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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)

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

Reference is made to the announcement of the Company dated 16 April 2026 regarding, among other things, the Board's approval for the Group to enter into a Supplemental Contract Management Agreement with Xuzhou RSHFP, pursuant to which, the Group will provide contract management service for Xuzhou RSHFP for a period commencing from 1 January 2026 to 31 August 2027 (the "**Announcement**").

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

In addition to the information contained in the Announcement, the Board hereby provides further information on the transactions contemplated under the Supplemental Contract Management Agreement.

The Supplemental Contract Management Agreement

The Board is pleased to announce that Xuzhou RSHFP, the Company, and Shanghai RS Macalline Brand Management entered into the Supplemental Contract Management Agreement on 15 May 2026.

Save as disclosed above, all terms of the Supplemental Contract Management Agreement and information set out in the Announcement remain unchanged.

For the avoidance of doubt, the management fee for the period from 1 January 2026 till 15 May 2026 (the "**Interim Period**") shall be calculated based on 5% of the actual total income received under lease contracts during such period, being the pricing basis set out in the Supplemental Contract Management Agreement.

Reasons for the delay in entering into the Supplemental Contract Management Agreement and remedial measures

The Supplemental Contract Management Agreement was not entered into before the expiry of the previous agreement, which expired on 31 December 2025, due to ongoing commercial negotiations, particularly in relation to pricing terms, which remained unresolved despite multiple rounds of discussions since November 2025. Coupled with internal approval processes, this resulted in a delay in formalising a written agreement, and the Board only approved the Group to enter into the Supplemental Contract Management Agreement on 16 April 2026.

During the Interim Period, the Group continued to provide management services to ensure operational continuity. However, as no written agreement specifying the fee calculation basis was in place during this period, the relevant transactions did not fully comply with Rule 14A.34 of the Listing Rules. Notwithstanding this, the Group closely monitored transaction amounts with reference to prevailing market rates and ensured that all applicable percentage ratios during the Interim Period remained below the de minimis thresholds under Chapter 14A of the Listing Rules.

To prevent recurrence of delays in entering into written agreements for connected transactions, the Company has enhanced its internal control measures. These include establishing a centralised register of connected transactions and related agreements with clear tracking of expiry dates, implementing an advance reminder system (at least three to six months prior to expiry, which shall be adjusted based on the complexity of the negotiations with the counterparty), and strengthening coordination among the Board secretary's office, business units, and legal and compliance department to ensure timely renewal and proper documentation of agreements. In particular, the Company's joint company secretary shall serve as the overall coordinator and ensure compliance with the Listing Rules and all applicable regulatory requirements, and the head of each relevant business unit shall be responsible for initiating renewal discussions and escalating any anticipated delays to the Board secretary's office, whilst the Group's general counsel shall oversee the negotiation process and confirm that written agreement has been duly executed. Depending on the status of ongoing discussions with the counterparty, the Group should also ensure that necessary written agreements in relation to continuing connected transactions be executed in a timely manner to reflect the status of consensus reached among parties, no connected transaction will be performed if it is not governed by a written agreement.

The abovementioned measures will be fully implemented by 30 June 2026. Further, the Board confirms that the non-compliance was an isolated event, and the provision of management services during the interim period did not result in any material adverse impact on the Group.

By order of the Board
Red Star Macalline Group Corporation Ltd.
CAO Shu
Secretary of the Board and Joint Company Secretary

Shanghai, the PRC, 15 May 2026

As at the date of this announcement, the executive Directors of the Company are LI Yupeng, SHI Yaofeng and YANG Yingwu; the non-executive Directors are YE Yanliu, ZOU Shaorong, CHE Jianxing 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.