to any change in the controlling shareholder or de facto controller of the Company or affect the Company’s going concern capability. The equity distribution of the Company will remain eligible for listing requirements, and will not affect the listing status of the Company.

V. Procedures for the Implementation of the Matter

The Company convened the fiftieth extraordinary meeting of the fifth session of the Board on 19 December 2025, at which the Proposal on Cancellation of Repurchased A Shares and Reduction of Registered Capital was considered and approved. This matter is still subject to approval at the EGM. Furthermore, the Board will seek authorization from the general meeting for the Company's management to apply to the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the cancellation of the repurchased A Shares, and to handle subsequent matters such as industrial and commercial registration changes/filing.

RESOLUTION ON PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company held the fiftieth extraordinary meeting of the fifth session of the Board on 19 December 2025, at which the Proposal on the Amendments to the Articles of Association of Red Star Macalline Group Corporation Ltd. was considered and approved. It was agreed to amend the relevant provisions in the Articles of Association. The details are as follows:

In view of the Company's proposed cancellation of repurchased A Shares, which will result in a reduction of the Company's registered capital, the Company proposes to amend certain provisions of the Articles of Association in accordance with the requirements of relevant laws, regulations, and normative documents, including the Company Law and the Guidelines for the Articles of Association of Listed Companies. The amendment details are as follows:

Articles of Association of Red Star Macalline Group Corporation Ltd.

List of Amendments

Original articles				Amended articles			
Article 21 Before the initial public offering of overseas listed foreign shares of the Company, the Company's share capital is RMB3,080,329,038, the total number of shares is 3,080,329,038, which are all ordinary shares, and the equity structure is:				Article 21 Before the initial public offering of overseas listed foreign shares of the Company, the Company's share capital is RMB3,080,329,038, the total number of shares is 3,080,329,038, which are all ordinary shares, and the equity structure is:			
SN	Promoter	Amount of shares held (share)	Shareholding percentage (%)	SN	Promoter	Amount of shares held (share)	Shareholding percentage (%)
1.	Shanghai Red Star Macalline Investment Company Limited	2,480,315,772	80.52	1.	Shanghai Red Star Macalline Investment Company Limited	2,480,315,772	80.52
2.	Candlewood Investment SRL	338,054,924	10.97	2.	Candlewood Investment SRL	338,054,924	10.97
3.	Springwood Investment SRL	181,170,145	5.88	3.	Springwood Investment SRL	181,170,145	5.88
4.	Shanghai Ping'an Pharmacy Company Limited	3,688,206	0.12	4.	Shanghai Ping'an Pharmacy Company Limited	3,688,206	0.12
5.	Shanghai Jinghai Assets Management Center (Limited Partnership)	56,849,998	1.85	5.	Shanghai Jinghai Assets Management Center (Limited Partnership)	56,849,998	1.85
6.	Shanghai Kaixing Business Administration Center (Limited Partnership)	7,589,999	0.25	6.	Shanghai Kaixing Business Administration Center (Limited Partnership)	7,589,999	0.25
7.	Shanghai Hongmei Investment Management Center (Limited Partnership)	12,659,994	0.41	7.	Shanghai Hongmei Investment Management Center (Limited Partnership)	12,659,994	0.41
Total		3,080,329,038	100	Total		3,080,329,038	100

Original articles	Amended articles
<p>As approved by relevant regulatory authorities which are authorised by the State Council, the Company can issue 315,000,000 ordinary shares in total. The equity structure of the Company is as follows: 3,938,917,038 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 73.02% of the Company's total shares; 1,062,813,069 overseas listed foreign shares (H shares), representing 26.98% of the Company's total shares.</p> <p>Upon approval at the 2017 AGM, the A Share Class Meeting and the H Share Class Meeting convened on 8 June 2018 by the Company, the Company bought back 388,917,038 overseas listed foreign shares (H shares). Upon completion of the aforementioned buy-back and share cancellation, the equity structure of the Company is as follows: 3,550,000,000 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 81.02% of the Company's total shares; 673,896,031 overseas listed foreign shares (H shares), representing 18.98% of the Company's total shares.</p> <p>Upon approval at the 2019 annual general meeting, A shareholders' class meeting and H shareholders' class meeting convened on 18 June 2020, the Company implemented the profit distribution and capitalization plan which was based on the Company's total share capital of 3,550,000,000 shares before the implementation and issued 0.1 bonus share per share to all shareholders by way of conversion of capital reserve, which resulted in an increase of 355,000,000 shares in total. After the distribution, the total share capital became 3,905,000,000 shares, including 3,163,714,366 A shares, representing 81.02% of the Company's total shares, and 741,285,634 H shares, representing 18.98% of the Company's total shares.</p>	<p>As approved by relevant regulatory authorities which are authorised by the State Council, the Company can issue 315,000,000 ordinary shares in total. The equity structure of the Company is as follows: 3,938,917,038 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 73.02% of the Company's total shares; 1,062,813,069 overseas listed foreign shares (H shares), representing 26.98% of the Company's total shares.</p> <p>Upon approval at the 2017 AGM, the A Share Class Meeting and the H Share Class Meeting convened on 8 June 2018 by the Company, the Company bought back 388,917,038 overseas listed foreign shares (H shares). Upon completion of the aforementioned buy-back and share cancellation, the equity structure of the Company is as follows: 3,550,000,000 ordinary shares, including 2,876,103,969 onshore-listed domestic shares (A shares), representing 81.02% of the Company's total shares; 673,896,031 overseas listed foreign shares (H shares), representing 18.98% of the Company's total shares.</p> <p>Upon approval at the 2019 annual general meeting, A shareholders' class meeting and H shareholders' class meeting convened on 18 June 2020, the Company implemented the profit distribution and capitalization plan which was based on the Company's total share capital of 3,550,000,000 shares before the implementation and issued 0.1 bonus share per share to all shareholders by way of conversion of capital reserve, which resulted in an increase of 355,000,000 shares in total. After the distribution, the total share capital became 3,905,000,000 shares, including 3,163,714,366 A shares, representing 81.02% of the Company's total shares, and 741,285,634 H shares, representing 18.98% of the Company's total shares.</p>

Original articles	Amended articles
<p>Upon approval by the Reply of the China Securities Regulatory Commission on Approval of Non-public Offering of Shares by Red Star Macalline Home Furnishing Group Co., Ltd. (China Securities Regulatory Commission [2021] No. 1361), the company has issued 449,732,673 A shares in total. After the offering, the total share capital of became 4,354,732,673 shares, including 3,613,447,039 A Shares, representing 82.98% of the Company's total shares, and 741,285,634 H Shares, representing 17.02% of the Company's total shares.</p>	<p>Upon approval by the Reply of the China Securities Regulatory Commission on Approval of Non-public Offering of Shares by Red Star Macalline Home Furnishing Group Co., Ltd. (China Securities Regulatory Commission [2021] No. 1361), the company has issued 449,732,673 A shares in total. After the offering, the total share capital of the Company became 4,354,732,673 shares, including 3,613,447,039 A Shares, representing 82.98% of the Company's total shares, and 741,285,634 H Shares, representing 17.02% of the Company's total shares.</p> <p><u>Upon cancellation of the 1,044,800 repurchased A Shares, the Company's total share capital will be 4,353,687,873 shares, comprising 3,612,402,239 A Shares, representing 82.97% of the Company's total shares, and 741,285,634 H Shares, representing 17.03% of the Company's total shares.</u></p>
<p>Article 24 The registered capital of the Company is RMB4,354,732,673.</p>	<p>Article 24 The registered capital of the Company is RMB4,354,732,673<u>4,353,687,873</u>.</p>

In addition to the amendments detailed in the list of amendments above, the Company has made optimizations, adjustments, and modifications to the wording and punctuation of the Articles of Association, which do not constitute substantive amendments and are therefore not listed individually. The specific amendments to the corresponding content of the Articles of Association shall be subject to the approval result of the market supervision and administration authority. The amendments to the corresponding provisions of the Articles of Association are still subject to approval at the EGM. Furthermore, authorization is sought from the general meeting for the Board, which may further authorize the Company's management, to handle relevant matters such as change registration/filing with the competent authorities in relation to the amendments to the Articles of Association.

The above resolution on the Proposed Amendments to the Articles of Association has been considered and approved by the Board, and is hereby submitted to the EGM for Shareholders' consideration and approval. The Proposed Amendments to the Articles of Association is subject to the consideration and shall take effect upon approval by the Shareholders at the EGM.

NOTICE OF THE 2026 FIRST 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 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 first extraordinary general meeting (the “EGM”) of Red Star Macalline Group Corporation Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, 16 January 2026 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 estimated provisions of financial assistance by the Company
2. To consider and approve the resolution on estimated amount of related party transaction with financial institution in the year of 2026

SPECIAL RESOLUTIONS

3. To consider and approve the resolution on the cancellation of repurchased A Shares and reduction of registered capital
4. To consider and approve the resolution on the amendments to the Articles of Association of Red Star Macalline Group Corporation Ltd.

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

Shanghai, the PRC
24 December 2025

NOTICE OF THE 2026 FIRST 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 24 December 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 Tuesday, 13 January 2026 to Friday, 16 January 2026 (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 Monday, 12 January 2026 for registration.

The shareholders whose names appear on the register of members of the Company on Tuesday, 13 January 2026 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 and 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.